

12th meeting of the Cross-Party Group (CPG) on Social Enterprise in The Scottish Parliament

Scotland's policy forum for social enterprise

**Tuesday 15 March 2016, 13:00 - 14:30
Committee Room 3, The Scottish Parliament**

Chic Brodie MSP, Scottish National Party (SNP), Convener
Anne McTaggart MSP, Scottish Labour, Vice Convener

Secretariat support for the CPG provided by Social Enterprise Scotland

New Ideas, Fresh Thinking - Policy for Social Enterprise 2016

We'll hear from our speakers:

Russell Gunson, Director, IPPR Scotland

Robin McAlpine, Director, Common Weal

Dr Michael Roy, Yunus Centre, Glasgow Caledonian University

2016 is election year for Scotland! We want to hear your ideas for what should happen next for social enterprise in Scotland - and we'll hear from our three speakers about their own unique perspectives on the ways forward.

What new and fresh ideas do you have to inform our speakers and each other?

What policy changes should The Scottish Government and Parliament make after the election?

What would make the most difference to your social enterprise?

How does this national policy impact on your daily work?

Cross-Party Groups (CPGs) provide an opportunity for members of all political parties, outside organisations and members of the public to meet and discuss a shared interest in a particular cause or subject. The Cross-Party Group (CPG) on Social Enterprise in The Scottish Parliament is Scotland's social enterprise policy forum. You can see details of the Purpose of the group, MSP involvement and the external member list etc. on The Scottish Parliament website [here](#).

Agenda

12:45 Arrival at The Scottish Parliament (please arrive at 12:45pm **at the latest** to get through security and to be taken to the relevant room).

13:00 Networking, drinks and light lunch provided.

13:15 Introduction by CPG Convener, Chic Brodie MSP.

13:20 Speakers (10 mins each), followed by discussion:

Russell Gunson, Director, IPPR Scotland

Robin McAlpine, Director, Common Weal

Dr Michael Roy, Yunus Centre, Glasgow Caledonian University

13:50 Discussion, your comments and questions. Any other business and any general questions about the CPG.

14:30 Meeting ends.

If you need a contact or information after the event please email:

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Report from the 11th meeting of Scotland's Cross-Party Group on Social Enterprise in The Scottish Parliament

Social Enterprise in Scotland: Census 2015 - what does it mean to your social enterprise?

Jonathan Coburn, Social Value Lab: The Census was a substantial piece of work and a collaborative project. It was about filling gaps in the evidence and allowing us to make informed decisions about the direction of social enterprise. Getting the numbers was not an easy task, social enterprise is not one thing. We screened against The Code criteria and used

publicly available accounts. We surveyed 1100 social enterprises - a big proportion of the total. Many have been formed in the past ten years, around 200 a year, of all shapes and sizes. Some international plus many of a small scale, generally SMEs. But when you add up the numbers it's substantial. It is a patchwork quilt. Most prevalent in the central belt - but that's only part of the story. One third are in rural areas. Highlands and Islands has only 9% of the population but 22% of all social enterprises. Social enterprises are in almost every sector. Distinction between regions too - Highlands is land, energy and buildings i.e. asset-based. Lowland areas health and social care and other areas dominate. Companies Limited by Guarantee, charities and Community Interest Companies numbers are growing. Around one fifth of charities can be described as a social enterprise. 50/50 gender balance board memberships are often being achieved, compared to only 13% in mainstream business. 68% of CEOs in social enterprises is a woman, very low for mainstream business. Better pay ratios and Living Wage rates differentiate them too. Most employ locally and explicitly help excluded people into jobs. Often public facing but also public sector contracts. Many just operate in their local neighbourhoods but lots more in more than one local authority area or further. Social enterprises need to be good businesses and be profitable but some just break even or are in deficit, these are where the social purpose is the priority. Reserves of around 6 months on average. The first time we've looked at these economic stats. Social enterprise compares well with other sectors that are in The Scottish Government economic strategy as priority areas. The wider economic environment has had an impact, plus growing costs and growing expectations. The social enterprise community is optimistic.

Chic Brodie MSP: The international agenda is important - those abroad are very interested in what we're doing in Scotland.

Anne MacDonald, Highlands and Islands Enterprise (HIE): We took the lead role in the project and worked with many other partners. There are a disproportionate number of social enterprises in the Highlands and Islands area. Creative industries and food about same as lowland. We've got higher numbers in terms of assets but lower in health and social care. Asset-based support has been built in the HIE region and there is also a role here for the Community Empowerment Act. An issue of how we support renewables etc. In the face of subsidy cuts. Economies of scale and building capacity needed. We're working with The Scottish Government around the European Social Fund. The Scottish Business Pledge is also doing well among Highlands and Islands social enterprises. The HIE Board have been presented with the Census findings. We would like to explore additional areas of research. HIE and partners will work on data requests, data protection and issues around commercial gain and the research.

Chic Brodie MSP: The role of community empowerment important, community ownership of renewables should be the norm. The role of Social Enterprise Scotland in leading social enterprise important too.

Karen McGregor, Firstport: Fairness and equality, women and pay ratios. Would be interesting to compare these statistics to private sector - raises more questions to explore.

Growing and scaling impact is an issue. Low statistics in terms of where social enterprises are based i.e. in areas of deprivation.

Neil McLean, Social Enterprise Academy: There are black spots where there is not much activity e.g. Borders and Dumfries & Galloway. We need to think about business support in some areas and how to standardise support. How do we create support products that suit each area?

Roger Moors, Social Investment Scotland: The Census is a foundation for further research. There is good awareness of social investment but 30% don't know. We need to make sure that finance products are at the right price and tailored to the customer. Perhaps a loan and grant mix and patient capital.

Graham Bell, Kibble: We have poor urban areas and no trickle down effect. We have a mix of business and charity. The stats are low on those self-identifying as social enterprises. Scotland is strong internationally but we don't need complacency. The Census is a springboard.

Malcolm McArdle, ACE Recycling Group: The Census does bring more clarity about what we mean by "social enterprise". The report is a big step forward. We started a local Clackmannanshire incubator but Scottish Enterprise support not tailored for social enterprises. We made use of social investment. A majority in the survey said they lacked capacity to develop trading - we need more capacity for business development, not just trying to fulfil the social purpose.

Chic Brodie MSP: Scotland has a long history in pioneering business, including social enterprise. Scottish Government support good but we need to improve promotion of social enterprise.

Jean Urquhart MSP: I spent lots of time over the summer visiting social enterprises. The Census proves that lots is happening in social enterprise, particularly in the Highlands and Islands. Superfast broadband is essential. Highland Council and public bodies don't know what assets they have - and it's often too late for the community to find out and take on these assets. Need research into what government invests in e.g. £2 million for Amazon - what value does that bring?

Peter McColl, Nesta: WRVS trade a lot - but in three years working at the organisation not once was social enterprise mentioned. Self-identification is an issue and recognising the role of the social economy. Organisations should identify themselves this way - doing so would make a better job of trading.

Jonathan Coburn, Social Value Lab: Yes a strong voice is needed, it's an evolving picture. Self-identification has gone up in e.g. Glasgow, with a large local growth in the SEN (Social Enterprise Network) - this helps to raise awareness.

Fraser Kelly, Social Enterprise Scotland: Issues of awareness and awareness raising work at the recent employee ownership conference of what social enterprise is and does.

Sarah Deas, Co-operative Development Scotland/Scottish Enterprise: Those at the conference went away knowing more about employee ownership but yes awareness is an issue. Going beyond the conventional business structure. We need communications and understanding.

Leslie Huckfield, Sencot: The Census is the first and most meaningful survey so far. So significant that lots of people have been carrying around the infographic. Similar research to that done in Merseyside. Particularly good as it brings us down to earth - in a good way. Cost of social investment is high. Resource for business support is patchy, we need more. This is the first time that social enterprise is seen for what it is.

Jonathan Coburn, Social Value Lab: It goes beyond warm words and finally we have hard data. Scaling up and viability needed, while valuing local community-scale business. Lack of presence in deprived communities an issue - but clients it serves can be more important than where it's based. Community ownership of social enterprises, how do we encourage low level, small community enterprise? Village halls, childcare etc. Including co-operative enterprises and community shares - recognise the value of these.

Anne MacDonald, Highlands and Islands Enterprise (HIE): We created a specific Highlands and Islands infographic for staff speaking to private sector contacts etc. Community Broadband Scotland and delivery of broadband by social enterprise vehicles. There's a local authorities asset register requirement in new Community Empowerment Act.

Rebecca McKinney, Social Enterprise Alliance Midlothian: Disadvantaged communities - small organisations very important, they unlock other activity e.g. childcare allows parents to work. Local support infrastructure is weak and inconsistent. Highlands and Islands has flourished because of Highlands and Islands Enterprise and related services.

Steve McCue, Dyslexia Pathways CIC: We've been around for 6 years and trying to expand. We can't afford to get into debt, already working hard. All funders have different requirements, no standardisation. More local council support needed. Support is fragmented. No mention of disability in the Census research. 30% of entrepreneurs are dyslexic. Need enterprise education in schools. Need a "Scotland Can Do" programme just for social enterprises.

Fraser Kelly, Social Enterprise Scotland: Highlands and Islands Enterprise support not replicated in other support services across Scotland. Signposting also an issue to be addressed.

Anne MacDonald, Highlands and Islands Enterprise (HIE): It's down to support infrastructure. The Land Fund, for example, Scotland-wide. It's a five to ten year journey with a social enterprise, time and investment needed.

Jonathan Coburn, Social Value Lab: Census didn't research business support. We all have a perception about what is there and what is right but no research. Uniformity and consistency are different things - what works for a local area is what counts.

Duncan Osler, MacRoberts LLP: The Scottish Government needs an economic *and social* strategy.

Steve McCue, Dyslexia Pathways CIC: Perhaps we need a dedicated Minister for social enterprise.

END