

Phoenix Development Fund: Themed Report Summary

Themed Report Title: Social Enterprises

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Context

This report is based on interviews and data gathered by the eight support organisations that delivered PDF projects on behalf of social enterprises. The projects were both diverse in nature and geographical location with each having the ultimate aim of furthering knowledge and understanding of social enterprise, and to enable the growth of the sector.

Two of the eight projects, Co-ops UK and MCI, were contracted to deliver specific pieces of work as opposed to being grant funded. Co-ops UK researched into the business support needs of larger social enterprises, and MCI operated the Social Enterprise Visit Programme, a spin-off of the Inside UK Enterprise programme.

Two projects dealt with replication/franchising of social enterprises, (CAN and Social Firms UK), but from different perspectives. CAN's project aimed to spread replication more generally to social enterprises whereas Social Firms UK initially set out to use replication/franchising of successful models to increase the number of social firms.

The Guild managed 'EAST 3' project on behalf of Business Link Norfolk and delivered three separate stand-alone component projects. Each tailored to meet specific local need. It included schemes to develop individuals as 'Civic Champs' and provision of a next stage (Advanced Champ), operation of the first accredited 'Managing Social Enterprise' programme, development of a diagnostic tool, and work with procurement officers to enhance their level of understanding of social enterprise.

BLCD (Business Link County Durham) and VAC (Voluntary Action Cumbria), both focussed on nurturing and developing rural enterprise.

Of the eight projects, Co-active's 'The Up Escalator' uniquely focussed on socially excluded groups running social enterprises. It aimed to develop new tools to help these social enterprises with growth potential to build capacity.

Lessons Learned

Role of PDF and SBS

The PDF team were reported on favourably. Their role was described as both enabling and supportive, and on occasions participatory.

PDF was positively regarded by the sector. Organisations cited its absence of imposed outputs and flexible approach as key enablers to learning, which led to the development of successful projects.

Client focus support

The projects showed:

- Business support needs to be flexible enough to respond to the different growth needs of social enterprises.
- Out-put driven targeted business support was seen as a barrier to developing good quality social enterprises.
- Concern was also expressed that there was an over estimate of the number of people with the capacity to develop social enterprises, and coupled with the intensive resource needs of social enterprise start-up, these could prove to be a barrier to the sector's growth.
- Some people did not see targeted business support as the way forward for the sector, but rather that there should be appropriate investment and mainstreaming of provision.

Networks

The majority of social enterprise projects used networks to reach their target audience, and where these were well established, they tended to be successful. Interestingly, Social Firms UK (SFUK) project, which was initially aimed at their membership, did not reap the level of anticipated interest. This led to a rethink by SFUK and as a result

successful links were formed with others outside the target group. In the case of The Guild, networks were not only used to disseminate information but also to assist in project delivery.

Useful points for the Project

Overall impact of PDF on the theme

- PDF allowed social enterprise support organisations to do work which would otherwise not have been possible under mainstream support; it enabled some of them to be less risk averse.
- Both CAN and SFUK reaped unexpected benefits from PDF. By adopting a flexible approach to its aims CAN went on to forge links with the commercial sector, and SFUK also established links with other types of social enterprises.
- Other projects were instrumental in raising the confidence and learning of individuals, and also added to the knowledge base of social enterprise support organisations.

Strategic Issues

- The challenge lies in how to replicate and mainstream the best elements of targeted business support, which, as PDF has shown, many social enterprises seem to thrive under. Unlike mainstream business support, this type of support is resource intensive in terms of finance and labour inputs. It also seems to rely heavily on built trust relationships.
- The sector's negative perception of Business Links cannot be overlooked and more needs to be done urgently to encourage social enterprises to make use of their services. Business Link may need to do more to raise its profile and to publicise its successes.

Over-arching issues

PDF allowed social enterprise projects to take risk and to innovate. It has led to the development of a number of very useful social enterprise tool kits, and has also helped to increase the knowledge bank on social enterprise. Both CAN and SFUK experience of replication/franchising is proving invaluable to the sector, and has resulted in successful crossover to the commercial sector.

Messages for policy makers and commissioners

- PDF has had a significant impact on the sector but it would have been helpful if the mechanism for evaluation was integrated into the project
- The need to have a clear exit strategy for time-bound projects
- The need to build the foundations for sustainability e.g. Social Enterprise Visit programme ending abruptly with PDF in March 2006
- Management of expectations