

Response to Consultation for the Social Enterprise Business Support action plan

Social Enterprise London (SEL) promotes social enterprise solutions to economic and social issues in the capital. With a membership of over 420 social enterprise organisations in the London Social Enterprise Network (LSEN), SEL serves as the representative voice for social enterprise in London. This report is based on consultation conducted with LSEN members (see Appendix).

1. Can you provide some examples of activities that have achieved successful outcomes for social enterprises?

Specialist support for social enterprises has been available but only sporadically. There are some very innovative examples of support provision in London:

GRO2 was the first pan-London, multi-agency business support programme established for social enterprises. The purpose of the GRO2 project was to support the sustained development of existing social enterprises in selected boroughs within the Objective 2 areas of London. GRO2 delivered a coordinated package of specialist, targeted support of one and five day interventions to 500 social enterprises. The project was funded via the European Regional Development Fund (ERDF) with match funding from the London Development Agency (LDA) and the GRO2 partnership. The partnership consisted of Social Enterprise London (SEL) as the lead and accountable body, with delivery partners Coin Street Community Builders, London Rebuilding Society, Prevista, Selby Trust and Tower Hamlets Cooperative Development Agency.

In addition to providing finance to social enterprises (e.g. Social Enterprise Funds, Mutual Aid Funds, LDA/ERDF Loan Funds) London Rebuilding Society has also developed a successful investment programme called **smart**finance that provides tailored business expertise, advice and support to make social enterprises business ready.

As a part of the **Southwark Works!** project SEL worked with Southwark Council to provide social enterprise business support to Southwark residents. The partnership of Southwark Works! was made up of organisations such as South London and Maudsley NHS Foundation Trust, Red Kite Learning, Early Years Department at LB Southwark and the project provided targeted assistance to get hard to reach residents into employment and training. Through the programme, a total of 66 organisations and individuals were provided with support on setting up a social enterprise over a two-year period, of which 33 were Black, Asian and Minority Ethnic (BAME). The project resulted in the development of a framework for childcare social enterprise and a strategy for social enterprise in Southwark.

In the area of workspace provision, Bromley by Bow Center has developed a Social Enterprise Hub based in a barn. The '**Beyond the Barn**'- programme is designed to develop and grow more social enterprises across Tower Hamlets. All of these social enterprises have a shared mission to create local jobs, deliver vocational training, recycle profits back into the local community, provide goods and services for local people and improve the environment across the borough. Another example is provided by Community Action Network's **Mezz** buildings that provide high quality, shared office space for third sector organisations in two locations in London.

There are several other social enterprises included in the LSEN membership who have achieved positive outcomes. Included in the ones put forward in the consultation is the intermediate labour market model of Jamie Oliver's very successful **fifteen** restaurant that gives

disadvantaged youngsters the chance to gain professional training and to then have independent, inspired and productive lives.

Other examples include **ABCUL** that provides a good model for servicing credit unions; **Greenworks** a social enterprise that redistributes used and second hand furniture. They serve to protect the environment, create real jobs and training whilst providing a green office solution; **TASHA Foundation** who have successfully tendered for contracts from Primary Care Trusts (PCTs) and Drug Action Teams (DATs) across London to provide support to individuals affected by substance misuse and mental health problems; **Camden Garden Centre** operating a financially self supporting business whilst offering nationally accredited vocational training to disadvantaged people; **Enterprise Enfield** an agency that provides access to finance and support to social enterprises with funding grant applications and tendering through their Procurement Development Programme.

There are also developments happening on **local authority** level. London Borough of Camden has a successful social enterprise programme led by their social enterprise advisor and a social enterprise steering group.

Based on the experience of the LSEN members the most successful business support for social enterprises has been provided by specialist support providers and individuals who have an in-depth understanding of social enterprises.

2. Do you know of any effective routes to business support? Can you tell us what they are?

Research undertaken by Cardiff University for Triodos Bank in 2004 demonstrated that social enterprises do not see Business Link as providing services for them. They do access support but through their own networks.

Support organisations are working at a local level and have good relationships with BAME groups, women and young people. Business support to help develop an understanding of social enterprises and the multiple outcomes they generate needs to come from a local level. One model that provides the client with accessible solutions is that of support agencies sub-contracting to work with the business link provider. Accessing support agencies will enable the business link provider to understand the specialist needs of social enterprises. The support for these agencies will need to be part of a publicly funded programme.

Triodos Bank in looking at the national landscape is particularly encouraged by the use of the IDB model being undertaken in the South West and East Midlands Regional Development Agency's (RDA's) where they are using Business Link as the access point and then referring clients to specialist providers. The South West pilot operated by RISE has resulted in a higher number of referrals for those specialist agencies during the period of the pilot. Social Enterprise East Midlands (SEEM) are using a flow diagram to direct the questioning by Business Link advisors, however there is some concern that this excludes enterprises with a share capital from being social enterprises who can be a crucial part of the market.

Another issue with accessing support is the branding of the Business Link services. In order to appeal to social enterprises and the communities in which they operate, the branding of the services and the language used needs to fit with the objectives of the social enterprises.

The consultation highlighted that it is also important to consider that different social enterprises in different sectors using different legal structures at different stages of growth need differentiated sorts of support. There is need to support up the growth path but need to recognise that higher level of resource is required to support the start-up and pre start-up social

enterprises. Doing business diagnostics to identify business needs, mentoring schemes to assist business owners especially BAME groups are not always considered to be important but in terms of the user is often the most useful support on offer.

Given that some of the business support provided is not specific to social enterprises, local authorities often have to apply for a grant to pay for business planning support and commission external consultants and support agencies to provide it to emerging and existing social enterprises.

There is also scope for use of social enterprise and voluntary and community sector practitioners in the delivery of support. Social enterprises from LSEN have reported that they continuously provide pro-bono advice to a variety of emerging organisations, and suggest that it would be helpful if they could be compensated for their time. From the perspective of the client this also presents an opportunity for empowerment through the creation of a voucher system, which would enable them to choose from a network of practitioners with expertise in different aspects of social enterprise.

In terms of effective tools in-depth case studies of best practice and targeted training are usually very attractive to the client.

The **GRO2** approach to bringing together support providers across various areas to deliver a coordinated package of services is useful in terms of the client experience.

3. Do you think that the LDA should prioritise creating regional or sub-regional partnerships for effective delivery?

Different models work for different instances. There is support to show that both regional and sub-regional partnerships can work but what is important is the co-ordination.

Local level partnerships were deemed to be very effective in reaching out to disadvantaged communities.

4. Are you aware of any other funded activities that address the needs of business support for social enterprises?

There are a handful of social enterprise programmes that provide support to social enterprises but these are not at the size and scale that is required by the sector. Bridge House Trust has provided support to Advice UK to promote self-sustainability through social enterprise for voluntary and community groups while Esmee Fairbairn has funded support for a handful of social enterprises.

There is need to maintain an up to date register of provision (business support and social enterprise skills/training). The mapping done to date by SEL, social enterprise training and support (setas) and the Taskforce (a forum funded by the LDA that ran from 2001-2006 to bring together key London players to address and create solutions to key economic and social issues) demonstrates that such provision is limited and needs to be grown. Therefore, there is a need to a) maintain a pool of specialist providers and b) develop a range of products and services e.g. early core funding, feasibility/business planning support, asset readiness programme, and fit to tender programme.

All the participants in the consultation noted that they were not aware of any funded activities that address the needs of social enterprises.

5. What should enterprise support organisations be doing?

In addition to providing raising awareness of social enterprises and the benefits they generate, support organisations should develop links through existing sub-regional programmes. The LA Connects forum, that SEL manages with London Councils, provides a forum for all London's local authority officers to share and exchange information on social enterprise development. This forum has demonstrated the emergence of regional social enterprise groups such as PULSE in West London and SENSE in South London that are working to support social enterprises locally. These networks should be linked to the provision of any publicly funded business support programme.

Support organisations should be funded to provide feasibility studies, risk management and business planning services, guidance on finance, legal structures, tendering and potential tax breaks, business rates relief/exemption, tailored to the social enterprise client. There is also need to support charities who are thinking about social enterprise activities by providing them with support on how SE can fit into their mission, marketing and legal issues in terms of charity law etc.

Support organisation staff should be trained to understand social enterprise as a viable business model, the governance structures, legal issues, and the social aim. In terms of standards and training, key areas include the need for qualifications and specific programmes that better equip the business advisor to deal with the needs of social enterprises. For example, SEL's Understanding Social Enterprise (USE) programme could be used as a guide to what skills/knowledge an advisor should have. The USE programme is currently aimed at business advisers, consultants, project officers, managers and other social enterprise professionals and is the UK's first training programme based on new occupational standards in social enterprise. The programme is accredited by the Institute of Leadership and Management (ILM) as a Level 5 Award in the new National Qualifications Framework.

Ongoing work needs to be done to provide good quality business support with a consistent approach. Support organisations should also be in dialogue with lenders and users of the service to ensure that the path to accessing social enterprise is more straightforward. It is not apparent on the Business London consortia websites where social enterprises should go to get support.

6. Can you think of any other issues to do with business support for social enterprises?

Due to limitations on postcodes for some EU-funded programmes, certain social enterprise support programmes are restrictive and prevent social enterprise accessing support and developing. Also the lack or limitations on resources means that there is little 1-2-1 and mentoring that can be done unless this is done pro bono by the support agency which puts huge stress on budgets and this needs to be looked into.

Business support for social enterprise in some outer boroughs such as Redbridge is very limited and users often have to turn to other boroughs to attend seminars and workshops. It is important that social enterprise business support is able to effectively reach the communities. In order to do this, it is important for support organisations to be able to tap into local authority networks, and the local Council for Voluntary Sector (CVS) to do awareness raising events.

As a result of the diversity of entry points it will always be difficult to meet all needs. There will be start-ups and smaller organisations that require grant funded support. However, in some cases larger and established social enterprises could pay for business support but they will only be prepared to do this if the quality of the service provided is good and value for money.

In the case of the smaller organisations, it is important that there are opportunities (both in terms of funding and in the form of grants) available to them. While these organisations have limited outcomes they often have longevity and consistency in these outcomes which means that many small organisations probably deliver a great deal en mass.

Social enterprise organisations also need to understand the nuances of finance and budgeting in order to reach sustainability.

7. Any other comments?

Organisations within the LSEN are interested in participating in shaping the future direction of business support.

Appendix: Organisations that participated in the consultation

Organisation	Borough
Camden Garden Centre	Camden
Triodos Bank	National
ITech Training Centre	Redbridge
LB Newham	Newham
TASHA Foundation	Hounslow
Enterprise Enfield	Enfield
Charities Evaluation Services	N/A
Get Well UK	Camden