



**The SENS Strategy
for
Promoting Social Enterprise
in
Suffolk**

(Final Version)

February, 2008

The SENS Social Enterprise Strategy for Suffolk

1 The Summary

1.1 Introduction

This document has been prepared by Social Enterprise Network Suffolk (SENS) building on the Social Enterprise East of England (SEEE) document (The Social Enterprise Strategy for the East of England), which in turn followed extensive consultations with social enterprises, their support organisations and other agencies within the region.

It aims to assist social enterprises, their support organisations and other interested agencies to work together to build a vibrant and sustainable social enterprise sector in Suffolk.

The strategy recommends a strong role for Social Enterprise Network Suffolk (SENS), enabling the effective participation of social enterprises in the economic, social and environmental development of Suffolk. A trade association for social enterprises in Suffolk is vital to extend the network from the regional level down to the grassroots. The regional agenda provides a useful overall strategic framework but the majority of Suffolk social enterprises are small and medium enterprises who are looking for a local dedicated representation that understands the local environment and addresses their more immediate needs and wants.

1.2 Social Enterprise Network Suffolk (SENS)

SENS, as the trade association for social enterprises in Suffolk, is the only dedicated organisation focussing solely on social enterprise in Suffolk.

SENS is the county mouthpiece for the social enterprise movement linking national, regional and local social enterprise strategies and interpreting and promoting these appropriately to practitioners in the county. SENS also advises and influences SEEE and other local policy makers/stakeholders on policy development.

SENS exists to build and strengthen the platform for a thriving social enterprise movement to ensure the growth and increase of the diversity, prosperity and sustainability of the social enterprise sector and partners in Suffolk. SENS aims to be the primary source of knowledge & information about social enterprise in Suffolk.

At all times, SENS will actively encourage entrepreneurial activity within the social enterprise sector of Suffolk. The structure of social enterprises must be clearly understood. They are entrepreneurial organisations whose activities spread across all sectors. They require all the inputs that any commercial operation needs in order to survive. There is often less difference between a social enterprise and a private profit company than the ethos surrounding most charitable organisations.

The current structural description of SENS can be found on our website: www.pastel.org.uk.

1.3 Social Enterprises

The primary role of many social enterprises is to build a cohesive, sustainable, community. However, social enterprises do not just offer an alternative approach to public sector supply. Nor are they likely to be any cheaper. They may often be more flexible and efficient, partly because small organisations do not have the burden of tiers of management.

Sustainable development is the core element, and at this early stage it should take precedence over all other approaches. Ensuring long-term support, encouraging asset acquisition, providing sufficient finance are likely to be more useful to a social enterprise than business advice from organisations that may not have the qualifications, understanding or capacity to provide such support.

Many small businesses do not grow because they do not wish to do so, and collectively they remain the major employers, with the public sector (at 26% in Suffolk) following behind.

Growth is more likely by increasing the number of organisations, rather than increasing the size of individual organisations.

More about social enterprise can be found on our website: www.pastel.org.uk.

1.4 Priorities

Consultation has shown that the five top priorities for SENS are:

1. Develop local business mentoring opportunities, including local peer to peer programmes.
2. Promote opportunities for growth including the development of local clusters and supply chains.
3. Raise awareness of services that local social enterprises can offer in Suffolk.
4. Develop clear local methods of communication, consultation and feedback.
5. Influence other local strategies and put social enterprise on the policy agenda.

These actions – and the other strategy actions shown later in this document - will be implemented with a number of partners and stakeholders from the third sector, private sector and public sector, adding value to the work of other local enterprises and influencing policies that impact upon the sustainability and growth of social enterprises. Apart from SEEE, initial key partners would be Business Link, Suffolk Association of Voluntary Organisations, East of England Co-operative Society and Suffolk County Council.

The strategy will be reviewed on a regular basis to ensure that it remains an active and relevant tool for future planning and growth in Suffolk. In the coming year it will be further refined by SENS developing a local action plan with measurable objectives.

For real progress to be made, it is vital that measurable outcomes and their impact be targeted and evaluated. We must ensure that funding is not absorbed by infrastructure organisations. Additional money for social enterprise business should be used to pay for specialist support for clients rather than funding initiatives within infrastructure/support groups. Funding should be transparent with a very small amount to cover the processing of any programme. Business Link East has taken this message on board with their eVoucher scheme and SENS looks to others to follow their example.

The key issue with any strategy is that it forms a catalyst and framework for action. A resulting Business Plan will identify resourcing requirements.

1.5 Document structure

This document has four main sections:

- (1) This Summary
- (2) Background and Context
- (3) Development Issues
- (4) The Strategy & Action Plan

1.6 The vision

The strategy aims to build on the embryonic social enterprise sector in Suffolk, based upon well supported and empowered businesses and individuals. The SENS vision is of a vibrant social enterprise sector in Suffolk, dynamically contributing to community cohesion and the wealth, health and prosperity of the County based on a strong local self-help network.

1.7 The principles

The strategy was prepared on the basis of:

- Adding real value to social enterprise development in Suffolk
- Building on and strengthening the work of existing social enterprises in Suffolk.

1.8 Strategic objectives

The strategy includes objectives and actions in nine key areas. The order of these strategic objectives reflects the findings from the SEEE consultation. However, as some of these tend to overlap, SENS will look to refocus the list under the probable five consolidated headings of:

1. Financing
2. Developing
3. Promoting
4. Advocating
5. Collaborating

SENS will start to map support and activity which helps to deliver these key areas. By completing this matrix of support linked to key objectives will give SENS a clear indication of key partners for SENS, sources of support for clients (which SENS can help link clients to) and areas which are well served and other where gaps exist or supply is poor. SENS will then make the gaps known and move to correct them and influence other activity eg SEEE, liC, LAA, etc

This gives SENS a clear role and helps identify needs, service provision and best practice in the county.

Meanwhile, here is the original listing:

(1) Access to Finance

- Identifying better ways to use public funding

(2) Learning Opportunities

To improve access to, and the relevance of, learning opportunities for social enterprises and advisers by:

- Improving local information sources
- Promoting the needs of social enterprises to local training providers

(3) Better Business

To make social enterprises better businesses by:

- Providing developmental support for existing social enterprises
- Developing start up support for new social enterprises

(4) Growth

To enable social enterprises to grow by:

- Developing networks, clusters and supply chains
- Providing information and support services as required

(5) Promotion

To promote the social enterprise sector by:

- Promoting social enterprise and what they can offer
- Promoting to policy makers and private enterprise

(6) Public Procurement

To enable social enterprises to access public procurement by:

- Improving the capacity of SENS to influence public procurement in Suffolk
- Opening up procurement opportunities
- Campaigning to identify needs, introduce funding schemes, provide tender application support when required

(7) Becoming A Social Enterprise

To enable voluntary and community organisations and traditional businesses to develop as social enterprises by:

- Introducing social accounting
- Provide an active and viable support network able to provide consistent and up-to-date information about the wide range of issues pertaining to social enterprise and third sector economy

(8) Networks

To enable social enterprises and other stakeholders to work collectively towards shared goals and increased sustainability by:

- Developing networks that add value to existing services and activities and that develop a sense of value within the sector

(9) Influencing Policy

To create an enabling environment for social enterprises by:

- Coordinating policy issues
- Enabling social enterprises to have an effective voice
- Ensuring that social enterprise features in other Suffolk strategies where appropriate

2 Background and Context

2.1 Introduction

The SENS Strategy for Promoting Social Enterprise in Suffolk has been produced in the available context of:

- The economic, geographic and social realities of Suffolk and the region
- Governmental policies for social enterprise development
- The regional strategic context

A more detailed market context, including an assessment of and potential for social enterprises requires the establishment of the baseline size, structure and trends for the social enterprise sector in Suffolk

2.2 Suffolk

Suffolk has a population of nearly 700,000 people, with a population density of about 180 to the square kilometre it remains a rural community, although population rates are now increasing. Nearly 2,000 new businesses are created every year in the county, balanced against 1,700 de-registrations, so there is some measure of growth.

Data for 2006 shows average gross weekly pay as £465, average house price at £193,000. With 314,000 in employment, the majority are working in small firms of less than 4 people, of which there are over 20,000 in Suffolk. The public sector accounts for 26% of all employment. It is recognised that it is within the public sector and the existing voluntary sector that greatest potential for the growth of social enterprises remains. Those people on benefits of some kind are about 10% of the population, and again some potential for growth is recognised, providing suitable support is available, and it is recognised that SENS, together with other agencies, will be able to provide invaluable support. For detailed statistical data see <http://www.suffolkobservatory.info> .

2.3 The national policy framework

The government's national strategy for social enterprise development. In *Social Enterprise: a strategy for success*, published by the DTI in 2002, the government has provided a vision and clear role for social enterprises as:

- Helping to drive up productivity and competitiveness
- Contributing to socially inclusive wealth creation
- Enabling individuals and communities to work towards regenerating their local neighbourhoods
- Showing new ways to deliver and reform public services
- Helping to develop an inclusive society and active citizenship.

The national strategy identifies three key areas of work all of which have been used to underpin the development of this regional strategy. These are:

- · Creating an enabling environment
- · Making social enterprises better businesses
- · Establishing the value of social enterprise

The progress report published in October 2003, acknowledged the positive role Regional Development Agencies (RDAs), Government Offices, and key regional partnerships have already played in helping to realise the potential of the social enterprise sector.

2.4 The Regional Social Strategy

The East of England Regional Assembly (EERA) produced the first social strategy for the region in March 2005. It aimed to enable all those involved in tackling social exclusion to create effective solutions that bring about long-term change. The strategy sets out eight strategic objectives. By building a prosperous social enterprise sector, the social enterprise strategy will support the achievement of these eight key objectives. They are:

- To tackle poverty and reduce income inequalities
- To promote access to work, tackle low pay and improve conditions of work
- To improve the life chances of children from disadvantaged families and support vulnerable young people in the transition to adulthood
- To improve the life chances of adults through learning and development
- To promote active aging and reduce social exclusion of older people
- To support the development of sustainable communities
- To improve access to services, especially for disadvantaged groups
- To develop social networks, community assets and promote community cohesion

3. Development Issues

3.1 Risk

The current climate for procurement in the public sector emphasises transferring risk to contractors, rather than placing risk with the partner best able to deal with it. Whilst organisations in the public sector increasingly recognise the value that social enterprises can bring, many of the enterprises do not have the resources, organisational strength or capacity to take on inappropriately transferred risks.

Social enterprises can be highly innovative and risk taking in developing new services. However emerging social enterprises tend to be financially risk averse. They can be constrained by directors with a cultural commitment to financial stewardship and may be limited to using capital from social or charitable sources that is not appropriate for funding risk taking activities.

Even when not absolutely legally necessary, public bodies are tending to use open competitive tendering to minimise their own risk of legal challenge. These processes are extremely difficult for social enterprises, who find problems with:

- Proving financial viability.
- Learning opportunities specifications.
- Finding resources required to complete tendering process.

Additionally some tenders are often seen as too restrictive, even inappropriate to meet the actual need. Frequently there is insufficient opportunity to contribute to the identification of needs, and the required need for service provision.

3.2 Management culture

Social enterprises, particularly as they grow, have different organisational and management needs from traditional businesses or organisations in the voluntary and community sector. Social enterprises emerging from voluntary or community organisations often find that board members lack appropriate business skills and are themselves unwilling to identify and manage risk in an appropriate way for a trading organisation.

Public bodies, who are offering contracts, also fail to recognise potential of services provided by social enterprises, whose methods may not always conform to recognised norms and standard procedures.

3.3 Being a business

Social enterprises always have social objectives, and are often driven by the identification of social problems and their ability to solve them. This agenda can be seen to be in conflict with trading activity and the need make profits.

3.4 Voluntary and community sector organisations as social enterprises

There is continuing confusion about the difference between social enterprise and voluntary and community organisations. Any organisation in the sector that trades to reinvest surpluses and has a social purpose can be regarded as a social enterprise. Many that are keen to develop ways of earning income through contracts, are aware that they will require significant internal development to be successful.

Many voluntary organisations will not develop trading activities and will continue to be dependent on grants. Nothing in the strategy suggests that organisations should be pressurised to develop trading activities if they are unwilling to do so.

There is concern about the level of business skills within existing voluntary and community sector support agencies, and therefore their capacity to assist these organisations to develop as social enterprises. It is recognised that training must be specifically tailored to meet the needs of an organisation. Blanket coverage training is often wasteful. Suffolk does not have a highly skilled population, and needs to build the skills of its adult population.

3.5 Confusion about the environment of support

There is confusion about the availability of support and the need for an objective and reliable referral mechanism; one that includes the full spectrum of support agencies from mainstream business services to voluntary and community sector infrastructure bodies. Particular concern was expressed that new social enterprises often need more long term support than is offered by traditional business start up services, and that they are unable to pay for support at this early stage of their development.

4. The Strategy

Priority	Strategy	Action
3	1. Access to Finance: To improve access to finance	a. Develop links between local credit unions and local social enterprises
2	2. Learning Opportunities: To improve access to & relevance of learning opportunities for social enterprise & advisors	a. Promote and coordinate existing local training opportunities and roll out existing models of good practice
2		b. Cooperate with local training providers to build accredited courses
1	3. Better Business: To make social enterprises better businesses	a. Develop local business mentoring opportunities, including local peer to peer programmes
2		b. Develop local support for existing and growing social enterprises
2		c. Provide the local link for all support schemes, advice and funding, through SE nationally, to SEEE with the Eastern Region with SENS providing the local channel.

**The SENS Strategy for Promoting Social Enterprise in Suffolk
February 2008**

1	4. <u>Growth</u>: To enable existing social enterprises to grow	a. Promote opportunities for growth including the development of local clusters and supply chains
2		b. Enhance opportunities for local social enterprises to bid for contracts.
3	5. <u>Promotion</u>: To promote the social enterprise sector	a. Ensure that promotional activities reach (new) local target groups
1		b. Raise awareness of services that local social enterprises can offer in Suffolk
3		c. Support local Schools/Colleges in their education of social enterprises, especially in relation to business studies.
2		d. Establish the baseline and establish the size, structure and trends for the social enterprise sector in Suffolk
3	6. <u>Public Procurement</u>: To enable social enterprises to access new markets	a. Campaign to address conflicting public policy agendas regarding local procurement
2		b. Review audit of local public sector spend with third sector – grants & contracts
2	7. <u>Becoming a Social Enterprise</u>: To enable voluntary and community organisations and tradition businesses that choose to do so, to develop social enterprises	a. Link with social accounting initiatives and identify ways of developing these approaches in Suffolk
2	8. <u>Networks</u>: To enable social enterprises and other stakeholders to work collectively towards shared goals and increased sustainability	a. SENS to forge closer collaborative working with adjoining county social enterprise trade associations, especially, Cambridgeshire, Essex & Norfolk.
1	9. <u>Influencing Policy</u>: To create an enabling environment for social enterprises	a. Develop clear local methods of communication, consultation and feedback
1		b. Influence other local strategies and put social enterprise on the policy agenda
3		c. Support the development of the local Compact, especially in relation to monitoring, evaluation and compliance