

Time for people powered solutions



UnLtd social entrepreneurs seminar 24 March 2010:

Background information

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

And how can we turn that round?

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1. About this seminar

“Time for People Powered Solutions” is a combination of seminars and a policy report to work out the contribution of social entrepreneurs, and the agencies which support them, to tackling the challenges facing the UK over the coming years.

UnLtd is hosting two seminars: one facing the policy priorities and themes of each of the two main UK political parties. We are also collaborating to produce a report on Community Entrepreneurs, which will include some of the learning from the seminars as well as other research and economic modelling.

The seminars will be participative and creative. We seek your active involvement, to help build a full understanding of the potential and practical measures for social and community entrepreneurship .

Right now, the UK faces its toughest time in decades. There will be little public money and many social needs. Unemployment has not risen as much as feared, but the impact on young people and particularly school leavers is dramatic. Looking beyond the recession, we face social and environmental challenges which need action from citizens not just government.

As a society, we can go for blame – bankers, government, politicians, capitalism, whatever your target. Or we can go for solutions.

At UnLtd we believe communities facing problems contain within them the people who are the solutions. Social entrepreneurs are the glue binding society and the creative force for social improvement.

We believe it is a time for people powered solutions. A time to unleash the talents of people who can transform the world in which they live. A time for those of us in the social venture sector to rise to the challenge.

The new government following the election will need all the help it can get. So exactly what, where, and how can social entrepreneurship do for the challenges facing the UK? What support infrastructure will help it fill its potential? Who are the best enablers and how can we best support and connect them? And what policies can the new government promulgate to improve the operating environment?

Put simply, what can the next government announce that will work and will be seen to be workable by a sceptical public and media?

UnLtd's work shows that the energy and talent is out there, to create authentic, bottom up solutions to social and environmental problems. The Global Entrepreneurship Monitor 2007ⁱ shows this at scale – 1.7m people leading social organisations in the UK, 238,000 trying to start one, and 35% of all nascent (early stage) entrepreneurs starting social ventures.

But UnLtd's work also shows that whilst this activity builds social capital through active citizenship, few ventures get beyond local scale without assistance. That assistance needs to include an appropriate role for the state, clarity about what sorts of helpers can best support social entrepreneurs, and an approach which engages the public and communities rather than producing cynicism or any sense people are being "used".

Developing the role of social entrepreneurs and their support agencies cannot tackle all ills, but can add priceless value to social and environmental improvement, and to building a stronger post- credit crunch Britain. Unleashing the creative energies of our citizens and communities must be better than treating our population as simply passive recipients or choosy consumers.

In the social entrepreneurship support sector, we have a once in a decade chance to seize initiative and boost support to social entrepreneurs. But much more importantly than this, we have a once in a century responsibility to do everything we can to create solutions, to what will otherwise be a bleak and savage time of austerity.

The resource the UK has in plenty is the talent, energy and commitment of its people. The job we have in our sector is to unleash those talents and help them shine. The task for this seminar is to work out the practical next steps in making this happen

2. UnLtd: the foundation for social entrepreneurs

UnLtd's mission is to reach out and unleash the energies of people who can transform the world in which they live. We call these people social entrepreneurs.

We back around 1000 people every year to get started on their own ventures for social or environmental benefit, with a mix of cash, development support and networking. We support about 50 of them each year to get to major scale, with more intensive support and brokering to social investment opportunities. UnLtd is the world's leading organisation in early stage and high support work with social entrepreneurs.

UnLtd believes that individuals have the potential to make positive change in the world and we value social entrepreneurs across the spectrum, from local- to world- changing. We work with people with passion, ideas, and a can do attitude, from all backgrounds and in all

sectors of social and environmental benefit. They are people who are resilient and resourceful in overcoming barriers and are truly exciting people to be working with.

UnLtd itself is a unique and dynamic organisation, formed in 2000 and starting operations in 2002. Our core funding comes from a perpetual endowment given by the Millennium Commission, and we are growing through earning extra income, taking our reach and skill base into theme areas and showing other funders how it can deliver their objectives. These new initiatives cover themes as diverse as environment, reinvention of public service media, ageing society, young people reducing social conflict, community regeneration, refugee integration, and social spinout from universities. We evaluate each programme to learn from the experience of supporting 1000 people each year, and this is a key source of learning in the sector. Our networks of pro bono support and peer to peer skill sharing extend to the top companies and across the globe.

UnLtd offers three main levels of support that is tailored to each individual's needs:

Level 1 Awards are aimed at individuals who have an idea which will change society for the better, and want help getting it off the ground. The money (of between £500 and £5,000) is to help get the project up and running, and is backed by development support.

Level 2 Awards are for individuals whose ideas are already off the ground and now want help taking the project to the next level. The funds (of up to £15,000) are to enable the social entrepreneur to work full time on their venture, and are backed by more intensive development support and networking.

Our **Ventures** team also provides consultancy support and larger awards to a very small number of outstanding (**Level 3**) social entrepreneurs, helping them to scale up or replicate their projects.

UnLtd Advantage identifies high growth potential social entrepreneurs and their ventures who will need investment capital, and provides a field leading service to help them become investment ready.

UnLtd Connect brokers in pro bono help from top professionals and leaders, to give world class additional support to our Award Winners. The scheme is expanding rapidly and this year has brought in £750,000 worth of professional time.

UnLtd Research has been set up to evaluate social entrepreneurs, the impact of our work and the impact our Award Winners have on their communities. We translate this knowledge into tools and metrics to improve our work, to help social entrepreneurs in their own work, and to improve public understanding.

UnLtdWorld.com is the social network for social leaders – the starting point for all those that operate in the social entrepreneurship field, providing social leaders with indispensable connections, information and insight.

Young UnLtd is the groundbreaking youth led programme for young social entrepreneurs. This scheme now has 5 year funding to make the approach a mainstream part of youth work practice.

UnLtd employs 70 staff, based in seven offices throughout the UK.

UnLtd has been replicated in India, Ireland and South Africa, with several other countries interested and at development stage. A global network is growing of agencies dedicated to supporting start up social entrepreneurs. UnLtd is a member of the Social Entrepreneurship Policy Group in the UK, working with Ashoka, CAN, Changemakers, the School for Social Entrepreneurs, and Training for Life.

3. Social entrepreneurship in the UK

The Global Entrepreneurship Monitor 2007 special report on social entrepreneurship in the UK shows 1.7m people leading some kind of social venture, the great majority of these informal and community level. The survey showed 238,000 people trying to start a new social venture, with 35% of all nascent early stage entrepreneurial activity being social in intentⁱⁱ. This survey shows the massive level of interest in the UK population in contributing to social and environmental benefit.

The GEM report highlights differences between social and commercial entrepreneurship: social entrepreneurship is more gender neutral, more skewed to minority groups, and also to disadvantaged areas and backgrounds. The bias towards disadvantaged areas is also in contrast to the distribution of existing charities, which tend to concentrate in wealthier localities.

Survey and focus group work by Enterprise UK has highlighted the growing awareness of entrepreneurship in the UK, and the growing interest in a social dimension to this. Business schools report a high level of interest by MBA students in social enterprise. The reasons for this trend have not been rigorously explored, but are likely to include push factors (reduction in ordinary job prospects and security, lack of interesting opportunities in traditional employment) and pull factors (desire to create own future, desire to have a blended life of earning and improving the world, growing awareness of entrepreneurship through media coverage).

UnLtd has reached 17,000 social entrepreneurs to date, with over 7,000 directly helped by our development support staff. Data on the open programme¹ reinforces the messages from the GEM survey:

- **Over a third come from the most disadvantaged 20% of localities**
- Almost as many women as men are social entrepreneurs
- People from minority ethnic groups form c40% of the total compared to c11% of the UK population
- The age profile extends from 11 to over 75, with a peak between 30 - 45
- Social entrepreneurs are more likely to have achieved educational success – particularly striking given the background of disadvantage
- There is a “power law” profile of the number of social ventures created at each level of scale – the majority small, community level and informal, with a pyramid of larger organisations up the scale

Qualitative research by UnLtd helps to understand the motivations and journeys of social entrepreneurs. Stand out findings include²:

- **The majority are motivated by close personal, family or community experience of the problems they wish to solve;** their determination and resilience in the difficult job of starting a social venture comes from personal passion; they build the skills and networks they need to progress as they develop their venture, and particularly benefit from intensive early support and networking opportunities
- A minority start from a position of skills acquired through professional life and wish to contribute something back; their progress is assisted by the confidence, skills and networks from this previous experience; their determination and social commitment is strengthened as they gain direct personal experience of the problem they seek to solve through their social leadership
- **There is a confidence journey in social entrepreneurship,** rather than a single confidence step of getting started; having supporters there at the point where they hit further challenges and setbacks can be critical particularly in relation to young social entrepreneurs
- People from disadvantaged backgrounds find more local support than they expected, but crave practical opportunities to network with other social entrepreneurs, and particularly benefit from professional/business mentors

¹ Mixed UnLtd data sources including UnLtd’s 2009 survey and Tom Hales, 2005.

² Mixed UnLtd sources, including the evaluation reports of UnLtd Sport Relief, the NDC New Cross Gate Programme, the UnLtd DCSF Survey 2009, and emerging findings from the Longitudinal Study

- Young social entrepreneurs often find working with peers in a group, on time-bounded projects, most successful for their first steps. They are more successful if they pursue their own passions and interests than if they follow someone else's suggestion.

4. Benefits created by social entrepreneurs

UnLtd identifies 5 main zones of benefit created by social entrepreneurs, informed by our evaluation and research to date³:

1. **Learning and confidence building for the social entrepreneurs** – this is particularly evident for young people and for those whose self confidence is low, e.g. in areas of prolonged high unemployment
2. **Social capital and cohesion** – community entrepreneurs, the teenagers developing programmes to engage their peers in pro-social rather than anti-social activities, people tackling conflict in their communities, and people in deprived areas simply inspiring their neighbours to believe it is possible to make a difference; both bonding and bridging social capital is created in this way
3. **Social impact** – the direct social impact (health, education, reducing reoffending, carbon reduction, landfill diversion, etc) is evident as social ventures scale up; indirect social impact comes from opportunities to contribute – average volunteering opportunities created within 2 years is c7 per social entrepreneur
4. **Economic impact** – start up social entrepreneurs in surveys by UnLtd and the School for Social Entrepreneurs typically create an average of around 3 jobs in their first 2 years, with a substantial skew as a minority create large numbers
5. **Social innovation** – new ideas, authentic to their communities, emerging from the people who have lived with the problem, producing some of the most significant innovations in the social and environmental domains.

Our recent 2009 survey with former Award Winners shows that social entrepreneurs each create an average of :

- **4 jobs**
- **14 training places**
- **15 volunteer places**

³ Mixed data sources, including the evaluation of the NDC New Cross Gate Programme, evaluation of the Sport Relief Programme, UnLtd Survey, 2009, and the School for Social Entrepreneurs: nef evaluation report, 2006.

An UnLtd 2006 online survey with 130 former Award Winners, showed that two fifths **generated trading revenue**, and a majority felt this would increase in the next 2 years up to an average target of two thirds of total income.

Interviews between 2003 – 2006 with 900 people at the end of their UnLtd award period showed that almost **half had secured additional funding** for their project, typically £500 to £5000 – doubling the amount of the award.

The survey showed that these 900 Award Winners worked with an average of **80 beneficiaries each**.

The work had impact on some of the most deprived communities across the UK – **over a third of our awards went to individuals from the top 20% of the most deprived communities** across England and Wales

In terms of confidence and skills to run a social venture and to be a social leader, our 2009 survey shows that:

- **92% feel able to set up** a social venture, 98% feel this is a direct result of running their UnLtd awarded project
- 80% say that without the Award they would have been struggling and unable to run their venture

And our end of award interviews between 2003 – 2006 showed that UnLtd Award Winners reported:

- Increases in their **confidence and motivation – 92%** of sample
- Increases in **leadership capabilities - 83%**
- Gaining **project management experience - 85%**

And that their projects helped enhanced community cohesion as they:

- Enabled beneficiaries to form **new support networks - 75%**
- Facilitated **new friendships– 87%**
- **Reduced isolation – 74%**

The areas of social and environmental benefit targeted by UnLtd Award Winners are highly diverse:

- growth sectors by cash turnover: public service, clean tech, waste/recycling, fair finance, food
- major sectors by number of people involved : sport, youth, community, internet/social media, green

5. Support methodologies

The support environment for social entrepreneurs in the UK is world leading and diverse. Yet still, the agencies involved collectively reach only a single percent of the population wishing to start a social venture. Far more could be achieved in the coming years.

The main support models include:

1. **Cash only awards** – eg vkashpoint – helpful but people from disadvantaged backgrounds struggle without development support
2. **Cash and development support awards** – the UnLtd model, also used by Firstport Scotland (partner to Scotland UnLtd) and Princes Trust
3. **Vocational education** – learning by reflection on doing, and peer to peer discussion – School for Social Entrepreneurs, and some shorter course providers
4. **Formal education** – several MBA and business schools now have a social dimension examples range from Skoll at Said, to Liverpool John Moores
5. **Hubs** – shared workspaces with active hosting and networking – eg The Hub
6. **Incubators** – Young Foundation, Shaftesbury Partnership, Participle, Innovation Exchange – hothousing a selected group of high promise social enterprises. Particularly valuable for social innovation areas.
7. **Community anchors** – some like Bromley by Bow, Community Links, Blackbourne House and Sunlight Centre focus on supporting local community entrepreneurs.
8. **Challenge prize schemes** – eg the NESTA funded Big Green Challenge delivered by UnLtd recently. Major prizes put up to attract interest and energy on a theme area.
9. **Student movement and competitions** – eg Student Hubs Movement, SIFE. Business plan competitions, live pitching competitions, student networks, UnLtd's Dare to be Different Awards
10. **Networks** – including events based networking, drinktank style informal meetups, unconferences, social impact camps, online networks such as UnLtdWorld.com
11. **Pro bono connections** – UnLtd Connect, and the pro bono schemes that run alongside several social investment programmes such as Impetus, Breakthrough.
12. **Social investment and investment readiness** –government funded social investment houses such as Social Investment Business, and the independent ones including Triodos, Bridges, Venturesome, Big Issue Invest, alongside investment readiness programmes like UnLtd Advantage and Eastside Consulting.

This support agency environment is still developing organically, with occasional major injections of Government funds. Compared to the traditional third sector support infrastructure, the agencies involved are very small and have little public recognition. Effective intermediary structures such as appropriate legal, accounting and consultancy services are equally embryonic. However the sector is developing fast. Transparency and a shared information base would be valuable to social entrepreneurs who often find the support sector opaque.

The relationship with central Government is complex. Government support at this early stage in the development of the sector is needed and can be valuable, but it is easy for direct central intervention to distort and even crowd out independent activity and resources. An enabling framework of tax incentives, appropriate legal structures and regulation, could assist in the development of the support sector in a more organic and sustainable way.

All too often the relationship between Government, social entrepreneurs and beneficiaries is one of bully, rescuer and victim. We need to shift from this to a relationship of legitimate authority, enabler and citizen. That means empowering the citizen to act for themselves including where they ask for help, and empowering the enablers to work out for themselves the best models to respond to these requests. Both rights based and money-following-individual models can work in this way.

6. Relevance to policy priorities

The administration taking power after the 2010 election will face an unprecedented combination of challenges. With the unemployment phase of the recession combined with a profound squeeze on public finances, social unrest is all too likely. This comes on top of pre-existing challenges in health, education, the environment, offending, and many other areas. In addition, the last decade has seen more and more areas where the problems are no longer amenable to central government action or at least not alone – areas such as obesity, the ageing society, and community carbon behaviour are “lifezone” issues which need the active engagement of citizens and communities to effect lasting change. Social and community entrepreneurship can offer a significant new opportunity in many of these areas.

The one resource the UK has in plenty is people who are prepared to step forward, creating new social ventures to help their communities and tackle the issues they see around them.

Different approaches and different parts of the social entrepreneurship scene are relevant to each of these issues:

Jobs and skills: social entrepreneurs providing training, skills development, job brokerage and direct employment, often focusing on people disadvantaged in the marketplace. A social enterprise approach can often bring commercial income in to match and extend the training and job creation subsidies offered by Government. High growth potential social ventures deliver numbers; community level enterprises can engage the hardest to reach.

Environment: social entrepreneurs leading their communities in reducing carbon use, avoiding waste and landfill, and building confidence to support environmental change. A mass of community level environmental activists are best placed to bring their neighbours and peers with them. Social ventures with high media profile can create a buzz and the sense of a movement for change. Technological social entrepreneurship offers potential for pro social innovation. Landfill diversion, reuse and recycling can benefit from social enterprises reaching scale.

Public service reform: social entrepreneurs creating new methods of delivering public services in health, social care, education, reducing (re) offending, and many other areas. Public service reform needs a mix of community level enterprises for engagement of beneficiaries, through public sector spinouts to free up enterprise and re-engage staff, to radical innovation experiments supported through incubators.

Community cohesion: social entrepreneurs building social capital and bridging divides – tackling gang culture, bridging ethnic and faith divisions, creating a sense of hope and confidence in community action. This is the area of community entrepreneurship – large numbers of people, authentic to their own communities, driven and informed by personal lived experience, changing communities from the inside. Larger community anchor organisations can assist as enablers, ranging from the traditional settlements (eg Cambridge House) to newer social enterprise hubs (Bromley by Bow) and new democracy agents (London Citizens).

Business with soul: social entrepreneurs creating business models with a triple bottom line, using retail and business to business models with social and environmental benefit. Social businesses are the least recognised part of the sector, but with increasing customer and business interest, represent a major future opportunity. Scale, business orientation and investment readiness are critical.

Social entrepreneurship is not a creation of Government nor of enabling organisations: it is a genuine phenomenon, a mass social movement of people who wish to act, often from strong personal motivations. It seems to have been present in the UK population for centuries, from the Victorian mutuals and philanthropies to present day social enterprise. It has survived statist and consumerist periods in UK culture.

Because it originates from the energies of individuals and their communities, social entrepreneurship illustrates the policy priorities which are important to our citizens rather than responding to priorities decided or set by Governments.

The sensitivity to the needs of our communities is out there amongst social entrepreneurs. The authentic and innovative solutions, based in how people in disadvantage live their lives, are also out there amongst social entrepreneurs. This can answer policy priorities in a far more inspirational and transformational way than simply seeking responses to a tender exercise.

Most of all, social entrepreneurs are often able to reframe a problem into a solution. By tapping in to their energies, and their ability to tap in to the energies of their communities, we liberate a new resource which is vital for the future of our country.

Cliff Prior 5 March 2010

UnLtd: the foundation for social entrepreneurs

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ⁱⁱ Global Entrepreneurship Monitor. 2007. *Social Entrepreneurship in the UK*.