

Social Enterprise: Winning with 2012

Olympic & Paralympic Games opportunities for social enterprise

POLICY UPDATE

#5 FEBRUARY 2010

About this Policy Update

This Policy Update is produced as part of 'Social Enterprise: Winning with 2012', a national project started in 2007 with support from the Office of the Third Sector (OTS), bringing together a partnership between Social Enterprise London (SEL) and the Social Enterprise Coalition (SEC). For more information about the project, please visit www.sel.org.uk/2012

Winning with 2012 is built on consultations with social enterprises, to both gauge and promote interest in 2012 opportunities, and to provide a platform for them to express their needs and priorities. The consultation is conducted via a series of Enterprise Events that we hold in different regions across the country as well as via direct communication with the relevant organisations.

Who this Policy Update is for?

We want to provide social enterprises with a voice to influence the policy development process. The main ideas received from the ongoing consultations are channelled to policy-makers. This Policy Update also provides a context of recent policy issues by referencing new policies and documents linked to the Games.

In addition to the Policy Update, we meet with key stakeholders to constructively convey thoughts and ideas on behalf of social enterprises. **We would welcome the opportunity to discuss any aspect of social enterprise involvement in the delivery and legacy of the 2012 Games with interested stakeholders.**

Recent findings from our engagements with social enterprises

SEL Chief Executive Allison Ogden-Newton put the case for greater engagement between social enterprises and the ODA and LOCOG through the procurement process in a positive and productive meeting with Gerry Walsh (Head of Procurement, LOCOG) and Mike Cornelius (Head of Procurement, ODA).

Allison also fed back a number of key points in the meeting (made following full consultation with the London Social Enterprise Network) regarding social enterprise engagement with the procurement process. These points included:

- Working to enable CompeteFor and Supply2Gov to **effectively capture the added value created by social enterprises.**
- Looking at the **'bundling' of contracts**, so that manufacturers of single products are able to bid competitively against suppliers of multiple products / services.
- Social enterprises are interested in hearing how organisers are planning to **deliver legacy aims around engaging communities.**
- Having a **wide variety of contracts, particularly at the smaller scale**, is particularly important to social enterprises keen to deliver top quality services and products around the Games but who are relatively small in size.

Case Study – issues facing a major social enterprise currently engaged in the commissioning process for the Games

Procurement guidelines unavailable

When we were invited to tender, LOCOG had not yet published any procurement guidelines. This made it challenging for us to evaluate our position as tenderers and to assess the level of resources required to participate effectively in the process.

Clarity around award criteria

We were looking for some quite comprehensive award criteria to enable us to bid as strongly as we could, but found that there were some issues with the clarity of award criteria information that we received.

Cost recovery

We try and develop bids with full cost recovery in order to ensure that we maintain our core business functions as we deliver distinct services and projects. Particularly for SMEs and third sector organisations this is an important issue in reference to delivering contracts around the Games.

Clarity around the importance of legacy / sustainability in bids

As a social enterprise, we were pleased to see that the Invitation to Tender we responded to requested details of our activities and objectives with regards to legacy and sustainability. We felt we had strong credentials on this aspect of the bid. However, we were not sure how much weight was given to the bid meeting the legacy and sustainability aims of the Games in the decision-making process. Clarity around this would be very helpful.

Sustainable Sourcing Code for the Games published

LOCOG has also produced a Sustainable Sourcing Code, which has two principal audiences: internal buyers and specifiers and prospective suppliers and licensees.

Sustainable sourcing is defined by LOCOG as “the procurement of products and services with environmental, social and ethical issues in mind”. This puts social enterprises on a firm footing in terms of underlining their value as prospective suppliers throughout the supply chain. The key will be in how this translates into the decision-making of commissioners involved in the Games.

To download the Code, follow this link to the London 2012 website: <http://bit.ly/6BZOjA>

Working towards an inclusive Games: The First Annual Report of the London 2012 Equality and Diversity Forum

The London 2012 Equality and Diversity Forum has been established as the primary vehicle through which the main Olympic bodies and stakeholder organisations are able to work jointly to champion and monitor progress made to deliver national and regional equality commitments for the Games.

This publication is the first in a series of annual reports by the London 2012 Equality and Diversity Forum. The reports aim to present all of the achievements of the organisations represented at this Forum in one document.

To download the Report, follow this link to the Department for Culture Media and Sport website: <http://bit.ly/8ip5Nn>

London 2012 Legacy Research 2009: ODI Disability Module

This survey is a disability module of a larger survey: London 2012 Legacy Research Wave 3, 2009 Polling Quantitative report. The disability module aims to better understand how disabled people feel about the Games and what they would like the long-term benefits of the Games to be.

To download the Report, follow this link to the Department for Culture Media and Sport website: <http://bit.ly/4PIL7y>

London 2012 Olympic Food Vision

The London Organising Committee of the Olympic and Paralympic Games (LOCOG) published their Food Vision 'For Starters' in December 2009. This document sets out the key focus and direction for food and catering procurement during the Games, and the challenges and the commitments that they will make to implement the vision. The food vision has been developed over 18 months through research, analysis and consultation with advisory groups and industry and sustainability experts across the public, private and third sectors.

One of the key challenges for the 2012 Games is to ensure that the Games leave a sustainable and lasting legacy. In terms of catering and food provision for the Games, the challenge is making sure that the catering enhances the experience for everyone and, in doing so, makes a significant contribution to the delivery of a sustainable Games.

To download the Food Vision, follow this link to the London 2012 website: <http://bit.ly/6XAMRO>

London 2012 Olympic and Paralympic Games Impacts and Legacy Evaluation Framework Final Report

One of the key requirements from the Games is to be able to demonstrate and understand the long-term impacts on people, communities, the economy and the environment which are the underlying objectives of so much of the Olympics-related work. The Legacy Evaluation Framework project was set up to develop an analytical framework for thinking about, organising and delivering the information and research which will investigate and report these impacts, both now and in the future.

The Evaluation Framework sets out a structure into which current and future information about the Games and their legacy impacts can be organised and assessed. This structure enables researchers and policy officials to consider linkages between different activities, the emerging messages and develop assessments of the impacts. The framework also sets out a series of fundamental questions about key specific impacts which run across the full range of activities.

To download the Report, follow this link to the Department for Culture Media and Sport website: <http://bit.ly/5zCUz2>

Action Research with social enterprises

Outline

One strand of SEL's wider project is Action Research on quantifying added value and impact. SEL has been conducting a research project between March 2008 and December 2009 with two London based Social Enterprises, Cafédirect and Community Food Enterprise. The research was focused on helping each organisation to clearly articulate and assess their value added as a social enterprise, and how such evidence could strengthen their bids for Olympic contracts. The project supported the two enterprises to review, plan and design suitable processes that would enable them to capture data and evidence of positive social change through an embedded organisational system.

The Olympic Action Research project, as part of Winning With 2012, was set up to provide facilitative consultation to two social enterprises with the potential to tender for the delivery of services to an Olympic contracting body, in order that they could understand the concept of social impact assessment and select a model or approach for doing so. It also facilitated the implementation of assessment work, defined indicators for key impacts and assisted in collecting data against them so that it can be used as evidence of their social impact in bids and tender documents.

In delivering this project SEL adopted its SIMPLE framework for social impact assessment that was developed along with the University of Brighton. This framework enables an organisation to review its strategic direction and understand who its key stakeholders are. It then enables them to map out the key activities, outputs, and the intended outcomes and impacts of those activities. The framework adopts a logical approach, with each element having a direct causal link to creating positive change or benefits. Simply put:

Carrying out **Activity A** ➤ creates **Outputs B** which leads to ➤ **Outcomes C** that combine to have ➤ **Impact D**

The framework also helps an organisation to think through how they will embed monitoring and evaluation processes into their operations, and communicate the value created to their stakeholders.

The sample size of the research is too small to draw general inferences about the wider social enterprise sector and the ability of enterprises to win Olympic contracts where they have undertaken social impact assessment. However, the findings from the two organisations do show that it is a valuable process to undertake, as it creates greater internal value, which in turn will have an impact on the external face and activities of the organisation.

Key observations are evident from the action research project

It is a vehicle for internal change and streamlining other organisational quality and performance processes

SEL's SIMPLE framework has been an important vehicle for each organisation in driving change internally. In particular it has provided a logical and standardised approach to review and assessment. It has allowed both organisations to review what data they are already collecting, how it is used to make management decisions and measure change, and also how it provides evidence to demonstrate the value created through their products and activities.

Cafedirect used the data collected and lessons from the process to prepare an internal business case for senior leadership, to seek to consolidate and streamline all their quality and impact assessment and monitoring into one system. As a result of this business case, Cafédirect's senior leadership team and board undertook a wider strategic review of their overarching objectives and guiding principles. This work is still on-going; the action research findings has enabled them to articulate their guiding principles, and within that to breakdown where they can have greatest impact, and the outcomes that they can feasibly monitor.

It can provide a basis for other social impact assessment approaches;

The research has also provided a basis and platform from which to undertake other impact measurement processes.

CFE for example has started to undertake a Social Return on Investment assessment (SROI) as part of a Department of Health funded project. The UK Government has been supporting the development and use of the SROI tool. This is an approach to understanding and managing the impacts of a project, organisation or policy. It is based on stakeholders and puts financial value on the important impacts identified by stakeholders that do not have market values. It is similar to SIMPLE in its logical approach and development of indicators; it differs from the SIMPLE approach because it provides a monetised value for the change or benefit created thus taking the assessment to a more detailed level.

Some funders are starting to require organisations to undertake an SROI as a condition of the funding, but it is not mandatory for all contracts. Feedback from the manager at CFE was that undertaking the SIMPLE framework provided an excellent foundation and starting point for them in developing the SROI assessment, as consideration had already been given to who their stakeholders are, what are their desired outcomes and impacts, and what indicators did they need to develop in order to measure and evidence the value they created.

It can create evidence for use in marketing materials and funding bids

A key objective of the research was to look at how the collection of data could provide an evidence base that could be used in communications and marketing materials by the organisations to demonstrate their value.

Externally, Cafédirect do not consider that social impact assessment itself will enable them to be more successful in winning contracts; there are other quality marks which are more salient and required to demonstrate their organisational ethos and its products (ie Fair Trade mark). However, the research has been invaluable internally, as it has enabled them to bring stronger clarity to their message, and streamline other quality and performance processes to develop an overarching process that can measure impact and performance. The Impact and Information Officer at Cafédirect said that it has been a valuable and timely process for them to undertake at a time when they want to move beyond just demonstrating their financial impact. This is backed up by quotes from Cafédirect's annual report 2007-2008:

*As a social enterprise, Cafédirect exemplifies how a profitable company can have a positive impact on the lives of marginalised farmers. While our financial results are regulated by UK law and checked by external auditors, our broader economic, social, and environmental impacts are not subject to such scrutiny. We believe that there is equal, if not greater, value in analysing these aspects of our business to better understand, and thus improve, what we're doing.*¹

For Cafédirect the research has provided it *"with a model to use in identifying which impacts we want to analyse and a process for deciding how to measure them..."*². The process has therefore enabled them to review what is important, what are their desired outcomes and impacts, and what is feasible and possible for them to measure to demonstrate the change and benefits they aspire to.

CFE used the impact mapping and indicators matrix as a template for a successful funding application submitted to Esmee Fairbairn for support to run its food cooperatives. This provides evidence and support of the use of such a framework to enable an organisation to clearly articulate its intended impact, and provide data that backs up their claims. By having a data collection process in place this also allows the organisation to easily access data for the preparation of future bids.

It is a long term commitment, requiring leadership and stakeholder buy-in

Dedicated time and resource is required in the setting up, implementation and embedding of any type of impact measurement framework and processes. This was a common observation for both the enterprises who had dedicated staff too champion and manage the process within their respective organisations. Both the organisations do consider it to be a valuable progress and one that requires senior level buy-in to ensure there is internal change, the approach is recognised and accepted and that the benefits and responsibilities are communicated and filtered down the organisation.

Cafédirect recognises in their annual report (2007-2008) that measuring their broader economic, social and environmental impacts is a *"long-term commitment and, though we are just beginning, this year we've taken several big steps forward"*:

*"While measuring social impact is no easy task, it is absolutely worth the effort to better understand the effects of our work." Ideally, this work will pay off when the 2012 games begin seeking food and drink suppliers for the athletes, employees, and visitors. "With London now a Fairtrade city, we have high hopes that the games themselves will take on the values that we, and the wider Fairtrade movement, have long championed as the right way to do business"*³

¹ Cafédirect Gold Standard Annual Report 2007-2008 p42

² Cafédirect Gold Standard Annual Report 2007-2008 p42

³ Cafédirect Gold Standard Annual Report 2007-2008 p42

Cafédirect and CFE are still on their respective journeys, and they recognise that measuring and demonstrating positive impact and change is a long term commitment for the whole organisation which brings strong internal benefits that will eventually have an impact on the external face and activities of the organisation.

Conclusions

Putting an organisation through a social impact assessment offers significant insight into how it operates and allows practitioners to consider the wide variety of externalities, or knock on effects that occur as a result of the work they do. It also allows for relevant streams or threads of causality to be identified and studied more closely; this is an important aspect when trying to align impact assessment with the objectives of external agencies, such as LOCOG.

Working with Cafédirect and CFE has shown that in the first instance there is greater value created internally within the organisations as it allows an organisation to look at areas where there is a need for internal change. Over the longer term as the process beds down, this internal value will also have a direct bearing on the external value created. In particular this will be evident through the ability to provide evidence on the benefits created by the products and services which will be communicated through marketing materials and funding and contract bids.

There are a plethora of different impact assessment frameworks which enterprises can use; the one chosen will be dependent on the enterprise's own internal requirements, resources and capacity to implement it and embed the process, and in some instances funder or contractual conditions to use a specific framework. From this research what is evident is that irrespective of the framework used, the intentionality and commitment to review, implement, monitor and reflect on the value the organisation is creating is a valuable internal process.

It demonstrates the commitment by the organisation to consider its own sustainability, as undertaking such a process requires a review of the organisation's strategy, culture and its operations, and assist in identifying areas where efficiencies can be made. Embarking on social impact assessment is a long term commitment, which requires staff and other resource to ensure that data is collected, responsibilities assigned and the value of the process is recognised by all.

About 'Social Enterprise: Winning with 2012'

Social Enterprise: Winning with 2012 is a national project funded by the Office of the Third Sector (OTS) and is comprised of a partnership between Social Enterprise London and Social Enterprise Coalition.

There are two sides of this project:

- o representing the voice of social enterprise from across the country to policy-makers and procurers.
- o providing up-to-date information, particularly about business opportunities, from policy-makers and procurers to social enterprises across the country.

To get in touch, please send email to Dominic Potter (dominic@sel.org.uk) or call 020 7022 1920.

Please also visit the project microsite: www.sel.org.uk/2012

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