

9th meeting of Scotland's Cross-Party Group on Social Enterprise in The Scottish Parliament

Scotland's policy forum for social enterprise

Tuesday 11 November 2014, 13:00 - 14:30

(external guests please arrive at 12:45 at the latest to get through security)

Committee Room 3, The Scottish Parliament

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

Secretariat support for the CPG provided by Social Enterprise Scotland

New powers for Scotland: How do we build a social enterprise nation?

This meeting is set in the context of the recent independence referendum and the subsequent Smith Commission on further devolution to The Scottish Parliament. With unprecedented public engagement in politics and a higher profile for social enterprise we're living in exciting times.

As we move towards a potential social enterprise strategy for Scotland please have a think about discussion topics, share your thoughts about the referendum, the post-vote environment in our communities, what potential new powers could be devolved and, crucially, how we devolve power to communities and social enterprises.

Read the joint [SES and partners submission to the Smith Commission](#). To read some of the views of social enterprises there's also the recent [First Annual Survey of Scottish Social Enterprises 2014 results](#).

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 (external guests please arrive at 12:45 at the latest to get through security and to be taken to the relevant room).

13:00 Networking, drinks and light lunch.

13:20 Introduction by CPG Convener, Chic Brodie MSP.

13:25 Discussion on the topic of “New powers for Scotland: How do we build a social enterprise nation?”

14:30 Meeting ends.

If you need a contact or information after the event please email:
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**Report from the 9th meeting of Scotland’s Cross-Party Group on Social Enterprise in The
Scottish Parliament**

New powers for Scotland: How do we build a social enterprise nation?

Chic Brodie MSP: The Smith Commission and the independence referendum context and the consultation submission from Social Enterprise Scotland. Current policy issues like exports being examined at the EET Committee in parliament - role for social enterprises? The national sector-led social enterprise strategy. Community Empowerment Bill. Local devolution to local authorities and communities important too.

Fraser Kelly, Social Enterprise Scotland: Context of the submission to Smith Commission. Consultation and partnership work with key sector partners. Social Enterprise Scotland meetings with Lord Smith. What type of Scotland do we want? Challenging to get common views on this. The economic system has broken - social enterprise is a strong response to that. We want your views. Smith Commission has a tight timetable.

James Dunbar, New Start Highland: To build a social enterprise nation we can do things before Smith Commission new powers. Procurement reform can already be done. Local councils and NHS are cutting money in silos instead of taking action as part of the wider good. Don't be cautious. Perspective has been lost. They need to think of best value.

Chic Brodie MSP: "If you buy cheap you buy dear" is a relevant saying.

Gillian Anderson, CVO East Ayrshire Ltd: Focus on employability, procurement and PSPs (Public Social Partnerships) need to be rolled out, not many PSPs yet.

Chic Brodie MSP: How embedded in the local authority is social enterprise in Ayrshire?

Gillian Anderson, CVO East Ayrshire Ltd: Disconnect between different levels. Lip service. Easy to do what we've always done.

Fraser Kelly, Social Enterprise Scotland: Who is involved in employability and the Work Programme important. DWP commissioning strategy excludes social enterprises. "Powers with a purpose" [Smith Commission context] needed to change things.

Chic Brodie MSP: This issue has also been raised elsewhere.

Mary McLuskey, CRNS: Complexity in framework agreements. Social enterprises much more disadvantaged. We are accused of not having good supply chains but simple assistance needed. Wages in our sector and across Scotland too low. VAT relief needed. Need more welfare powers too.

James Dunbar, New Start Highland: Procurement solutions - buying from social enterprises - high quality, value services necessary. Smart thinking.

Fraser Kelly, Social Enterprise Scotland: Some single issue thinking around the welfare agenda. Human rights and putting the individual at the heart of everything. Complex individual circumstances. How do we design services to fit people? Urban and rural issues actually similar but solutions different. Social investment, rates of pay, welfare too.

Chic Brodie MSP: Recent Business in the Parliament conference and workshop on community and business discussed some of these issues.

Sandy Watson, Scottish Enterprise: Many opportunities. Need clear and consistent messages from the third sector and social enterprise at a lot of these forums. Social Enterprise Scotland recent survey results. What do we need in the future? If social enterprise is a central part of the economy we need to realise this. It's still only around 5% of the economy. Needs to be at the centre of economic policy. Public bodies not responding well enough. Solutions not communicated.

Chic Brodie MSP: Sector is growing in spite of the hurdles.

Rebecca McKinney, Social Enterprise Alliance for Midlothian (SEAM): Was at a Business Gateway event. Met two women who were basically starting social enterprises but had never heard of social enterprise. Start early - Curriculum for Excellence, citizenship and being active in the community. Employability agenda important too.

Mary McLuskey, CRNS: Person-centred work not new. Individual aspirations through Curriculum for Excellence. Ask people what they need, then use social enterprise as the vehicle - welfare, communicating with the local authority, support and assistance etc. Measure the impact. The NHS and local authorities do not own their budgets - individuals do.

Bosco Santimano, You Can Cook: Local authorities - we can't bid for bigger contracts. Always told that EU rules apply i.e. they can't buy local or small. Scottish Parliament Procurement Act not translating on the ground locally. We have a track record but not allowed to bid for bigger contracts. We need to be involved at very beginning of local authority budget setting, to be engaged earlier.

Chic Brodie MSP: Awareness raising but also being involved in the budget process.

Robert Jacobs, Ayrshire Community Media: Education in schools. Glasgow doing this - enterprise in schools. Social Enterprise Scotland role in educating local authorities. In Ayrshire, local authority and Third Sector Interface (TSI) worked together - but not translating on the ground.

Chic Brodie MSP: Finance, national insurance and investment an issue.

Chris Holloway, Resilient Scotland: We operate a £15 million investment fund for community regeneration. We want social enterprises to become more enterprising. We're seeing a new breed of social enterprises - CICs and start-ups. Need a "what can we do?" attitude not "what can we get?" Lots are public facing. What social enterprises can do themselves. Early stage education needed.

Chic Brodie MSP: Taxation and tax reliefs - what are social enterprises saying will benefit them?

Chris Holloway, Resilient Scotland: High street presence - not getting reliefs etc.

Fraser Kelly, Social Enterprise Scotland: Corporation Tax, State Aid issues and cross-border competition, SITR (Social Investment Tax Relief) an issue too.

Alastair Davis, Social Investment Scotland: Social enterprises have campaigned for a long time for parity with private sector - but need to be careful about specialist versus mainstream. Issue about investor "interference". But research points to this not being the case. Scotland has had access to much of the UK infrastructure and we need to keep this access.

Chris Holloway, Resilient Scotland: State Aid is an issue - EU law is a barrier. Unfair competition rules.

Chic Brodie MSP: Town centres issue. Feed in to local authority strategy.

Mary McLuskey, CRNS: Displacement issue and State Aid. All Limited Companies already have to report back to Companies House - could include reporting on social enterprise engagement. Also report to Social Enterprise Scotland.

Rebecca McKinney, Social Enterprise Alliance for Midlothian (SEAM): We have that with CPPs (Community Planning Partnerships). Towns development - much greater role for social enterprises. Participatory Budgeting - at early stages. Relationship between local authority /CPP and local people important.

Chic Brodie MSP: What new Scottish Parliament powers could really benefit social enterprises?

Bosco Santimano, You Can Cook: Social enterprises need the same tax reliefs as charities get. Equality in rebates. Would stop a CIC having to convert to a charity, for example.

Fraser Kelly, Social Enterprise Scotland: We need to create a new economy and must say "we will not measure by GDP anymore". We need a big macro view "what should business look like in future?" Reporting - all businesses need to behave in a certain way - mainstreaming social enterprise as the normal way of doing business.

Chic Brodie MSP: In Germany there are employee shares in the company. Ask employees what should happen. Perhaps a "happiness index", good businesses and not GDP.

Jonny Ross-Tatam, The Buchanan Institute (The University of Edinburgh): We need a rounded and welfare-based approach. Allow people to take risks to start a social enterprise. Also need a universal income.

Mary McLuskey, CRNS: Stop talking about tax and welfare as separate. Must be talking to each other. Holistic. Aim to move people out of the welfare system to create their own entrepreneurial activity.

James Dunbar, New Start Highland: Celebrate success more. People are penalised for being good. The Highlands - some contracts given to those who needed the money - not the most suitable ones.

Chic Brodie MSP: Social enterprise in Scotland is internationally recognised. Role to export - selling knowledge, goods and services.

Gavin Neate, Neatebox Ltd: We created a new invention with proximity aware technology, came through ESpark. Not enough information about social investment in there -

information for accelerators. Investors say “We’ve not invested in social enterprise before, do I get a return?” Our system and exporting it currently under discussion.

Bosco Santimano, You Can Cook: We’ve had interest from both Sweden and Brussels. Our product has been tested by Abertay University, it has an evidence base. I was asked to present on it. The unique selling point is that it’s the only one in the UK.

Chic Brodie MSP: Definition and ethos of social enterprise issue - questions arise about continuing as we are or trying to change the wider business culture.

Mary McLuskey, CRNS: We have a product with potential for exports. Social enterprises not always linked enough to exporting.

Chic Brodie MSP: Conversations had with Canadian counterparts - interested by what Scotland is doing.

Sandy Watson, Scottish Enterprise: There are opportunities to get involved with international trade. Moves have been made. There are examples of social enterprises going ahead alone in selling abroad too. If something sells here there’s no reason that it won’t sell abroad. Scottish Government international work for social enterprises - around five social enterprises were involved. Plus Scotland Europa and SDI (Scottish Development International) social enterprise roundtable discussion. Support available through Business Gateway too. If there is demand then government will respond.

Chic Brodie MSP: In Germany some start out as a family business, exporting is taking place.

Stephen Jones, The Scottish Government: We’re thinking about existing support and strategy and where we’re at. How things have changed. As mentioned, the work in supporting five international social enterprises too. We’re forming our strategy and we’re in listening mode.

Chic Brodie MSP: Social enterprises not mentioned in Scottish Government economic strategy. Social enterprises must be consulted as an important part of the economy.

Brian Robertson, All Cleaned Up Scotland: Employability, young offenders and social enterprise. Work now coming through different routes and different public sector departments. Things getting tried at procurement and macro level.

Robert Jacobs, Ayrshire Community Media: We need TSI (Third Sector Interface) representatives involved in senior positions in all local authorities.

Rebecca McKinney, Social Enterprise Alliance for Midlothian (SEAM): TSIs are already involved in Community Planning Partnerships but could also be involved in budget setting.

Fraser Kelly, Social Enterprise Scotland: Dialogue will continue, start of the process, a need to look at the bigger picture. Consumer and public facing social enterprises important. Social

enterprise is not just a part of the third sector. It is emerging into the mainstream economy and economic development. Private sector financial support is also much greater than third sector support. Thanks for your input into Smith Commission, we're listening to social enterprises.

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