

Social Future 2: a seminar for social and community entrepreneurs

Event summary: discussions with the Labour Party

Thirty five social and community entrepreneurs and their supporters attended a half day seminar in Parliament, convened by UnLtd: the foundation for social entrepreneurs.

Seminar aims

After a decade of growth and high public spending, society should be in a strong position, yet we know challenges continue and are exacerbated by the recession. With a backdrop of less funding available, youth unemployment and many social and environmental issues to tackle, the incoming government will need all the help it can get. So how can we tap into the unique energies and passions of social and community entrepreneurs?

Context of social entrepreneurship: Cliff Prior

Why have we made it easier for a young leader to start a youth gang than a youth club?

Social entrepreneurs are the glue binding society and the creative force for social improvement. Communities facing problems contain within them the people who are the solutions. UnLtd's work supporting 1000 people a year shows that the energy and talent is out there, to create authentic, bottom up solutions to social and environmental problems. The Global Entrepreneurship Monitor shows this at scale – 1.7m people leading social organisations in the UK, 238,000 trying to start one, 35% of all nascent entrepreneurs starting social ventures.

Social entrepreneurs come disproportionately from disadvantaged communities, and from minority groups, motivated by personal or family experience of the problem they seek to solve. But few ventures get beyond local scale without assistance because most social entrepreneurs do not start with the confidence, networks or skills to make their work fly high.

So we need the right role for government, the right infrastructure of enablers, and the right culture in society. We have a once in a generation responsibility to do everything we can to create solutions in what will otherwise be a bleak and savage time of cuts and austerity.

The resource the UK has in plenty is the talent, energy and commitment of its people. Our job is to unleash those talents and help them shine. Its time for people powered solutions.

Lessons from the front line: Annys Darkwa, Vision Housing

Annys started Vision Housing inspired from her own experience in prison, seeing short sentenced women in a revolving door of offending. Her resettlement programme for women leaving prison has been highly successful, despite some of the initial challenges posed. Now with a 10% recidivism rate Annys is looking at how to grow and share the impact Vision Housing has made. It is clear that Annys's unique understanding of ex-offenders, their needs and asking "what do you want" rather than telling them "this is what you need to do" is the key to her success.

Discussion: brainstorming the key issues

We know and understand the contribution community and social entrepreneurs make, creating social impact, economic impact, innovation and social capital. UnLtd's recent survey shows on average a social entrepreneur creates 4 jobs, 14 training places and 15 volunteering opportunities. So, how can a future government take advantage of such a powerful resource?

The participants were asked to identify:

- Top 3 contributions social entrepreneurs can make
- Top 3 changes/new policies social entrepreneurs would want from the next government to scale up the contribution we can make

How can Social and Community Social Entrepreneurs make a difference?

- Providing a real and accurate **understanding** of the individuals who need support, particularly difficult with those hardest to reach
- **Engaging the disadvantaged**, particularly by social entrepreneurs from within the disadvantaged communities
- **Reforming public services**, more personalised, starting from where the person starts, turning recipients into contributors
- Identifying the **inconsistencies, gaps and barriers** between government departmental policies
- **Creating jobs**, for themselves and for others
- **Connection communities**, helping them strengthen and to bridge divides

What can the government do for social entrepreneurs?

- **A Future Social Entrepreneurs Fund**: take the best of Future Jobs Fund, allow it to be used for entry into social entrepreneurship as self employment, extend beyond 6 months to account for the longer journey taken by social entrepreneurs. This is better than pushing young people into jobs they don't want, provides invaluable learning, and allows people to create opportunities for themselves
- Support the development of **shared workspaces** for social entrepreneurs, initially focusing on areas of disadvantage
- **Assist people to become social entrepreneurs**, skilling people who have passion and vision but may not have the entrepreneurial skills to match.
- Short-cut the problems faced in starting and scaling a social enterprise: support the development of **back office service agencies** eg for hr, finance, IT, legals, insurance
- Develop and enable **social franchising**
- **Assist scaling up** through social investment and investment readiness support
- Ensure **transparency of performance**: eg showing what £1 spent by the probation service gets compared to £1 spent by a social enterprise like Vision Housing.
- Remember that social entrepreneurs **don't solely work on public services** nor need to engage with government agencies.

- Encourage **business support** to social entrepreneurs, eg with awards schemes and tax recognition

Commissioning Public Services

- **Lighter touch contracting**, level the playing field. It should not cost the same to procure £10,000 contract as a £1million contract.
- **Enable talent to get the contracts**. Some progress has been made with success, e.g. covering overheads not just marginal costs, and extending contracts from 1 year to 3 years. However, longer term this must become lighter touch and accessible to community entrepreneurs
- Civil Servants to **see for themselves** the innovative solutions created by social entrepreneurs
- **Civil Servants as mentors and secondees**, to get hands on experience of the challenges faced by communities/individuals (eg walk in the shoes of someone leaving prison with a piece of paper) and of the work of social and community entrepreneurs.
- **Reduce bureaucratic restrictions**, such as Health and Safety regulations restricting innovative use of empty public space
- **Super localism**: Total Place at neighbourhood level for very disadvantaged areas, a new deal for people

Communities and Social Entrepreneurs: John Denham MP, Sec of State for Communities and Local Government

John Denham has early and direct experience of setting up a social enterprise, running a campaign to turn a school building into a community centre and hub for social entrepreneurs. This is still going today.

There is a massive impact which could be made by social enterprise, the sector could have a much bigger role.

The challenge is how to protect and improve front line services when growth in resources is no longer available. We must innovate and reach communities who are harder to reach. We want a new commissioning process to facilitate social enterprise. We're looking models of ownership and delivery which have a more personal community feel. So they will *feel* better.

As a Department, CLG is focusing on the areas of most relevance to communities and local government:

- 1) A **new approach to commissioning**, to allow social and community entrepreneurs to successfully bid for contracts
- 2) Development of **innovative finance mechanisms**, such as social investment bonds, changes to capital claw back rules, and community shares.
- 3) New **models of community ownership and delivery** that have a different style of engagement, more personalised and less remote. Asset transfers, a unit to advise and support, community builders fund, legal frameworks for “meanwhile leases”.

Discussion points

- **Total Place** challenges local government officers to look at the whole spend on individuals. This is a local drive at a local level. A report will be out shortly.
- There are challenges: one department’s investment won’t necessarily be experienced as a saving within that department. Innovative financing such as **Social Impact Bonds** are an attractive solution.
- There is **myth busting** work to do regarding the communication between commissioning bodies and social entrepreneurs/ third sector during procurement.
- It might be possible to tap into **orphan funds** from liquidated companies held by legal firms.
- Commissioning should start from where people are: social and community entrepreneurs can **connect commissioners with reality**
- **A future social entrepreneurs fund** could support people from disadvantaged backgrounds to tackle the challenges faced by their community

Lessons from the front line: Robert Wilson, Read International

Robert recognised the opportunity of matching text books in schools in the UK which are “out of date” for our rapidly changing curriculum, and the need for quality educational text books in Tanzanian schools where they are still valid for the British overseas qualifications. In just a few years, Read International has gone from a holiday project to a national network of student volunteer groups and over half a million text books delivered to Tanzanian schools in partnership with their Education Ministry. Now Read is expanding to be the point of entry for people with any kind of book to recycle.

Robert experienced regulatory barriers particularly on health and safety, where local authority owned empty buildings were not allowed to be used, so that Read has ended up using space in DHL space instead despite greater safety risks. But his story shows the potential for community activity to achieve social benefits: awareness of international development issues in UK schools, landfill avoidance, and educational benefit in Tanzania.

Summarising the recommendations

Participants brought together the key recommendations they wished to make to the Labour Party:

- Social and community entrepreneurs create **jobs, training and volunteering opportunities**
- **Public service reform:** social and community entrepreneurs inspire, engage, and understand the lives of the people they are seeking to help
- Social and community entrepreneurs can **engage the most disadvantaged**
- Community entrepreneurs **help communities strengthen** and bridge divides
- **Transparency of outcome** is essential to break the logjam and allow people from within disadvantaged communities to take control and bring in better solutions from public service commissioning
- Social and community entrepreneurs **connect communities** and can **connect government** with the reality of the lives of people and their experience of public services
- Government should continue the Future Jobs Fund and expand it to create a **Future Social Entrepreneurs Fund**
- Government should enable **access to empty workspace** including empty council offices and public buildings
- Government should alter the **commissioning process to make it lighter touch** and more accessible to social and community entrepreneurs
- A **very local Total Place** would enable the most disadvantaged areas to progress faster
- Government should introduce incentives for **civil servants to mentor** social and community entrepreneurs, making it part of appraisal and career development
- Recognition should be given to the **contribution business and professions** can make to supporting social entrepreneurs eg through mentoring and advice

Developing Labour's Manifesto: Patrick Diamond

Patrick is a trustee of the Bromley by Bow Centre, a hub for social entrepreneurship, and therefore has first hand experience of the unique contribution of social enterprise as well as its challenges. It is the authenticity and innovation to solve the realities of social problems that are the strengths of social enterprise. This is recognised by across the political spectrum.

Labour has a strong track record, but there is more to do, and quicker. Overall the direction of travel has been right, but the environment has changed with the credit crunch, loss of trust between business and government, and less public money. These all need a new style of solution.

Key points Patrick Diamond will take away:

- Job Creation – will look at **Future Social Entrepreneurs Fund**
- **Bridging communities** – recognise the risk of rising social tensions and social entrepreneurs role in building social capital
- **Commissioning** – will look at reducing regulation and a lighter touch approach, drawing on the value of involving users in policy formation, commissioning and creating new social ventures
- Agree that **civil servants** need to get more hands on experience, through **volunteering and secondment**. This should form a part of their career path
- **Tax incentives** could enhance the role social entrepreneurs play
- **Recognition** of social entrepreneurs and highlighting of their achievements could strengthen their work and role

A closing question: Mohammed Ali,

What do you think social entrepreneurs could do to accelerate change?

Responses from Patrick Diamond:

- Work on public service reform, job creation and economic regeneration – the great challenges of our time
- Also their wider role in communities : the human side, building community, developing creative and fun solutions that engage people widely
- These are tough times, government will need all the help it can get, and that creates both challenges and opportunities for social entrepreneurs

Thank you all!

Cliff Prior

UnLtd: the foundation for social entrepreneurs

www.unltd.org.uk

twitter #socialfuture