

# Grow Your Own

How local authorities  
can support social  
enterprise

**Sophie Hostick-Boakye and Mandeep Hothi**

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## About the Young Foundation

The Young Foundation brings together insight, innovation and entrepreneurship to meet social needs. We have a 55-year track record of success with ventures such as the Open University, Which?, the School for Social Entrepreneurs and Healthline (the precursor of NHS Direct).

We work across the UK and internationally – carrying out research, influencing policy, creating new organisations and supporting others to do the same, often with imaginative uses of new technology. We now have over 60 staff, working on over 40 ventures at any one time, with staff in New York and Paris as well as London and Birmingham in the UK.

[www.youngfoundation.org](http://www.youngfoundation.org)

## Acknowledgements

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## Foreword

Social enterprises have a particularly important role to play in helping to build the Big Society, through the development of innovative and locally focused public services that meet the needs of the community and, in partnership with their local authority, help to grow a sustainable and dynamic economy.

This research demonstrates a growing recognition by local authorities of the value of their local social enterprises. It shows that there is already a significant amount of good practice across the country and also that there is a strong desire on behalf of many local authorities to improve their understanding of, and relationship with, the sector.

This is a particularly timely report. Through the Government's Open Services White Paper, we intend to create an environment that provides significant new opportunities for alternative models of service delivery. I expect social enterprises to be at the forefront of demonstrating new community-led ideas, innovations and solutions, and it will be important for local authorities to be sufficiently nimble to work with their local entrepreneurs to deliver the services that local communities want and need.

I hope this research will act as a catalyst for further discussions and information sharing between Government, local authorities and the sector on how we can work collaboratively.



**Andrew Stunell MP, Department for  
Communities and Local Government**

Ealing Council is delighted to form part of this research project. Ealing is proud to be home to a number of established and newly-formed social enterprises, and the Council is keen to work with the sector to deliver much needed local services.

With the support of the European Social Fund and in partnership with organisations across West London, a network of social enterprises has been established which provides training, volunteering and employment opportunities for more than 200 of our most economically marginalised adults. Accession, our new business, has benefited from the expertise and experience that has been developed across the country by pioneering local authorities in partnership with the Young Foundation.

The Grow Your Own report includes examples, experiences and actions that we are using to drive the growth of our business and of the social enterprise sector as a whole. We are confident that this will be of use to any authority looking to support the social enterprise sector. Ealing Council looks forward to the social enterprise sector in West London going from strength to strength.



**Martin Smith, Chief Executive,**



**Cllr. Julian Bell, Leader, Ealing Council**

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## Executive summary

Social enterprises have long been established in Britain, providing a range of products and services whilst also delivering social value. The sector is now attracting more attention – largely driven by public spending constraints and the desire to find alternative ways to deliver local services.

Our work with 10 local authorities over the course of one year has demonstrated a real transformation in councils' expectations of the social enterprise sector. If these expectations are to be met, local authorities recognise that they need a broader approach to supporting and nurturing social enterprises.

This broad approach encompasses seven themes. In isolation, actions under each of these themes are valuable, but when combined they signal the intent of local authorities to support the growth and significance of social enterprises in their localities.

- 1 Leadership** of the social enterprise agenda within local authorities often rests with a handful of individuals whose input is rarely underpinned by corporate strategy or policy. Leadership, understanding and policy are needed to support the social enterprise agenda's movement to the mainstream. Some of the actions developed include: activities to celebrate and promote social enterprise, training in social enterprise for senior managers and elected members, and a joint vision propagated by public service leaders and elected members.
- 2 Commissioning and procurement** procedures can be simplified to allow social enterprises greater chance at successfully contracting with local authorities. But this requires strong leadership and the acceptance of higher levels of risk. All local authorities envisaged changes to the way they procure services and created actions including: develop service standards to change attitudes towards risk, maintain a procurement calendar showing when contracting opportunities will arise, issue guidance for commissioners to aid understanding of legislation on using social clauses, and broker relationships between the private and social enterprise sectors to increase social enterprise as sub-contractors.
- 3 Innovative finance models** Interest in Payment by Results and Social Impact Bonds is growing in sectors ranging from health and social care and criminal justice to worklessness. Most of the local authorities involved with this project were interested in exploring different financial models and how they can be applied.
- 4 Delivering public services** is a vital new step for social enterprises. All phase II local authorities envisage a vibrant social enterprise sector seeking out opportunities and gaps in service provision and embraced by public services. All authorities are exploring options to support existing public sector staff in spinning out services as social enterprises. Other actions include: migrate services to existing social enterprises and develop a protocol for the Right to Challenge.

- 5 Collaboration** between the public, private and social enterprise sectors can provide greater opportunities for social enterprises to grow. It can also increase understanding and share knowledge. However, consortia vehicles are uncharted territory for most commissioners and social enterprises. Actions developed include: creation of an independent conduit to assist consortium development, encourage private companies to provide business support services to social enterprises, and arrange for organisations that progress through PQQ stage of the commissioning process to meet with each other and scope out collaboration.
- 6 Business support** for social enterprises is the bedrock of growth in the sector. Local authorities need to ensure a range of development support is provided by a variety of organisations. All local authorities involved settled on a variety of actions, including: set up a local social enterprise directory, promote self-assessment tools for social enterprises, and analyse gaps and growth areas in the public sector market to provide intelligence to social enterprises.
- 7 Local Innovation.** Successful social enterprises are built upon a deep understanding of local need and strong local networks. They are therefore well placed to deliver services efficiently and innovatively. It is important that local authorities help communities to identify needs, opportunities and entrepreneurs and ensure assets are available for new social enterprises. Actions developed include: develop a list of assets that could be transferred to local communities, develop a local ideas and innovation scheme, and clearly promote ways that local people can support local social enterprises.

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# 1

# Introduction

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From April 2010 to March 2011 the Young Foundation led the Supporting Local Social Enterprise action research project, commissioned by the Department for Communities and Local Government and the Office for Civil Society. The aim was to support local authorities to better understand and develop their local social enterprise sector by working in 10 areas.

Social enterprises have long been established in Britain, providing a range of products and services whilst also delivering social value. The sector is now attracting more attention – largely driven by public spending constraints and the desire to find alternative ways to deliver local services.

As a sector, social enterprise is still emerging. It requires support and nurturing, particularly if social enterprises are to be equipped to take on new public sector contracts at significant scale.

The Supporting Local Social Enterprise action research project helped five local authorities to develop action plans to support their local social enterprise sector. The local authorities focused on seven key areas of development: leadership, commissioning and procurement, innovative finance, delivering public services, collaboration, business support and local innovation. A further five authorities were involved in the earlier stages of the work.

This report brings together information on the Supporting Local Social Enterprises action research project, case studies from the project, inspiration from other sources, key findings and information on the actions that were developed.

# About the project

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# 2

In 2010 the Young Foundation was commissioned by the Department for Communities and Local Government and the Office for Civil Society to demonstrate how local authorities can support local social enterprises to thrive. The project included three phases:

- 1 Working with five local authorities with a good track record of supporting local social enterprise to collate learning and good practice;
- 2 Building upon this good practice with five different local authorities interested in developing their approach to supporting social enterprise; and
- 3 Consolidating and disseminating learning.

## Phase I

In phase I we worked with five local authorities that have a good track record of providing support to their local social enterprise sector. From this we have developed case studies and key tools, which have been included in this report, to demonstrate good practice and examples to others looking to support social enterprises. We worked with Brighton and Hove City Council, Gateshead Council, London Borough of Havering, Leeds City Council and Suffolk County Council.

## Phase II

In Phase II we worked with five different local authorities (referred to throughout this report as 'the phase II local authorities') to help develop strategies and action plans to support and grow their local social enterprise sector. These local authorities were:

- **Cheshire West and Chester Council**, specifically looked at how they can support and develop opportunities for social enterprise in relation to regeneration and localism;
- **Devon County Council** wanted to consolidate existing activity and build momentum to drive the social enterprise agenda forward;
- **Ealing Council** was interested in furthering the development of social enterprises currently taking place with the support of a separate Innovation, Transnational and Mainstreaming European Social Fund programme;
- **Northumberland County Council** was motivated by a desire to identify, engage and empower local communities and social enterprises to deliver local services;
- **Wigan Council** hoped that the project would help them grow the local social enterprise sector through various business support mechanisms.

In each area, the local authority and its partners went through a process of action learning that included:



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- 1 Visioning:** Representatives from the local authority, public and social enterprise sectors came together to outline their vision for social enterprises in their area. This vision established the themes that became the priorities for action;
  - 2 Ideation:** Developing ideas to help deliver the vision;
  - 3 Planning:** Agreeing an action plan.

The Young Foundation also supported each of the local authorities to gather further knowledge on areas of relevance including: innovative finance tools, social clauses, consortia, stakeholder mapping and measuring social value.

# An introduction to social enterprise

# 3

## What are social enterprises?

Social enterprises are an important part of the United Kingdom's economy. In 2010 there were approximately 62,000 social enterprises employing around 800,000 people,<sup>1</sup> collectively turning over close to £27 billion and contributing £8.4 billion to Gross Domestic Product (GDP).<sup>2</sup> The scale of social enterprises varies widely, ranging from a handful that turn over more than £100 million, to a majority that turn over an average of £2.1 million.<sup>3</sup>

The most widely accepted definition of social enterprise is that produced by the Office of the Third Sector in 2006 (now the Office for Civil Society). Social enterprises are businesses:

*with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.<sup>4</sup>*

(Office for Third Sector, 2006, p 10)

A wide range of business models that potentially fit this definition includes:

- co-operatives
- mutuals
- development trusts
- credit unions
- trading arms of charities
- community enterprises
- housing associations
- leisure trusts
- football supporters' trusts
- social firms

In practice, the term social enterprise is used to encapsulate any trading business that has some social or charitable benefit. They differ from private businesses as they reinvest the majority of their profits back into the social aims of their business. They thrive in various sectors, including leisure, transport, catering and care services.

Social enterprises can take a number of legal forms, including:

- **Company Limited by Guarantee** – normally incorporated for non-profit making functions, a limited company has no share capital and has members, as opposed to shareholders, who guarantee to contribute liability of the company. Profits are not distributed to the company's members, but retained to be used for the purposes of the guarantee company.<sup>5</sup>
- **Community Interest Company (CIC)** – created in 2004, CIC status ensures the profits of the enterprise are retained for community benefit and cannot be used solely for the personal gain of one person or group. There are now more than 4,500 registered CICs in the UK.<sup>6</sup>

- **Industrial and Provident Society** – organisations functioning as a co-operative or for the benefit of the community can register under the Industrial and Provident Societies Act 1965. An Industrial and Provident Society organisation can raise equity by issuing shares to members. Co-operative principles are enshrined in the rules, and administration is less onerous than that for a Limited Company.<sup>7</sup>

## CASE STUDY

### Nourish CIC, Brighton

Nourish developed out of Care Co-ops Trading, the social enterprise part of Care Co-ops Community Services in Brighton. It works with disadvantaged adults facing exclusion or barriers to employment or independent living, addressing their needs by providing real life activities, vocational training and support.

Nourish offers a wide range of catering courses (as well as horticulture courses) including NVQ level 2 Catering, level 2 and 3 Food Safety and level 2 Nutritional Awareness. It also offers a specially tailored 12-week course designed to give people a taste of hospitality. Through its partnership with Care Co-ops, Nourish actively seeks to support trainees in finding a work placement and preparing them for the move into employment.

Nourish runs the 20/20 Café based in the East Brighton Community Mental Health Centre and provides outside catering. It sources as many of the ingredients as possible from within Sussex, including from its community farm.

For more information visit [www.nourishcic.co.uk](http://www.nourishcic.co.uk)

## The benefits of social enterprises and the barriers they face

Since the mid-1980s, social enterprises have emerged as innovative, efficient deliverers of public services, sometimes in response to market failure.<sup>8</sup> Successful social enterprises are able to deliver services that balance social values and business values, and can avoid some of the bureaucracy of the public sector. The State of Social Enterprise Survey 2009 found that social enterprises were twice as optimistic about maintaining their success as small and medium enterprises (48 per cent versus 24 per cent).

However, social enterprise has its limits. Just as social enterprises are often characterised as flexible and innovative they can – like all businesses – be rigid, inefficient and operate unstable business models.

A 2002 study which looked at social enterprise in the 1970s and 1980s found that most failed social enterprises were found to be too small and unsustainable. Many

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social enterprises were set up without the requisite resource capital or expansion capital. In addition, a reliance on grant funding was seen as problematic.<sup>9</sup>

Social enterprises are businesses, and like their private sector counterparts they need to be profitable, while still maintaining their social aims. Sometimes, the forces of profit and social aims will pull in opposite directions, causing tension and – in the worst cases – failure.

### Accessibility

Good social enterprises can combine the best of both worlds – the efficiency and profitability of the private sector with the social ethos of the public and voluntary sectors. This means they can operate where the private sector does not see profit, or in areas traditionally managed by the public sector. As befits their social aims, social enterprises regularly employ individuals or volunteers that have difficulty finding employment, and are often active in disadvantaged communities.

Social enterprises can be good at developing relationships with communities and service users, which helps them to be very responsive to local need. On the other hand, social enterprises can find it difficult to gain support, win contracts and work in partnership with the public sector. Sometimes social enterprises lack public sector knowledge, and poor coordination within public agencies can make it difficult for social enterprises to build up networks, awareness and recognition.

Research for the Economic and Social Research Council (ESRC) found that within local authorities, social enterprise development is usually driven by one or two people. These officers – who tend to have private or voluntary sector backgrounds – undertook activities like providing professional expertise and access to information on public funding opportunities; over half of these officers spent 15 per cent or less of their time on social enterprise development.<sup>10</sup> This informal approach leaves social enterprises in a fragile position; if these officers change jobs, vital networks and flows of information are lost.

In addition, the 2006 ESRC study found that funding for social enterprises is inconsistent and local government officers were concerned about a lack of seed funding for pilot development.<sup>11</sup> Just six of the 33 London local authorities involved in the study had money available for social enterprise development, with five of those having less than £200,000 allocated.

### Trusted

Social enterprises are often credited with building confidence and trust within communities, though such outcomes are hard to quantify.<sup>12</sup> They are often thought to be more flexible, less profiteering and less bureaucratic than the private or public sectors.

Many social enterprises are founded or set up by individuals with specialist knowledge of the area they are operating in. They can be adept at understanding the needs of their customers or service users, often delivering services that users help to design and deliver, helping to create approaches that meet the needs and expectations of clients and users. They may employ local people or volunteers, which helps embed local relationships into their practices.

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However, their investment in social issues can lead some to assume their social contributions will give them an automatic advantage over commercial competitors.<sup>13</sup> In contrast, while the public sector is generally supportive of the aims and motivations of social enterprise, they can often have doubts about social enterprises' capacity, sustainability or professionalism.<sup>14</sup>

### Diversity, flexibility and innovation

The Social Enterprise Coalition believes that the manner in which public services currently commission services – on narrow predefined targets – limits the ability to assess excellence. It calls for public services to commission on the basis of outcomes and to support the entry of new suppliers into the public sector, encourage innovation, achieve social and environmental change, and provide efficiencies.<sup>15</sup>

Social enterprises can be better placed (in comparison to the public sector) to develop innovative solutions to social needs. Social enterprises are usually smaller in scale than public sector organisations and are led by individuals with passionate belief in their social goals. They can therefore sometimes accept risks that the public sector cannot, although they need to remain competitive.

The size and capacity of social enterprises often means they struggle to win public sector contracts. Those social enterprises that were involved in this project reported overwhelming barriers that prevented them access to public service contracts, including: the length and size of contracts, the costs of bidding for contracts, the inflexibility of many public sector specifications, the lack of transparency in decision-making and bureaucratic performance monitoring requirements.

Commissioners, procurers and legal teams are often seen as a barrier – by both social enterprise staff and other public sector officers – due to their lack of understanding of social enterprise, social value and a culture of risk aversion.

There are examples where social enterprises are less flexible and innovative than private companies or the public sector. In our research we found some risk averse social enterprises, a legacy of past difficulties, which impact heavily on small enterprises with little capital or room for error.

### Value for money

When delivering public services, social enterprises often deliver additional social benefits that could lead to additional savings for the taxpayer. These may be through social and environmental benefits like increased community cohesion and local employment, and the development of new skills and community wealth. However, any financial savings are likely to be long-term efficiency savings rather than immediate monetary savings. Social enterprises can also help to retain and reinvest finance within a specific geographic area through local employment and purchasing.

### Local benefits

Social enterprises often involve local people directly in positive community activity. This could be through the provision of jobs and training for disadvantaged people,

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or by involving residents and service users in service design. By doing so, social enterprises have the potential to enhance civil engagement by putting communities in control, establish a wider understanding of local needs, build social capital and contribute to a sense of pride and cohesion.<sup>16</sup>

Such civic involvement can also contribute towards the local economy. In 2010 the Social Enterprise Coalition (SEC) outlined how procurement from social enterprises by the public sector can help lever social, environmental and economic prosperity in the current difficult economic climate. SEC sees social enterprise as the most suitable option for improving and reinvigorating services and for rebuilding trust and relationships with service users.<sup>17</sup>

While social enterprises are often credited with working well at a local level and providing benefits specific to local areas, they can find working locally very difficult. For example, social enterprises in the rural areas we worked with find it problematic and costly to engage with small communities over a large geographical area.

# Social enterprise – the policy context

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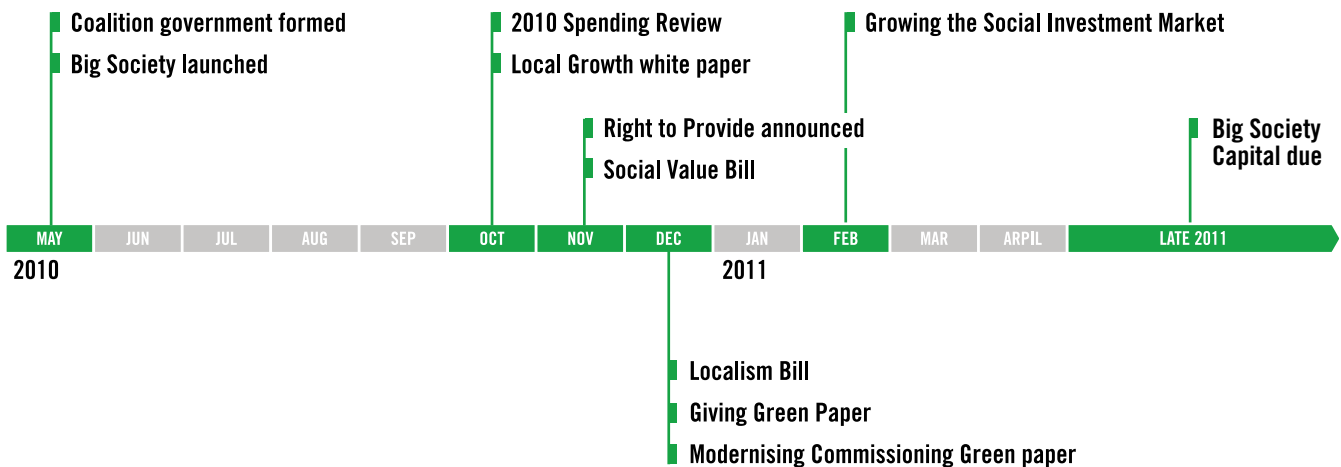
In the run up to the 2010 general election all of the main political parties expressed support for social enterprise in their manifestos. David Cameron signalled his support by signing up to the Social Enterprise Coalition’s Social Enterprise Charter.

After the election, the 2010 Spending Review announced a series of measures designed to combat the public spending deficit, alongside a range of policies to shift power from central government to communities and the public sector workforce. It also outlined a commitment to increase the diversity of public service providers by increasing competition and consumer choice. Such commitments have since been included in a number of key government papers. In addition, the Big Society vision has compelled local authorities to look with intent at the role of social enterprises in delivering local services and supporting localism.

The Coalition Government is also introducing measures and reforms intended to address many of the barriers outlined in section 3 of this report. From changes to commissioning, the recognition of social value and measures to stimulate social investment, to new rights for communities and increasing focus on giving, the social enterprise sector is being equipped with the tools to grow.

In this section, we will briefly outline some of the changes that have already taken place, as well as those that are expected in the coming months.

**FIGURE 1: POLICY IMPACTING ON THE SECTOR**



## Big Society, decentralisation and localism

The Coalition Government's Big Society aims to make society stronger by getting more people working together to run their own affairs locally.<sup>18</sup> It seeks to give power and responsibility to local people, families, groups and neighbourhoods in a bid to generate a strong and resilient civil society.

There are three key elements to the Big Society agenda:

- **Community empowerment** – allowing local councils and neighbourhoods to make decisions to shape their local area;
- **Opening up public services** – enabling charities, social enterprises, private companies and co-operatives to compete to deliver services; and
- **Social action** – encouraging and enabling local involvement in society.

Key Big Society measures are contained in decentralisation and the Localism Bill. Decentralisation is an important part of the government's public sector reforms:

*the days of big government are over; ...centralisation and top-down control have proven a failure. We believe that the time has come to disperse power more widely in Britain today<sup>19</sup> (HM Government, 2010)*

In order to do this, the Government is exploring a number of fundamental actions:

- **Reduce bureaucracy** which restricts local action;
- **Empower communities** to direct the development of their communities;
- **Increase local control** of public finances;
- **Diversify the supply** of public services from across all sectors;
- **Open up government** to public scrutiny; and
- **Strengthen citizens' ability** to change the services they receive through participation, choice or voting.<sup>20</sup>

The Localism Bill will be a key means of driving the decentralisation and local growth agendas forward. It aims to give local authorities new freedom and flexibility and make it easier for communities and individuals to improve the local area.

Three key elements impact on the social enterprise agenda:

- **The General Power of Competence** will give local authorities an explicit freedom to act in the best interests of their voters. No action, with the exception of raising taxes, will be 'beyond the powers' of local government in England, unless prevented by common law, specific legislation or statutory guidance.<sup>21</sup>



- **The Community Right to Challenge** will give voluntary and community groups the right to express an interest in taking over the running of a local service, which the local authority must consider and respond to.<sup>22</sup>
- **The Community Right to Bid** will require local authorities to maintain a list of assets of community value which community groups and individuals will be able to bid to buy for community use.<sup>23</sup>

## Growing the social investment market

The Government is looking to social entrepreneurs and social enterprise to respond to the decentralisation of public services. To do so, many need access to capital. The Government therefore aims to create a long-term ‘third pillar’ of finance – social investment – to go alongside traditional funding from the state.<sup>24</sup>

This will be made possible by increasing ways for individual citizens, philanthropists and banks and financial intermediaries to make social investments. Local authorities will be given new options to support the economy and micro-enterprise locally through their commissioning choices and social investments.

A number of actions are planned:

- **Creating a more open public sector** where social ventures can thrive and communities are enabled;
- **Exploring options for tax incentives** to encourage social investment;
- **Creating a business environment** which supports social enterprises at all stages of their life cycle;
- **Ensuring wide ranging and accessible support for organisations;** and
- **Developing the market infrastructure.**

The Big Society Capital will leverage new finance to speed up growth of the social market, catalysing support and connecting social enterprises to sources of investment.<sup>25</sup> It will be independent within the private sector, and will be funded with £200 million from the UK’s largest banks and up to around £400 million from dormant bank accounts.<sup>26</sup> While Big Society Capital is being set up, the Big Lottery Fund will be distributing up to £5 million raised from dormant bank accounts through the Big Society Investment Fund to around five social investment intermediary organisations to realise some early benefits and provide a springboard for the future.<sup>27</sup>

## Changes to commissioning

The Modernising Commissioning green paper (December 2010) outlines the fundamental need for commissioning reforms to enable decentralisation and a thriving civil society.<sup>28</sup> It aims to improve public service quality and efficiency

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through intelligent buying, removing unnecessary duplication and responding to local priorities.<sup>29</sup>

In addition to the green paper, the Public Services (Social Enterprise and Social Value) Bill 2010–11 was presented to Parliament on 30 June 2010. Should it be passed, it looks to increase the opportunity of, and strengthen, the social enterprise sector by promoting social value in public sector commissioning.<sup>30</sup>

The Bill requires that the Government publishes a national social enterprise strategy to promote the use of social enterprises. It also requires local authorities to outline how they will promote social enterprise engagement and to take into consideration wider economic, social and environmental benefits achieved in the commissioning and procuring of goods and services.<sup>31</sup>

## Spin outs and mutuals

In November 2010, the Government launched the Right to Provide. The new Right allows front-line public sector staff to take over the running of their services and form mutuals which will be required to provide savings and maintain or improve services. The Government anticipates prisons, Sure Start Children's Centres, hospitals and the civil service could all be run by professionals with more freedom.

In addition, through reforms to the health service, the Government hopes to create the largest social enterprise sector in the world by providing the opportunity for NHS staff to run services as mutuals and social enterprises.

# How councils can support social enterprises

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# 5

We worked with 10 different local authorities over a year to discover how they could best support local social enterprises.

Whilst the main political parties have supported social enterprises over the past 10 years, the recent recession and public spending deficit have changed the playing field for local authorities. Before the 2010 election we worked with five local authorities at the forefront of developing their social enterprise sector. Lessons learnt from these authorities were a vital launch pad for our work with five other councils wanting to progress their work to support social enterprises, initially in anticipation, and latterly in response, to these policy and contextual changes.

The direction that the phase II local authorities have chosen to take marks a shift in their thinking about social enterprises. All have some history of supporting the sector, but like many from phase I, this was often led by a few entrepreneurial officers tasked with economic development and regeneration.

This shift encapsulates the broad potential of social enterprises – from building stronger, more cohesive communities to delivering innovative, high quality public services. It also represents a more strategic approach to supporting social enterprises – one that is less reliant on the energy of individuals and more anchored in the way local authorities and their partners operate.

In this section we highlight the existing practice and future direction that all 10 local authorities are taking in supporting local social enterprises, along with inspiration from areas not involved in our project. We also include information on a range of issues that phase II local authorities were keen to know more about in order to better support their local social enterprise sector. This includes information on social clauses and new finance tools.

The process undertaken by the five phase II local authorities involved a range of public, voluntary and community, and social enterprise sector representatives coming together to shape the vision for developing local social enterprises and agreeing concrete actions.

Our local authority partners each faced their own local circumstances and drivers, yet there was significant commonality in the challenges they faced, the areas where they wanted support, and where they choose to prioritise their future efforts. These seven areas (as shown in figure 2) are used to structure this section.

FIGURE 2: KEY AREAS FOR ACTION



## Leadership

Ownership of the social enterprise agenda within local authorities often rests with a handful of individuals in departments such as Economic Regeneration or Health and Social Care. The energy and perseverance of these people is of immense value to the sector, but is rarely underpinned by corporately owned strategy or policy.

This policy vacuum had often consigned social enterprise to the margins of council business. However, the champions of social enterprise now indicate that their colleagues and politicians are taking an interest as part of their planning for alternative models for delivering services, with some authorities incorporating social enterprises into major strategic reviews.

Leadership that promotes a common understanding and policy towards social enterprise is now essential if the agenda is to move into the mainstream.

All of our local authorities demonstrated a desire for a shared vision across the council and its partners for the social enterprise sector; a vision that is developed and owned by key stakeholders but supported by public service leaders, especially elected representatives.

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In doing so, leaders should avoid the impression that social enterprises are seen as a cheaper way of getting results, and instead convey realistic expectations and emphasise the need for a solid business case.

The action plans that each of our local authorities developed incorporated actions on leadership, including:

- hosting a social enterprise day within the council;
- putting on workshops for senior managers and Councillors;
- ensuring senior management teams take responsibility for communicating social enterprise vision;
- set a target for growth of the social enterprise sector.

They also identified actions to celebrate, recognise and promote social enterprise both internally and externally.

**Northumberland County Council** plans to raise awareness of the work being carried out by social enterprises through information stalls aimed at staff, a social enterprise day and senior manager workshops to enhance understanding of the role and vision for the social enterprise sector.

**Cheshire West and Chester Council** is committed to working with partners in the social enterprise sector to assist in embedding the localism agenda and drive forward change. This includes working with the social enterprise sector to develop and deliver innovative approaches to local service delivery.

**Northumberland County Council** is also looking to create a cross-party member task group to consider how the council can support social enterprise. The task group will also champion social enterprise as a concept and promote a joint vision.

As part of its action plan, **Devon County Council** will develop a 'Market Positioning Statement' which will clarify the council's position on what social enterprise is, why it needs to be promoted and who needs to be involved. The statement will also set out the council's position as a strategic lead on the agenda, alongside a description of the market and the context for commissioning.

These actions typify an approach to leadership that enables social enterprise to flourish by providing the conditions, as well as the services, to support growth.

In some cases, leadership can be exercised in a much more direct manner.

**Northumberland County Council** plan to identify and act upon issues where private sector models of delivery are untenable. This could include the provision of broadband in isolated rural areas, as well as supporting community enterprises that want to deliver renewable energy schemes.

## LEADERSHIP CASE STUDIES

### Brighton and Hove City Council

In 2007, a local social entrepreneur, who had established a local community internet café, was elected to the cabinet as Cabinet Member for Community Affairs, Inclusion and Internal Relations. The Councillor established a Communities Team in the council to enhance the social enterprise and community support already provided, and informally acts as a social enterprise champion.

In 2008, Brighton and Hove City Council commissioned Brighton and Hove Business Community Partnership (BHBCP) to produce the council's social enterprise strategy better for people, planet and profit. The strategy set out how the council aims to fuel a lasting culture of social enterprise through six strategic priorities:

- 1 Understand impact and opportunities
- 2 Increase viability
- 3 Encourage cooperative thinking
- 4 Inspire entrepreneurial innovation
- 5 Improve transparency
- 6 Maximise local economic impact

A steering group of staff from the council, BHBCP, Business Link, the University of Brighton and local social enterprises was set up to oversee the strategy's implementation. In addition, the steering group is looking at training opportunities, the promotion of social enterprise as an effective way of doing business, the sharing of learning with other cities and social enterprise incubation in Brighton and Hove.

Better for people, planet and profit can be found at [www.nourishcic.co.uk/Files/Brighton\\_and\\_Hove\\_Social\\_Enterprise\\_Strategy\\_2008.pdf](http://www.nourishcic.co.uk/Files/Brighton_and_Hove_Social_Enterprise_Strategy_2008.pdf)

### People 4 People, East London

In April 2009, the London Borough of Havering partnered with the London Boroughs of Barking and Dagenham, Redbridge and Waltham Forest to look at setting up a scheme which provides a high-quality service for people with personal budgets employing personal assistants (PAs). LB Havering and its partners felt that the current system, where those requiring personal care independently employ PAs through local adverts sometimes without conducting adequate checks, could increase the cost of employing PAs and lead to a decrease in the quality of care. Therefore, each local authority contributed £100,000 to initialise a self sustaining social enterprise to link people with care needs and personal budgets to PAs.

For more information see [www.people4people.org.uk](http://www.people4people.org.uk)

### Keeping House, Leeds

In 2005, Leeds City Council established the Adult Social Care Directorate's Keeping House programme to support the development of social enterprises to deliver domestic and other support services for older and disabled people. It was driven, although not solely motivated, by the reassessment of the Fair Access to Care Services (FACS) criteria, and the understanding that unless this type of support could be incentivised outside of the public sector, there would be little support for a section of the population who now don't qualify for statutory services.

Business support was provided and an investment programme offered two levels of investment: a £2,000 investment grant for feasibility studies and research and a grant of up to £10,000 per annum for up to three years to cover the costs of start-up and becoming more sustainable. As well as direct marketing of the investment programme, a directory of quality assured domestic services providers ([www.leedsdirectory.org](http://www.leedsdirectory.org)) was set up.

For more information visit [www.keepinghouse.org.uk](http://www.keepinghouse.org.uk)

## Commissioning and procurement

In our work with 10 local authorities, the most talked about barrier facing social enterprises was the commissioning and procurement of public services. It is a complex area where a combination of legislation and risk aversion often overpowers the good intention of commissioners wishing to contract social enterprises. Yet there are actions that local authorities and their partners can take to make the commissioning process easier for social enterprises. But it requires strong leadership and the acceptance of higher (but not unreasonable) levels of risk.

All of the local authorities involved in this project envisaged changes to the way they procure services. They identified a need for commissioners to be confident and aware of what social enterprise offers, and to acknowledge social value when judging the merit of tenders. The desire for a more flexible and simplified commissioning process is evident, alongside a wish from social enterprises for local authorities to develop more flexible contracts.

Our action planning with phase II local authorities brought legal and commissioning specialists into a collective process of problem solving with social enterprises and other public officials. Together, they committed to the following actions:

- standardise tendering documentation and processes across multiple contracts;
- develop service standards that help to change attitudes towards risk when commissioning the third sector and social enterprise;
- maintain a procurement calendar so it is clear when opportunities will arise, including timescales for renewal of existing contracts;

- 
- host meet the buyer events to prepare potential bidders for upcoming contracts;
  - ensure that Voluntary and Community Sector (VCS) infrastructure support raises awareness and understanding of the commissioning process;
  - broker relationships between the private sector and social enterprises to increase chances of social enterprises being sub-contracted.

**Cheshire West and Chester Council** plans to create a level playing field for local social enterprises to compete for contracts. This includes maintaining a procurement calendar that outlines all contracts and the date they are due for renewal. It is hoped this will allow social enterprises to prepare themselves well in advance to bid for council contracts. The council is also looking to standardise tendering documentation and processes across multiple contracts to address complexities.

**Cheshire West and Chester Council** will also develop service standards that help change attitudes towards risk in commissioning the VCS and social enterprise sector. A key factor of this work will be to review contractual procedure rules to identify barriers social enterprises face and look at how the council can use social clauses in contracts.

Social value and social clauses are promising tools for levelling the playing field between social enterprises and the private sector. Social clauses are requirements within contracts, or the procurement process, which allow the contract to provide added sustainability, social value or community benefits.<sup>32</sup> Social clauses can be entered into contracts so long as they are specified in the contract notice and tender documents, relate to the subject of the contract, are objectively verified and monitored, and do not contravene European Union laws. The use of social clauses is not widespread, in part due to uncertainty over their application and associated risks to the authority being challenged.

Increasing the rate that social enterprises are sub-contracted by first tier suppliers is the main driver for using social clauses. **Cheshire West and Chester Council** will explore service areas where social clauses may be appropriate. **Northumberland County Council** will be issuing guidance for their commissioners which helps them understand the legislation on inserting social clauses into contracts.



## ABOUT: SOCIAL CLAUSES

The EC Treaty stipulates two fundamental objectives of the EU: non discrimination on the grounds of nationality and freedom of movement of workers, services and goods throughout Europe. Therefore, stipulating conditions, criteria or other contractual requirements based around geographical locality is contrary to EU law.<sup>33</sup>

For social clauses to be legal: community benefit must be part of the authority's core purpose of contract and provide benefit to the authority at the award stage; non-local contractors must not be disadvantaged; general categories of beneficiary should be used, e.g. young people, unemployed people; and clauses need to be supported by supply side action, monitoring and evaluation and embedded into the whole procurement process.

Social clauses are used by local authorities. For example, South Tyneside Council uses its Local Employment Support Network to refer contractors and developers to organisations that can provide local 'job ready' people for employment. The Network provides pre-interview training and support.

South Tyneside Council believes that by suggesting a preferred local staff provider, contractors are more confident in easily finding suitable employers locally.<sup>34</sup>

Cumbria County Council has developed procurement processes to benefit the civil sector and now uses social clauses to achieve community benefits and added value. In 2004-05 more than £23 million was spent by the council with the civil sector and in 2008 the council spent £18 million on contracts with VCS organisations to deliver children's centres.

In a bid document for the Cumbria Local Involvement Network (LINK)<sup>35</sup> the council asked:

*If there are any added value services you can offer as part of your bid, please include the details in your response. We are particularly interested in seeing volunteers supported as part of the delivery of this contract, demonstration of training/learning, support to third sector organisations and partnerships with third sector organisations.*

*Community benefit will also be considered when assessing offers. For example the number of volunteers who benefit, training delivered as part of the contract, community and/or third sector organisations who receive benefit as part of this contract, investment in communities through the use of community facilities, etc.*

The council awarded this a maximum score of eight per cent of the total contract.<sup>36</sup>

For more information visit [www.cumbria.gov.uk/communityinformation/communities/thirdsector/social\\_clauses\\_examples.asp](http://www.cumbria.gov.uk/communityinformation/communities/thirdsector/social_clauses_examples.asp)

All of the local authorities involved in this research wanted to explore the concept of social value. There are various methods for measuring social value, with Social Return on Investment (SROI) receiving the most attention in recent years. Tools such as SROI incorporate a broad concept of value by capturing an organisation's, project's or policy's social and environmental impact, alongside a more familiar economic assessment.

Social enterprises and their advocates see social value as an essential part of evaluating tenders. Influencing the mindset of commissioners has proved more difficult. **Devon County Council** aims to create consistency amongst commissioners by developing social value criteria and measurement standards (such as SROI), which will incorporate standard social value questions that apply across sectors, and will focus on keeping money local.

**Ealing Council** and its partners hope to support social enterprises to measure their social value by running workshops for social enterprises, and to support the measurement of real cash savings accrued to the public purse by services delivered through social enterprises.

## COMMISSIONING AND PROCUREMENT CASE STUDIES AND INSPIRATION

### Case study: Supporting Links to Commissioning

Leeds City Council makes support available to social enterprises to help them understand and find their way through the procurement process and their future development needs through the Supporting Links to Commissioning project delivered by Leeds Voice and funded by the council.

Supporting Links to Commissioning is funded until March 2012 and works to support all VCS organisations looking to have a trading arm with community aims at the heart. Project staff meet with organisations to establish their needs with relation to commissioning, such as policies and procedures, partnership working, business planning, funding and tender documents, and support through the process. As the project is independent from the council, staff can work with organisations throughout the tendering process.

The project has delivered Training Needs Analysis, commissioning workshops and a commissioning toolkit.

For more information visit: [leedsvoice.org.uk/supporting-links-to-commissioning](http://leedsvoice.org.uk/supporting-links-to-commissioning)

### Inspiration: Social Entrepreneur in Residence

The Social Entrepreneur in Residence (SEiR) programme from the Young Foundation promotes innovation in the health and social care sector. A SEiR – an experienced entrepreneur – is embedded in commissioning bodies in VCS organisations, charities, social enterprises, local authorities and PCTs.

The SEiR spots potential entrepreneurs and ideas that can transform the delivery of public services and create additional social value. They ensure that such enterprises are sustainable, effective and efficient, and have the potential to scale.

The SEiR also helps social enterprises, individuals or organisations currently working outside the NHS to engage with NHS commissioners to ensure better outcomes. They help secure investment from relevant funds, such as the Regional Innovation Funds (RIF), and work to change the culture of an organisation so that innovation becomes embedded in its core.

The first SEiR was placed in NHS Birmingham East and North in 2009. Within three months she had identified 45 ventures with the potential to become commissioned as a mainstream service. The first two secured commissioned service contracts for 2010-11.

For more information see: [www.youngfoundation.org](http://www.youngfoundation.org)

## Innovative finance

The concepts of social value and measurement of real cash savings relate directly to new financial models that can be used to fund social enterprises. There are a variety of models now being trialled in sectors ranging from health and social care and criminal justice, to worklessness.

The Coalition Government is committed to rolling out Payment by Results, which rewards service providers according to the results they achieve. In the Government's green paper on Criminal Justice Reform (2010), a 'rehabilitation revolution' was outlined where at least six new rehabilitation programmes will be piloted. These programmes will be funded through the Payment by Results model and delivered by independent providers from the private, voluntary and community sectors. The paper anticipates that the Payment by Results principles will be applied to all providers by 2015.<sup>37</sup> The first of the Ministry of Justice's Financial Incentive Models went live in April 2011. The Department for Work and Pensions' work programme is also working to the Payment by Results approach.

Social Impact Bonds are being discussed in several areas of the country (although there is only one live example in Peterborough prison), personal budgets are now an important part of social care, and various schemes to crowd-source funding through shares or bonds are also underway.

Most of the phase II local authorities were interested in exploring different financial models, as well as supporting social enterprises to access more traditional forms of funding. Social Impact Bonds provided the most excitement, with councils and social enterprises eager to learn more about them and how they can be applied.

**Devon County Council** and **Ealing Council** have both decided to investigate whether Social Impact Bonds could be applied in their localities.

## ABOUT: NEW FINANCE TOOLS

In 2010 the government announced a desire for an increase in the number of Payment by Results contracts. The recently introduced Rights to Provide, Bid and Challenge promote the creation of mutuals and co-operatives and the Social Investment Market paper outlines plans and tools to make social investments by individual citizens, philanthropists, banks and financial intermediaries easier.

### Payment by Results

Payment by Results (PbR) pays service providers based on the outcomes they achieve, and aims to support modernisation and reward efficiency and quality.

The Work Programme, launched in June 2010, gives providers greater freedom to provide appropriate personalised support to unemployed people. It is based on PbR with extra incentives for providers to work with those that are harder to help.

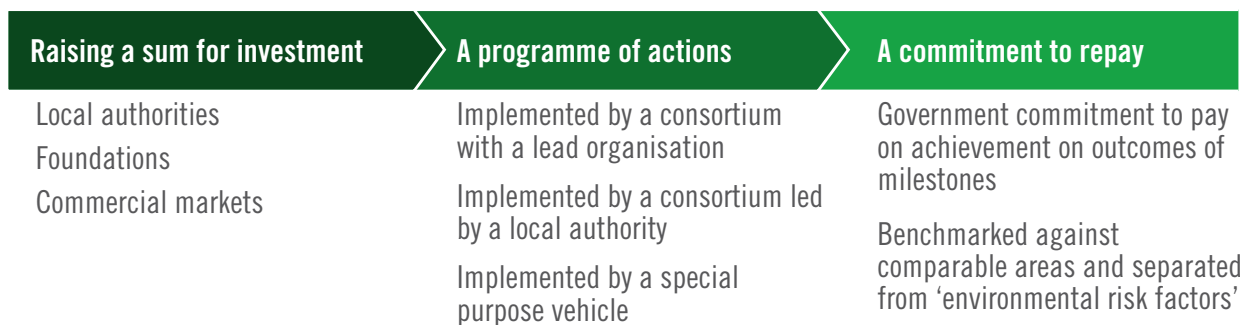
However, PbR can be challenging. Potential issues include:

- Payment lag – as payment comes on the realisation of set outcomes, organisations need cash reserves to carry out work meaning social enterprises may be priced out;
- Assessing true savings – it is necessary to establish realistically what would have happened without the programme;
- Policy changes can skew results – e.g. PbR agreements linked to reducing reoffending could be affected by changes in national sentencing policy;
- Clear distinction – need to distinguish between measuring outcomes versus outputs;
- Setting desired outcomes that are difficult to manipulate – e.g. ‘getting someone into work for six months’, rather than just ‘getting someone into work’; and
- Tensions between getting a rigorous sense of the impact, which could take years, and the need to pay relatively quickly.

**Social Impact Bonds**

The Social Impact Bonds finance tool is a PbR approach with upfront finance raised from commercial investors or foundations. The delivery agent (which could be a single agency sub-contracting to a number of organisations, a special purpose vehicle or a single agency) undertakes a programme of actions to improve the prospects of a group, such as young people leaving local authority care. The government then makes payments at a pre-agreed rate of return reflective of savings and risk, on successful outcomes achieved in improving the lives of the group, such as fewer 16-25 year olds on Job Seekers Allowance. There is a potential role for local authorities as instigators, commissioners and deliverers of services, and for social enterprises as delivery partners, as the single deliverer or even as instigators of a Social Impact Bond, to fund their work.

**FIGURE 3: SOCIAL IMPACT BOND MECHANISM**



Source: The Young Foundation (2010) Financing social value: implementing Social Impact Bonds  
 For more information visit [www.youngfoundation.org/our-work/advising-public-service-innovation/social-impact-bonds/social-impact-bonds](http://www.youngfoundation.org/our-work/advising-public-service-innovation/social-impact-bonds/social-impact-bonds)

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## Delivering public services

The vision of a vibrant social enterprise sector delivering services alongside the public and private sectors was prevalent in the thinking of all phase II local authorities. This vision incorporated the public sector embracing social enterprises and social enterprises rising to the challenge – showing the desire to scale whilst pro-actively seeking out opportunities and gaps in service provision.

This view was shared by the local politicians we spoke to who are adjusting their attitude towards risk and are exploring radical options more vigorously than previously. The implications of the new Rights included in the Localism Bill became progressively more important throughout the lifetime of our project, making it clear that new levers would be at the disposal of communities regardless of political will.

As a consequence, the phase II local authorities all explored options to support existing public sector staff to transform their service into a social enterprise, as well as ways to migrate services out to existing social enterprises.

Throughout our action planning it was acknowledged that staff members and teams require the right support mechanisms in place if they are to take the uncertain steps towards spinning out their services. Some officers expressed concern that without both support and tacit approval from superiors, only a few of their colleagues would take the risk for fear of the consequences of their request being rejected.

The final action plans reflect this. **Wigan Council** will be pursuing senior management buy-in alongside specialist business support for managers wanting to spin out their services. In addition, the council has developed a programme to support and assist employees of the council and other public services in Wigan who may be at risk of redundancy and want to start an enterprise. The programme will be run by School for Social Entrepreneurs and Liverpool based CIC Hope Street to provide generic business coaching and support for all. More intensive support will be provided to those looking to start an enterprise to deliver public services currently delivered in-house.

**Cheshire West and Chester Council** is commissioning the services of Cheshire and Warrington Social Enterprise Partnership to provide in-house support to encourage staff to explore potential spin outs, mutuals and different models of service delivery. The partnership will also be involved in council service reviews to identify opportunities for the development of new social enterprises to meet service delivery needs, based on the Social Entrepreneur in Residence model developed by the Young Foundation.

**Devon County Council** will provide a package of training and support for employees who are considering social enterprise in future service delivery, whilst also looking to mainstream the work within the council's 'Change Programme' in order to gain senior level buy-in and develop a coordinated corporate response to the possibilities and practicalities of public sector spin outs. **Cheshire West and Chester Council** will also promote the Right to Provide and help develop approaches to spinning out services – such as mutuals and cooperatives – through their own Innovation Unit.

As well as spinning out services as new enterprises, authorities are also looking at migrating services to existing social enterprises – some already deliver services on behalf of the local council.

In anticipation of the Localism Bill, **Northumberland County Council** is looking into developing a protocol for the Right to Challenge, allowing organisations or community groups to request that services are put out to tender. The council will also publish their key business areas and highlight opportunities for organisations. **Northumberland County Council** is also attempting to create sensible risk sharing arrangements between the council and social enterprises related to issues such as Transfer of Undertakings (Protection of Employment) (TUPE) and pensions – huge barriers that are yet to have a definitive solution.

## DELIVERING PUBLIC SERVICES CASE STUDY

### Abbeycroft Leisure

Abbeycroft Leisure was set up in 2005 as a Charitable Leisure Trust and registered Company Limited by Guarantee to take over the provision of leisure services from Suffolk County Council. Abbeycroft Leisure leases two sites from the council – in Haverhill and Bury St Edmunds – to provide a host of leisure facilities. It also worked with partners to initiate the Community Sports Network to increase participation in sport and physical activity locally.

The organisation provided over 900,000 activity sessions for the local community in 2009, helping to build community teams and community spirit. The company began with grants of over 40 per cent of turnover from the local council, but council funding is now under 20 per cent and was expected to fall further in 2010-11. Abbeycroft Leisure has seen a quadrupling of its members and turnover rising to over £3 million despite the recession and a reduction in council spending.

For more information visit [www.acleisure.com](http://www.acleisure.com)

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## Collaboration

The growth and sustainability of social enterprises is increasingly dependent on the opportunity and capacity for collaboration. Therefore, support for consortium working as well as improved links with the private sector were high on the list of priorities for both social enterprises and local authorities.

In principle, consortia can act as vehicles for small to medium size social enterprises to compete for large government contracts where strict eligibility criteria are a barrier. However, this is uncharted territory for most commissioners who may prefer simpler arrangements. Social enterprises require support to develop the technical skills (such as legal structures) and non-technical skills (like relationship building) required to build and work in consortia.

Conducting business with the private sector is another part of the collaboration jigsaw. Sustainability in the social enterprise sector requires access to markets beyond the public sector, either through business to business products or services, or through sub-contracting. Local authorities and their partners can help to broker these relationships, particularly by leveraging the contacts they have developed with the private sector through procurement.

The development of formal social enterprise networks can be the catalyst for outcomes like consortia and collaboration with the private sector. Developing these networks requires support from local authorities, particularly around administration and logistics.

The phase II local authorities decided on the following actions to promote cross-sector collaboration:

- supporting social enterprises and the VCS to develop the skills they need for deeper collaborative working;
- creating an independent conduit to assist consortium development (to provide services like advice on legal entities);
- developing a consortium model as part of an existing project to support the development of social enterprises;
- developing short work placements or shadowing in social enterprises for staff in the public and private sectors;
- encouraging private companies to fulfil corporate social responsibility by providing business support services to social enterprises;
- developing skills panels that offer assistance, advice and mentoring to social enterprises and entrepreneurs;
- brokering relationships between social enterprises and private companies in emerging industries;
- reinvigorating a network of social enterprises through the provision of administrative and logistical support; and



- 
- arranging for organisations that progress through PQQ stage of the commissioning process to meet with each other and scope out potential collaboration.

All of the phase II local authorities in this project want to encourage the growth of consortia as a vehicle for social enterprises to deliver public services, and recognise the need to develop the skills and relationships that are essential for complex partnership working.

In the short term, **Devon County Council** plans to arrange for organisations that progress through the Pre-Qualification Questionnaire (PQQ) stage of the commissioning process to meet with each other to scope out potential collaboration.

**Devon County Council** has a long-term aspiration to create a collaborative environment by mapping and defining local need, identifying lead organisations and existing capabilities in each sector, developing a consortium framework, promoting consortia within and between the sectors, and building on existing local examples. The council will consider facilitating consortia development by looking at cost and back room functions sharing, and is considering developing logical sharing arrangements between organisations local to each other. An online registration and brokering facility and an independent conduit to assist with consortium development have been highlighted as ways to help facilitate such arrangements.

**Ealing Council** is developing a consortium model as part of an existing project to support the development of social enterprises. **Wigan Council** sees benefit in brokering relationships between existing social enterprises and private companies in emerging industries.

All of the phase II local authorities are keen to ensure expertise sharing between organisations and between sectors. To increase understanding and share knowledge between the public, private and social enterprise sectors, short-term shadowing, secondment or placement schemes are planned by **Ealing Council** and **Northumberland County Council**.

**Northumberland County Council** also plans to encourage private companies to provide business support, mentoring and advice to people developing social enterprises, as part of their Corporate Social Responsibility (CSR) and as part of a skills panel programme.

**Cheshire West and Chester Council** will commission a consortium of providers to deliver local VCS infrastructure support. This includes the Cheshire West and Chester Social Enterprise Partnership as a key infrastructure provider to encourage local voluntary organisations to develop social enterprise approaches where appropriate.

In **Wigan** there is a need for an effective local social enterprise network. The council and its partners plan to reinvigorate a stalled network by providing administrative and logistical support to get it up and running again.

## COLLABORATION CASE STUDIES AND INSPIRATION

### Case study: Brightspace, Suffolk

Suffolk County Council recently worked with Suffolk ACRE (Action with Communities in Rural England) and the East of England Development Agency (EEDA) to set up Brightspace, a hub offering offices, business, IT and administration support to social enterprises. In addition, Brightspace provides networking events which help build relationships between social enterprises.

Brightspace has found that events targeted and tailored to one specific sector within the social enterprise sector, such as domestic service provision, rather than the social enterprise sector as a whole, were far more popular and useful to social enterprises. In addition, given the geographical spread of social enterprises, Brightspace established a need for smaller, more local networks that support all social enterprises to share information on, and address, local needs together.

Support is also provided in Suffolk by Social Enterprise Network Suffolk (SENS), a trade association for social enterprise in Suffolk launched in 2005 and affiliated with Social Enterprise East of England (SEEE). SENS offers peer support, resource sharing and collaboration support.<sup>38</sup>

### Inspiration: Surrey Youth Consortium

Surrey Youth Consortium is a consortium of 10 (as of October 2010) VCS and faith organisations, which came together to provide a 'one-stop' solution for commissioning services for young people. The Consortium aims to improve the wellbeing of young people in Surrey that statutory bodies typically find difficult to reach. It provides relational support, learning opportunities, structured activity programmes, support for homeless young people and vulnerable groups, and workforce development.

In 2010 the Consortium had a combined annual turnover of almost £7 million, with 50 per cent of that funded from statutory services. Member organisations employed 160 full-time equivalent staff and received support from 73 volunteer trustees, delivering over 100,000 frontline delivery hours.

Consortium members share management and back office costs, and each nominates a Director to the Board of the Consortium joint venture company. An independent chair ensures a smooth running and effective partnership.<sup>39</sup>

For more information visit [www.surreyyc.co.uk](http://www.surreyyc.co.uk)

### Inspiration: Essex County Council secondments

Essex County Council is currently running a pilot which offers short-term secondments to the VCS to staff. VCS organisations request secondees from the council to work on specified discrete tasks or projects for up to five days. This aims to provide targeted and useful in-kind support to the VCS, and allows council staff to experience working in organisations which benefit the community.

## Business support

Tailored business support for social enterprises and entrepreneurs is the bedrock of growth in the sector. All of the councils involved in this project provided some form of business support to social enterprises – often through external agencies such as regional Business Link offices or local social enterprise networks and social venture intermediaries. Social enterprises need specialist, tailored advice and guidance to be able to respond to opportunities and navigate threats posed by the current climate.

The phase II local authorities settled upon a variety of actions to develop their existing business support functions at a time when many of the agencies providing support are facing funding difficulties. Actions included:

- Ensuring that social enterprises have access to specialist business support, especially on legal structures and financial planning;
- Promoting the Social Enterprise Mark scheme;
- Mapping the social enterprise sector – the services they provide and the assets they have available;
- Analysing gaps and growth areas in the public sector market and providing intelligence to social enterprises;
- Mapping national, regional and local organisations providing advice and good practice on social enterprise. Promoting these services to local social enterprises;
- Creating a social enterprise page on the council website;
- Encouraging private companies to fulfil CSR by providing business support services to social enterprises;
- Setting up a directory of local goods and services provided by social enterprises;
- Promoting the use of self-assessment tools to help social enterprises/entrepreneurs identify their development needs; and
- Setting up an online directory of local goods and services and social enterprises.

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There is no single package of support for social enterprises. Urban and rural areas need to find different ways to provide support functions given the differences in transport, culture and cost. Social enterprises operating in different sectors will need different types of specialist support, and the support required at different stages of a social enterprise's life cycle will differ; the support needed at start-up will be different to what is needed when a social enterprise is developing.

#### The development life cycle

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- **Start-up:** Either from scratch or from an organisation in a different sector. Not yet self-sustaining.
- **Developing:** Should be self-sustaining. Reaching this stage is not time dependent.
- **Sustaining:** Stable – not stagnation.
- **Expanding:** Can take different forms. Often face similar issues as at start-up.

Based on our work with the 10 authorities, we have identified six common areas of business support: business planning, marketing, legal advice, funding, one-to-one support and providing space.

FIGURE 4: AREAS OF BUSINESS SUPPORT

## Business planning

VCS organisations looking to develop a social enterprise arm are more likely to need assistance in this area than private sector entrepreneurs who want to build a business with social aims.

Many in the VCS will never have had to consider the real cost of their staff, how much payroll and HR cost, and how to make charging for services both fair and sustainable.

Knowing the customer can be difficult and this increases the difficulties around knowing what to charge for services; so it is vital to get this correct at the start.

## Marketing

Finances are especially tight for social enterprises at start-up, before revenue streams have been secured.

Social enterprises therefore value assistance with marketing, both in identifying who their marketing will be aimed at and how to target it.

## Legal advice

Setting up as a social enterprise can be legally complex, for start-ups from scratch, for organisations such as charities wanting to set up a trading arm, or for existing private businesses who want to lock in their social values.

Legal advice is again vital when a social enterprise is expanding, especially where new partnerships may be established and need to be reflected in the legal documentation.

## Funding

Social enterprises often find it difficult to access financial assistance as mainstream lenders can see them as too high-risk.

Social enterprises will often need assistance to identify the funding options, such as those available from the Social Investment Business, or local funding options, such as 'angel investors'.

## One-to-one support

Whilst generic business support is useful, one-to-one support of some type is invaluable.

Small businesses and the people running them all differ and access to tailored support and help can make the difference between success and failure.

## Providing space

Many start-up social enterprises require flexible, inexpensive office and meeting space with valuable in-house administrative support.

When social enterprises are looking to expand, most will need more space and may need support to find it.

## BUSINESS SUPPORT CASE STUDIES

### Business planning: Teamwork Community Development

Teamwork Community Development in Gateshead provides an aqua-fit session for women aged 65 to 89 years. The sessions are specifically aimed at reaching women who have never taken part in community exercise before. Initially the service was funded by the Big Lottery Fund, but when this funding source ended Teamwork had to look at how to continue providing this service. Support from the local authority helped Teamwork to discover that the women attending the aqua-fit sessions were happy to pay for the class, including a tea and coffee session afterwards

### Marketing: Mapping social enterprise in Brighton and Hove

Brighton and Hove Business Community Partnership (BHBCP) received £2000 to conduct a mapping exercise in 2007. The mapping activity was stakeholder-led to ensure the survey was useful for those who wanted to use the results, and meant that the survey could be distributed through many networks, reaching more organisations. It was user driven, to allow users to define social enterprises, and open source to make data available to all.

The mapping exercise increased BHBCP, Brighton and Hove City Council and other organisations' understanding of the local social enterprise sector, its value, the social aims and beneficiaries, its access to funding and which networks and partnerships are engaged. It also provided valuable information that could be used to shape local policies and plans.

### Legal advice: Pro bono skills exchange

A discretionary grant to Brighton and Hove Business Community Partnership (BHBCP) funds Pro Bono Skills Exchange sessions. Support includes: bespoke brokerage to match individual needs with the right skills to address specific issues, and employee volunteers providing surgeries, workshops or training sessions in an area of expertise including staff and management, business development, legal issues, business planning and debt advice.

For more information visit [www.bhbcp.org.uk](http://www.bhbcp.org.uk)

### Funding: Angels Housekeeping

Angels Housekeeping in Leeds provides basic domestic care services directly to individual customers. Its social aim is to assist elderly people to remain independent and in their homes for longer.

Angels Housekeeping received initial funding from the local authority through the Keeping House project but does not receive grant funding. It charges for domestic services, such as shopping services and collecting pensions, by the hour, but it also provides holistic services, including a free

support network and a discounted rate for the over 60s. Full paying customers, who are mostly young professionals and families, make up the rest of the income.

For more information visit [www.angelshousekeeping.co.uk](http://www.angelshousekeeping.co.uk)

### **1-to-1 support: Gateshead Economic Development Officers**

Economic Development Officers in the Local Initiatives team at Gateshead Council provide a wide range of support to new and established social enterprises. Gateshead Council has learnt the importance of good internal and external links and established members of staff that are passionate about social enterprise.

Great emphasis is placed on the make-up of the team working to support and develop the social enterprise sector, requiring staff with:

- Business acumen – ability to write business cases, assess viability of ideas, etc;
- Flexible attitude and ability to work at a variety of paces;
- The ability to work with a wide variety of organisations and people; and
- Entrepreneurial spirit.

To achieve this team, the staff recruitment process has been radically developed over recent years. Rather than a simple two phase interview process candidates are now invited to an interview and test, with those who pass required to take part in a role-play exercise. This process is designed to assess candidates' ability to tease out business ideas, conduct simple cash flows, develop business plans, and present ideas.

The emphasis is on finding someone with the right range of skills who can be helped to develop in post. Therefore, the team has invested in training to widen officers' knowledge base on social return for investment, SFEDI business support and advice training and funding, and in networking events and conferences.

Long term relationships with such entrepreneurial development officers are seen as invaluable to many of Gateshead's social enterprises. It has allowed for two-way exploration and development of new social enterprises between Economic Development Officers and social enterprises.

### **Providing space: Shine Business Centre, Leeds**

Shine, a CIC and state-of-the-art business and social hub in Leeds, provides self-contained or shared office space, meeting rooms, hot-desking and conferencing facilities, a virtual office service, and networking opportunities to local social enterprises.

'Sharing the Success', the Leeds Local Enterprise Growth Initiative (LEGI) which aims to promote enterprise within some of the most disadvantaged communities in England, assisted the transformation of a large derelict school into Shine. Shine now re-invests at least 91 per cent of its profits into supporting entrepreneurs in some of Leeds' most deprived areas.

For more information visit [www.shinebusinesscentre.co.uk](http://www.shinebusinesscentre.co.uk)

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## Local innovation

Successful social enterprises are often rooted in a particular locality, with operations built upon a deep understanding of local need and strong local networks. Through these insights and networks, social enterprises are well placed to deliver efficient and innovative solutions that address local needs.

Social enterprises can be key to the localism agenda and are in tune with the Big Society. Where markets exist, social enterprises can help communities move towards autonomy – relying less on the state for services, and creating surpluses which can be reinvested into the community. Social enterprises often harness the power of volunteers whilst providing local employment for residents and service users. By doing so, they promote the circulation of money into the local economy.

As well as helping communities to identify entrepreneurs and opportunities, councils can help strengthen existing local social enterprises through asset transfer. Assets can help social enterprises build more robust income streams whilst delivering extra value for local communities. However, the danger remains that the least valuable assets – in practice potential liabilities – are the only ones that are up for grabs.

The phase II local authorities committed to the following actions to support local innovation:

- The council and its partners developing a list of assets that could be transferred to local communities;
- Supporting social enterprises and community groups to develop asset management skills;
- The council continues supporting communities once they have taken over assets;
- Developing a local ideas exploration and innovation scheme with communities, residents and local groups;
- Exploring any social enterprise opportunities that emerge from local neighbourhood and parish plans;
- Developing social value criteria focused on keeping money local; and
- Promoting ways in which local people can be involved with, or support, local social enterprises.

A particular focus was on equipping social enterprise with the skills to manage assets. **Cheshire West and Chester Council**, along with its partners, plans to develop a list of assets that could be transferred to local communities, promote their existing asset management and transfer policy, and support social enterprises and community groups to develop asset management skills. The council wants to ensure that support is maintained once the transfer process has been completed.

**Wigan Council** will use learning from current local asset reviews to understand asset transfer feasibility and broader public sector asset management.



**Cheshire West and Chester Council** is developing a local ideas exploration and innovation scheme that will encourage communities, residents and local groups to put forward ideas that address local issues, and then work with the council and social enterprise partnership to develop innovative solutions to local service delivery. As an extension of this, the council plans to explore social enterprise opportunities that emerge from local neighbourhood and parish plans, ensuring new enterprises are embedded in the community.

**Wigan Council** plans to support local people to take advantage of local opportunities by developing a firm view on engaging with social enterprises and neighbourhoods, and filtering local needs and neighbourhood or parish action plans through a social enterprise lens.

## LOCAL INNOVATION CASE STUDIES AND INSPIRATION

### Case Study: School for Social Entrepreneurs (SSE)

SSE was established in 1997 to provide training and opportunities to promising social entrepreneurs across the UK. SSE runs action learning programmes that are designed to help individuals harness their creativity and entrepreneurial abilities to set up new charities and social enterprises. The programmes function in a number of areas across the UK to provide an intensive and tailored package of support.

SSE started working in Wigan and Leigh in May 2010 to support local residents to develop and grow businesses and projects. Wigan Borough Partnership funded 20 places on the local SSE programme through DCLG's Working Neighbourhoods Fund.

The Wigan and Leigh programme provides business coaching, mentoring support, study sessions and opportunities to learn from leading social entrepreneurs from across the UK. Assistance in funding applications and branding is also provided.

For more information visit [www.sse.org.uk](http://www.sse.org.uk)

### Case study: Sharing the Success

Leeds City Council has supported social enterprise through Sharing the Success, the Leeds Local Enterprise Growth Initiative (LEGI). Through Sharing the Success, the council helped social enterprises that approached them with an idea to raise £2.5 million of private finance, which the council matched with money from LEGI. One such result is the transformation of a derelict school into Shine, a CIC and state-of-the-art business and social hub.

The council has also established a community assets group to identify redundant buildings that may be suitable for social enterprises.

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### **Inspiration: Essex County Council asset transfer pilot project**

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Essex County Council, in conjunction with the Cabinet Office, DCLG and the Young Foundation, is piloting an asset transfer project. The pilot investigates the benefits of local authorities and civil society organisations working together and how allowing local communities and organisations to manage assets can assist local communities and the delivery of public services.

As part of the pilot, a committee, including police officers, representatives from the local primary school, a local vicar and the local mayor, successfully bid to part take over an under-used council building which houses Walton Pre-School in Walton, Essex. The committee is now working to develop a timetable for community use of the centre. A variety of sessions provided by local individuals and charities are planned.

The community project can draw on expertise from local authority staff through a linked five-day secondment programme. Opportunities are advertised across the council as a new approach to staff volunteering.

For more information visit [www.essex.gov.uk/Your-Council/Consultation-Feedback/Documents/EBS\\_2793%20GFE\\_Prospectus.pdf](http://www.essex.gov.uk/Your-Council/Consultation-Feedback/Documents/EBS_2793%20GFE_Prospectus.pdf)

## 6

# Conclusion

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The formation of the Coalition Government, public spending constraints, the development of the Big Society vision and a raft of new measures and reforms designed to increase local engagement and build civil society have compelled local authorities to take a meaningful look at the role of their local social enterprise sector.

Our work with 10 local authorities over the course of one year has demonstrated a real transformation in councils' expectations of the social enterprise sector and the support they can provide.

In phase I of our work, carried out in early 2010, local authorities tended to provide assistance that typically centred on business support and networking opportunities. We found that whilst social enterprises operate in numerous sectors and require varying types of specialist support at different points, all social enterprises have similar support needs as they move through their life-cycle. This support includes: business planning, marketing, legal advice, funding, one to one support and space.

There are many good examples of this support being provided by both local authorities and social enterprises themselves. In times of public spending cuts and public sector reform it is vital that this support is available to existing and potential social entrepreneurs and enterprises.

In phase II, which took place from September 2010 to March 2011, we mapped a shift in the thinking and response of our local authority partners. Local authorities were well aware of the increasing need for business support for the social enterprise sector. They recognised that a broader approach was needed to develop and grow the local social enterprise sector, and that the reliance on a few enthusiastic individuals to support the development of social enterprises would not deliver growth at the scale or pace that is required. Stronger leadership, more risk taking and greater collaboration are necessities that will support growth and create the conditions for local innovation.

This project took place during a time of rapid change for local authorities and social enterprises. This change continues, with legislation and policy still taking shape. However, the themes that have emerged through this work will continue to retain their pertinence.

These seven themes – leadership, commissioning and procurement, innovative finance, delivering public services, collaboration, business support and local innovation – are interdependent. In isolation, actions under each of these themes are valuable, but when combined they signal the intent of local authorities to support the growth and significance of social enterprises in their localities.

# Appendix

## Overview of action plans

Area	Aim	Action
<b>Leadership</b>		
Cheshire West and Chester	The council looks at how they can support and develop opportunities for social enterprise in relation to regeneration and localism	Cheshire & Warrington Social Enterprise Partnership helps to explore approaches to localism agenda and driving change The council creates a corporate steering group consisting of senior managers to deliver the commitments in the action plan
Devon	The council creates a market positioning statement	Set out a joint stakeholder steering group Get political buy-in and a champion within the authority Incorporate into the market positioning statement: <ul style="list-style-type: none"> <li>• DCC as strategic lead</li> <li>• What market looks like</li> <li>• Context for commissioning</li> <li>• Social enterprise to help themselves</li> <li>• Involvement of social enterprise in Big Society</li> <li>• Clarity of what social enterprise is, why it should be promoted and who needs to be made aware of social enterprise sector</li> </ul>
Devon	Social enterprises and support organisations are mapped to raise the profile of social enterprise	All national, regional and local organisations providing advice are mapped Social enterprises in the county are mapped – self-registration system? Explore synergies with other initiatives e.g. mapping through the Pre-Qualification Questionnaire (PQQ) process, DCC ACS on-line community directory work, mapping by Devon County Council, Children and Young People's Services, and Exeter Community Initiatives/CEU Ltd work on possible Devon Platform Road shows to promote and increase awareness of social enterprise Social Enterprise Mark awards are publicised
Ealing	The council and the NHS brief Councillors and senior management team on social enterprise	Information from research and mapping is provided to senior management team and Councillors
Ealing	The council sets a target for a percentage increase in aggregate contract value across social enterprise sector	Set a target and timescale for achieving aim Develop a plan to help meet the target Collect data on contract values Define what counts as a social enterprise Ensure procurement officers/commissioners are aware of social enterprises

Northumberland	The council celebrates, recognises, publicises and promotes social enterprise within and outside the council	Publicise and promote existing social enterprises and successes/best practice through local media/council publications/newsletters Provide information and practical examples within County Hall Host a social enterprise day in County Hall Host senior manager workshops/seminars
Northumberland	The council gains the commitment of middle managers in the council – e.g. legal, human resources, etc.	Senior management team ensures there is a clear understanding of the vision for a mixed economy and what is expected and required among middle managers to achieve it
Northumberland	The council has a cross party member task group to champion social enterprise as a concept	Consider how the council may support social enterprise Show commitment to social enterprise as a valuable resource Promote social enterprise internally to the council
Northumberland	Enable new social enterprises to enter market	Alongside a council partner, an ESCO (Energy Services Company) holding company will be set up which will be home to the community enterprises which deliver renewable schemes Identify and act upon market failure in areas where private sector models are untenable (e.g. broadband)
Wigan	The principles of social enterprise filter into the distribution of council resources such as grant aid, Voluntary and Community Sector core funding	Develop a co-ordination group Establish 'business breakfasts' to make links
<b>Commissioning and procurement</b>		
Cheshire West and Chester	Local authority contracts enable social enterprises to take up opportunities	Establish a list of service areas where such social clauses may be appropriate The council encourages the use of social enterprise within a local supply chain Council contracts include social clauses
Cheshire West and Chester	Standard document used for multiple contracts and a simplified tendering process	Standardised tendering documentation and processes Forward notice for larger lead in to the bidding Guidance provided to social enterprises
Cheshire West and Chester	Develop service standards that help to change attitudes towards risk when commissioning the VCS and social enterprises	Review of contractual procedure rules to identify barriers to social enterprise Look at opportunities to insert social clauses into contracts
Cheshire West and Chester	Social enterprises are enabled to plan for future council procurement opportunities	Create and maintain a procurement calendar which charts when opportunities will arise Include timescales for renewal of existing contracts Consider annual events/meet the buyer events to prepare potential bidders for upcoming contracts
Cheshire West and Chester	Infrastructure support enables the third sector to become more enterprising where appropriate	Awareness raising of the council's commissioning process Develop role of Third Sector Commissioning Group The council to explore themes around market shaping with social enterprises and local VCS.

Cheshire West and Chester	More commissioning of services between £0 and £10,000 is done through grants rather than contracts	Improve awareness of the financial regulations rule which allows staff to commission through grants for services between £0 and £10,000
Devon	The council considers social value in the evaluation of tenders	<p>Link into Devon County Council objectives</p> <p>Development of social value criteria and measurement, such as Social Enterprise Mark and Social Return On Investment activities</p> <p>Develop social value criteria questions across sectors</p> <p>Aim for consistency amongst commissioners</p> <p>Build on local government and Improvement and Development's commissioning work</p>
Ealing	Contracts ensure providers commit to a London living wage	<p>Ensure councils use procurement to reinforce the ethos of commitment to living wage</p> <p>The council ensures commitment across any procurement</p> <p>Businesses and social enterprises sign up and voluntary organisations publicise awareness</p>
Ealing	Procurement policy is amended to request first tier suppliers to support social enterprises as second tier suppliers	<p>Investigate legal issues and solutions</p> <p>Engage businesses and social enterprises into discussion about what would work (without adding too much regulation/too many hoops)</p> <p>Create links between private business and social enterprise</p>
Northumberland	The council includes social clauses in contracts	<p>Set out guidelines for including social clauses in contracts which are compliant with legislation</p> <p>Filter contracts through the Innovation group</p>
<b>Finance tools</b>		
Devon	Appropriate financial models are understood and adopted	<p>Development of a micro-finance scheme for Devon</p> <p>Investigate further the potential of Social Impact Bonds</p>
Ealing	The council and its partners support social enterprises to measure their financial and social value	<p>Make available appropriate self-assessment/audit tools for social enterprises</p> <p>Run workshops for social enterprises on Social Return On Investment</p> <p>Measure the real cash savings to the public sector as a result of social enterprises delivering public services</p> <p>Highlight the non-financial benefits of social enterprises</p>
Ealing	The council considers innovative finance models to encourage innovation and create opportunities for social enterprise commissioning	The local Supporting Local Social Enterprise project team considers Social Impact Bonds
Northumberland	The council encourages social enterprises to evidence social value and measures and assesses social activity models	<p>Conduct baseline research and analysis</p> <p>Produce a business case, strategy and action plan on the assessment of social value and social activity models</p> <p>Support social enterprises to access information and guidance on how to measure social value</p> <p>Build social value into the commissioning process and include relevant information on the procurement pages of council website</p>

<b>Delivering public services</b>		
Cheshire West and Chester	Explore new models for the delivery of existing council services	The council commissions Cheshire and Warrington Social Enterprise Partnership to promote, and where possible develop, spin offs, mutuals, co-operatives and community led enterprises  Promotes and encourages the Right to Bid scheme
Cheshire West and Chester	As part of a programme management approach, set out the discrete projects and work areas that the council is seeking to deliver	Involve social enterprises from the earliest stages of the council's corporate planning  Set out a clear portfolio of outcomes that the council wishes to see achieved and seek delivery proposals from within the council, social enterprise sector and VCS  Ensure that social enterprises are included in the new Local Integrated Services approach to commissioning at a local level
Devon	Public sector spin-offs are fully explored and developed	A package of training and support for managers and staff is developed  Mainstream the work of the council 'Change Programme' to ensure a corporate response to public sector spin outs  Models of good practice are learned from
Northumberland	The council creates sensible risk sharing arrangement between the council and social enterprises, for example pensions and TUPE	Review arrangements for outsourcing in relation to pensions, performance bonds – highlight problems and issues  Develop guidelines and solutions for outsourced services
Northumberland	Migrating existing services to social enterprises ("management buy-outs")	Create multidisciplinary teams in areas such as children's services  Business units migrate to enterprises (e.g. school meals, technical services)  Develop a protocol for social enterprises and VCS organisations to take up the Right to Provide  Publish the key business areas for the council and highlight opportunities for organisations
Northumberland	Traditional procurement route – commission existing social enterprises to deliver services	Identify existing social enterprises with the capacity to deliver services (e.g. community/special educational needs transport)
Wigan	Public sector employees are supported and encouraged to develop enterprise opportunities – either delivery of services or new business ideas – Right to Request/ Right to Bid, staff mutuals, etc.	Programme of support developed  High level public sector staff buy-in is achieved  Communication and information is provided in a way that sparks interest
Wigan	Support is provided for the development of social enterprises to deliver existing public sector tasks	Manage service and workforce risk management  Develop a business unit to help managers spin out services

<b>Collaboration</b>		
Cheshire West and Chester	There is greater use of consortia, umbrella bodies and other models of collaboration	Social enterprises and the VCS are supported to develop the skills needed for deeper collaborative working Support the development of the local social enterprise sector – the council includes social enterprise development support as a core element of its infrastructure support funding
Devon	Consortia across the sectors allowing social enterprises to deliver services	Long-term, the council aspires to create a collaborative environment by: <ul style="list-style-type: none"> <li>• Mapping and defining local need</li> <li>• Identifying lead organisations and existing capabilities in each sector</li> <li>• Developing a consortium framework</li> <li>• Looking at logical cost sharing arrangements</li> <li>• Creating an independent conduit to assist consortium development – advice on legal entities, etc.</li> <li>• Online registration and brokering through the online directory (above)</li> </ul> Promotion of consortia within the social enterprise sector and between the private and social enterprise sectors Build on existing examples, e.g. St Loyes consortium on employment, Disability Works UK
Ealing	Develop a social enterprise consortium and test it on a practical sector, e.g. horticulture, print and design and community retail	Develop relationships within the sector Develop a consortium model – part of the ESF project Initiate a contract
Ealing	Employees from the private and public sectors take up shadowing placements and short term secondments to social enterprises	Develop scheme and identify opportunities Align with private sector CSR
Ealing	Social enterprises merge or form consortia to bid for services	Strategic partnerships formed to support an operational consortium
Northumberland	The private sector and social enterprise sector engage and support each other	Set up a cross-sector network that looks at issues thematically Encourage private companies to provide business support to those developing social enterprise, potentially as part of CSR Develop skills panels that offer assistance, advice and mentoring Build networks to enable collaboration between the private and social enterprise sectors
Northumberland	More shadowing and secondment opportunities within the social enterprise sector	Pilot a shadowing or exchange scheme between social enterprises and businesses/public sector, especially for those facing redundancies to enable them to learn about another sector
Wigan	The social enterprise sector has good internal links	Reinvigorate the Pulse Network



Wigan	The social enterprise sector and private sector work together	<p>Support social enterprises to work with businesses in emerging sectors</p> <p>Links between the sectors are made through the Chamber of Commerce – group membership of Chambers of Commerce made available to social enterprise sector</p> <p>Conduct an audit of the support needs of social enterprises</p> <p>Capacity building/support programmes are established or developed – social enterprise to social enterprise or private to social enterprise</p> <p>Look at private sector sponsorship for social enterprise support programmes</p>
<b>Business support</b>		
Cheshire West and Chester	Ensure that local social enterprises have access to relevant business support	<p>Ensure that social enterprises needs are included in the elements of business support available through generic business support schemes</p> <p>The council provides funding to ensure social enterprises have access to specialist business support especially legal structure and financial planning</p>
Ealing	Promote a social enterprise recognition scheme	Use an appropriate existing scheme, such as the Social Enterprise Mark
Ealing	Social enterprises are mapped and good practice collated	<p>Review the current state of the sector, including services provided by social enterprises and assets at their disposal which is easily updatable</p> <p>Publicise cases where social enterprises have been successful</p> <p>Analyse gaps and provide this intelligence to the sector</p> <p>Compare Ealing to other areas</p>
Ealing	Social enterprises working with ex offenders, people with drug and alcohol dependencies, lone parents, long term unemployed, learning disabilities and others experiencing barriers to employment are set up	<p>Link to providers specialising in these areas, to tap into experiences</p> <p>Identify gaps in services</p> <p>A social firm to be set up with other providers</p>
Ealing	The council establishes a consortium of social enterprises employing those with learning difficulties and mental health issues with the support of a separate Innovation, Transnational and Mainstreams ESF programme	<p>Small business ventures currently incubated within the local primary care trust (PCT), mental health services and adult social care become independent social enterprises.</p> <p>A suitable social venture intermediary structure is developed</p>
Ealing	The council supports social enterprises to access finance	<p>Market financial services, such as credit unions, Private Finance Initiatives and private banks to social enterprises.</p> <p>Bring in external agencies that can provide information, advice and guidance on raising finance, e.g. Social Investment Business</p>
Ealing	National, regional and local organisations provide support and advice to social enterprise	<p>Map national, regional and local organisations providing advice and good practice on social enterprise</p> <p>Identify sources of support</p> <p>A social enterprise page is created on the council website</p>

Ealing	The private sector purchases more goods and services from local social enterprises	<p>Establish a clear offer from the social enterprise sector to the private sector</p> <p>Set up a directory of services offered by social enterprise sector</p> <p>Include social enterprise information on Inside Ealing website</p> <p>The procurement team brokers relationships between the two sectors</p> <p>Publish case studies of where collaboration between the two sectors has taken place</p>
Ealing	Self assessment tools help social enterprises/entrepreneurs identify what stage of development they are at	<p>Develop or use existing assessment tools</p> <p>Promote tools to social enterprises</p> <p>Match different development needs to appropriate services</p>
Northumberland	Improved efficiency within the social enterprise sector	The council establishes the need for shared services within the social enterprise sector and VCS, and enables a virtual 'Barrister Chambers' which provides back office functions for social enterprise delivery organisations (finance, business support, human resources, ICT, etc.) across the county
Wigan	A commissioning-led Wigan work programme develops a direct link with DWP's national prime providers	<p>Create a commissioning-led Wigan work programme that develops a direct link with DWP's national prime providers</p> <p>Develop the 'Wigan offer' to allow private sector companies to buy into and support social enterprises</p>
Wigan	Social enterprises are encouraged and supported to respond to local priorities and needs	<p>Provide intelligence and analysis to social enterprises about where the growth areas/priorities are and support them to respond</p> <p>Identify a number of approaches to develop social enterprises in growth areas – such as linking with the private sector</p> <p>Forthcoming opportunities for social enterprises to respond to council priorities and local need are clearly and tangibly highlighted</p>
<b>Local innovation</b>		
Cheshire West and Chester	Local communities are supported to take over or manage assets that meet local need	<p>The council and partners identify local assets that can be transferred</p> <p>Asset management and transfer policy is promoted</p> <p>The capacity of local community organisations is supported to develop asset management skills</p> <p>The council continues to support communities once they have taken over assets</p>
Cheshire West and Chester	The council encourages and supports local innovation	<p>Develop a local ideas exploration and innovation scheme with communities, residents and local groups</p> <p>Explore the potential enterprise opportunities within local neighbourhood and parish plans</p>
Cheshire West and Chester	The local community is encouraged to explore social enterprise as a business/employment option	<p>Provide opportunities for local residents to explore social enterprise as a business option</p> <p>Local community/voluntary groups are encouraged to deliver local council services</p> <p>Support the development of consortia</p>
Devon	The council considers "local value"	The council looks at developing social value criteria focused on keeping money local

Devon	The council looks at transferring assets based on social value	Learning from the three asset transfer pilots currently proceeding from the former Quirk Programme. Revisit social value tool developed as part of Quirk work in Devon.
Ealing	Short term work placements in social enterprises and social firms provide pathways into employment	Set up or use an existing group of stakeholders including Job Centre Plus and other providers Create or use existing training programmes to support people into placements Provide access to volunteering and apprenticeships Share learning from European Social Funding Transnational project
Ealing	Advice and guidance on how to setup or support existing social enterprises is offered to residents	Draw in support from the private sector through CSR contributions Build upon existing training, advice and guidance provided by the VCS/social enterprise sector
Ealing	New apprenticeships are created in the social enterprise sector	Strategy created, taking into account good practice Training/on going support provided Clauses are inserted into contracts that require apprenticeships positions to be created, or subsidised apprenticeships in social enterprises
Ealing	A framework is developed that demonstrates the variety of ways that people can be involved in social enterprise	Build upon examples from individual social enterprises to develop framework and graphic that clearly charts how people can support local social enterprises The council and its partners are aware of, and understand, the framework
Northumberland	The social enterprise sector and council promote enterprising behaviour across the VCS	Maintain and broaden innovation group to include people that can make things happen Share case studies/best practice across sectors Ensure focus on enterprising behaviour not purely economic benefit Develop shared ownership by communicating widely
Northumberland	Different and better ways of delivering services are developed through, and influenced by, community plans	A workable process needs to be developed Neighbourhood and community plans are screened for social enterprise opportunities A social enterprise lens is used to filter, edit and solve problems in better ways
Wigan	Work on going feeds into work with social enterprises and the development of a feasible approach to asset transfer, i.e. Douglas Valley Review	Once the Douglas Valley Review is complete, asset transfer feasibility work is understood. Need to look at opportunities from capital asset pathfinder plan, and review links to broader public sector asset management plan
Wigan	Local people are supported to take advantage of opportunities to develop social enterprises	Exploration into how local people can connect to public resources in an enterprising-led way, e.g. ways that commissioning can be developed at the local level Develop a firm view on how to engage with social enterprises and neighbourhoods Local needs and action plans are filtered through a social enterprise lens Local needs are quickly fed through the commissioning process

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