

## **SocialFuture: a 2 day symposium for social and community entrepreneurs**

### **Event summary: discussions with the Conservative Party**

#### **Seminar aims**

We can't go on as before: we know the public money is running out, and the approach of the state buying good was running out of steam anyway, failing to tap the energies of our citizens, sometimes even blocking them.

It's time for people powered solutions.

Key aim to leave the seminar with

- a shared understanding of the specific contributions social and community entrepreneurs can make to tackling the challenges facing the UK
- with clear ideas on the specific and realistic policy initiatives which an incoming government should make to enhance these contributions

So the task is to work out

- Exactly where and how can social entrepreneurs contribute to the challenges facing the UK
- Who can best support them in their journey and how
- And what policies can a new government promulgate that will make the environment more encouraging and friendly for this activity?

#### **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.

**The Big Society Project: Nat Wei**

Nat Wei is leading the Big Society project for the Conservative Party and shared some of the early findings.

The role of the state will change, from dictating to agitating, from crowding out citizen action to crowding it in.

Key focus areas include:

- Supporting ordinary citizens to do things as part of everyday life
- Building a diverse ecology of support organisations to help the variety of a widening sector, specialist intermediaries
- Filling the dealflow gaps for social investment
- Inspiring and supporting action in disadvantaged communities – funds, timebanking, new volunteering models like connecting for care
- Tax breaks for citizens to buy ethical and act ethical

Social entrepreneurs will be at centre stage of our recovery

**Lessons from the front line: Annys Darkwa, Vision Housing**

A quick access resettlement housing service for women leaving prison, started by Annys from her own experience seeing short sentence women in a revolving door of offending. Building this from an idea in prison, to a back seat of the car start up, to a growing organisation registered with Probation and funded by the Metropolitan Policy. Support from UnLtd and business mentors has been critical to success.

Annys's key message: never take no as an answer

**Philanthropy and the future of social business: Michael Green**

Setting out the broader context of philanthropy and entrepreneurship:

The credit crunch has shifted focus from the ideology of short term profit to long term value. The challenge to the social enterprise sector is that all businesses must have a social dimension

- Making business more social
- Role of pension funds as investing for our long term future not just money
- Bringing enterprise energy and risk taking into intractable social problems
- Impossibility of making a risk averse civil service entrepreneurial
- Ideas like Bloombergs philanthropy fund to do the risky things, testing new approaches to school improvement and other public service areas
- Getting business and wealthy donors to work with the social sector and with govt
- Triple bottom line accounting to bring in social and environmental "externalities"
- Tackling the refuseniks in the business sector

**Lessons from the frontline: Phil Conway, Cool2Care**

A web board to encourage people into supporting children and young people with disabilities. Phil created the venture because of his own family experience, and his passion

and anger at how many disabled children are blocked from the normal joy of life. Now in 18 local authorities and growing rapidly.

Phil described the split personality needed to run an efficient business and a caring social venture.

### **The radical view: Phillip Blond**

The promise was that market will enrich and the state will protect. But it hasn't happened: the market has ended up a rigged monopoly and the state an authoritarian bureaucracy. For those at the bottom, it has meant serfdom.

Social entrepreneurship could be the business model for the future, but the fear is that it could become just another bit of CSR, another bit of charity. What will crowd in good practice and crowd out bad?

#### Key ideas:

- state money should be used to buy out the added risk of social ventures
- mechanisms for local people to invest in their local social entrepreneurs
- open guilds – communities of good practice, open to all who practice good
- encouraging a copycat culture of doing good
- building capacity, confidence and networks to enable social entrepreneurs to thrive
- a bottom up revolution to a fair and open capitalism

### **Groupwork: cross cutting themes to support social entrepreneurship**

#### **Getting started**

- Low regulation community entities for small social ventures
- Proportionate regulation for start-ups – health & safety, CRB, liability
- Seed investment with support
- A guide to finding the right support and seed finance – online with user ratings
- One stop shop approach to funding and support – reduce time wasted in tracking down what will help
- Networking opportunities and connections with mentors/advisers
- Simplify the language – it confuses at this stage

#### **Scaling up**

- Intermediaries to provide back office functions for community entrepreneurs, making it safer for people to try out an idea
- Show what you do to encourage customers to choose good – transparency

#### **Getting investment into social ventures**

- Crowd investment – eg simplify community shares in I&P societies via mobile

#### **Roles for government**

- Civil servants on secondment to social entrepreneurs
- A small percentage of public service budgets decided by their service users
- Highly local version of Total Place, neighbourhood level
- Government incentives for communities of trust

#### **Social franchising**

- Social franchising

#### **Tax environment**

- Gift aid for social enterprise

- Relevant tax breaks for social investment – on loans/bonds not just equity
- Contribution of business**
- Tax breaks for time (pro bono)
- Enabling agencies, like UnLtd, brokering resources eg from business to social entrepreneurs
- Include social benefit activities/outcomes in audited annual reports of companies
- Award schemes and other encouragements for company pro bono mentoring

### **Lessons from the front line: Ben Ramsden, Pants to Poverty**

Ben made the move from activist to business leader as he switched from a campaign organisation to create a social business. Pants to Poverty sources cotton from fair-trade farmers, turns it into pants at ethical factories in the developing world, and sells them in ways that raise awareness as well as making money.

Ben described the profit pie – what matters is who gets a slice. He runs a business to profit everyone involved.

### **Response: Francis Maude**

There is no single silver bullet. We need a wide range of measures and avoiding initiatives for the sake of them. Reducing barriers is key. The idea of a “back office” support service makes a lot of sense, also the idea of civil servants seconded into social ventures. Creating a social investment market will also be critical.

Stop obsessing about exact models, this is all about people who are motivated to make things happen. Like all enterprise, the motor is people.

You can't just withdraw the state and expect social capital to flourish in disadvantaged areas without help. We should direct grant support to where there's a lack of social capital.

The Big Society project will contribute ideas, but the Conservatives will be stay open to new thoughts and keep it unbureaucratic.

### **Kicking the habits of dependency: Shaun Bailey**

Shaun Bailey, social entrepreneur and founder of MyGeneration and PPC for Hammersmith

Social entrepreneurs are motivated by raw anger. They will tread on toes to make others give up power including the charitable sector. Social entrepreneurs should get the same tax breaks as charity. Charity can be a trap, a begging bowl, a loss of respect

The public have become used to having things done too them not by them. We have become a welfare junkie state. But we could get to a place where entrepreneurialism is the norm. A key challenge is the issue of public trust and overcoming the mistrust of social business.

**Key ideas:**

- finance training in schools
- get social entrepreneurship into the national curriculum
- cutting red tape, simplifying entry into social entrepreneurship
- build public trust in social enterprise through telling people exactly where the money goes

**A warning:**

- the state has come to the end of the positive things it can do, but not the negative.

**Lessons from the frontline: Future First, Jake Hayman**

FutureFirst helps young people in state schools in difficult areas by revolutionising careers advice. Jake brings successful people back to their old school to inspire and inform, tapping into their networks for work shadowing and work experience so that disadvantaged young people get the chances others take for granted.

**Key observations:**

- FutureFirst would not exist without his personal capital and seed support from UnLtd
- The level of business aptitude held for social enterprise is too low
- Too many social enterprises head for government tenders
- His poll showed major donors are more likely to give to help revenue generation activities for social ventures, even if it loses them tax relief
- We need to create a movement to marry business and charity

**Group work on themes of activity****Jobs and skills**

- Social entrepreneurs create jobs, skills, networks, volunteering and training opportunities
- a Future Social Entrepreneurs Fund, based on the Future Jobs Fund, particularly to expand, franchise, and help people turn what they want to do into a saleable product
- Franchising as a promising way to scale up job creating social enterprises

**Environment**

- Social entrepreneurs can create access points for citizens to engage with their local environment. Examples, food growing schemes and bike activities as access points.
- Government: 1) engage with communities to come up with answers to local environmental problems (beyond town hall). 2) Value environment as capital. 3) incorporate environment-related perspectives/activities into jobs/skills, education
- Enabling agencies: 1) reframe debate beyond CO2 reduction to something people can relate to (as per access points above) 2) identify and broker connections

**Community cohesion**

- social entrepreneurs bring new ideas, authenticity and trust.

- Government should engage social entrepreneurs to provide a communication link, bridging people and local authorities.
- Enabling agencies should make the support they offer more visible and accessible

### **Social business**

- Social entrepreneurs are social business: showcase yourselves!
- Government should keep out of the way, and education should include social entrepreneurship, going beyond schools
- Enabling agencies should assist wealthy donors to become more strategic in their giving
- New venture idea: 1000 social entrepreneurs contribute £1k each, matched by wealthy donors, to create a social entrepreneur led academy, a school with “face time” with social entrepreneurs

### **Public service reform**

- Social entrepreneurs turn recipients of services into active contributors
- Government should make it easier not direct it. The right legal framework for trust and enterprise, reducing barriers to entry, enabling social investment, and making the resources they have like information available to citizens
- Enabling agencies should help people who have the passion and drive for change to take control, making knowledge/networks/confidence available to them, providing the shelter and structure for the first steps of setting up, to get social entrepreneurs robust enough to deliver with success
- Biggest worries – government use this as an excuse for pulling the plug on the poor; and that the passion and energy of social entrepreneurs is nationalised

## **Open session**

### Attitude – led by Mohammed Ali

Social entrepreneurs as role models in disillusioned communities, especially grass roots entrepreneurs rather than celebrity success stories. A ladder of role models from the bottom up – there is an attitude and confidence journey. Inspire to the other roles needed in the team too. Language can become a barrier.

Social entrepreneurs start as angry crusaders, and sometimes that attitude can block their progress later. We need adaptability.

### Talent – led by Richard Tyrie

You don't know what you don't know. Success in a venture is 99% about execution, ideas are the easy part. Getting access to the talent to make it work is critical. Lets have a talent board online with skills diagnostic, toolkit, a national talent pool of job applicants/ volunteers/mentors for social entrepreneurs.

How about a virtual advisory board system as a turnkey for social entrepreneurs?

### Free money from online – led by Colin Fu

Mentoring social entrepreneurs on how to make money from the assets you already have via digital download.

Size and scale are about social impact – led by Abi Moore from PinkStinks

When social entrepreneurs talk about scaling up, it should be about scaling the right thing – the social impact they create. But creating an income stream to underpin this is still critical.

### Response from Nat Wei

Two models of community organising

- Take power and then change the structures once you are there
- We may never take power, so organise to always be self sustaining
- Actually it doesn't have to be one or the other, its both/and

We are on the cusp of social entrepreneurship becoming the norm. How can we shape it?

Three key ideas:

- **Definitions** – social entrepreneurs should invent their own dictionary. We need to take the term apart and have a language for its different components
- **Enabling organisations** – plurality, specialism, new types that don't exist yet, scaling up by enabling others
- **Ongoing conversation** – where and how? Needs to be with the population at large. What will you do as social entrepreneurs?

### Continuing the alliance for change: Cliff Prior

We do not need anyone's permission to make change happen.

The results of this seminar will be

- Reported back to participants
- Fed in to Conservative policy via Nat Wei and Francis Maude
- Fed in to a report commissioned by UnLtd from Respublica
- UnLtd's own lobbying
- Our own strategy as we work out the best role we can serve for new social entrepreneurs

A strong majority moved for a continuing dialogue, and alliance for change.

Thank you all!

Cliff Prior

UnLtd: the foundation for social entrepreneurs

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