



Social Enterprise and Social Firms

In the United Kingdom



Facts and figures



- 19% of population disabled (6.9million)
- 50% of working age disabled are employed (80% of non-disabled)
- 45% of disabled population economically 'inactive' (16% of non-disabled)
- Average gross hourly pay is £10.31 for disabled employee (£11.39 for non-disabled)



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Unemployment rate - categories

- Only 21% of people with mental health problems are employed
- 26% of people with learning disabilities are employed
- 26% of disabled people have no qualifications (10% of non-disabled people have no qualifications)



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Incentivising a move away from Benefits

- Personal Capability Assessment determines whether a person is unable to work, because of ill health or disability
- 2.7 million people claiming Incapacity Benefit (2003), more than 7.5% of working aged population
- Cost to government of £16 billion
- Supported permitted work up to 16 hours a week, maximum pay of £88.50
- New Deal for Disabled People, a voluntary scheme, offered at Jobcentre Plus offices, encouraging a move into work, replaced by Pathways to Work – rewards efforts to work, and employers who provide work
- In 2007 Employment Support Allowance replaces Incapacity Benefit and Income Support (previously claimed by disabled people)



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Role of Third Sector

- 160,000 registered charities
- 20 million volunteers
- Turnover of more than £27 billion
- 34,000 third sector providers in health
- Government creates new Office of the Third Sector, (including social enterprise)



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Social Enterprise

- 'Business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community'
- 55,000 social enterprises in the UK
- Turnover of £27 billion
- Social enterprise Action Plan published in November 2006



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The contribution of social enterprise

Meeting social need

Using business success to meet social or environmental ends

Providing opportunity and skills for marginalised groups – and in some cases a potential route off benefits

Increasing enterprise

Attracting new entrepreneurs who want to make a difference to society or the environment

Encouraging more women, under-represented groups and young people to start their own enterprises

Improving public services

Shaping service design

Pioneering new approaches and winning contracts to deliver services

Encouraging ethical markets

Responding to new markets driven by increasing ethical consumerism

Raising the bar by adopting pioneering ethical practices, such as fair trade



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Social Innovation

New ideas, meeting unmet social needs,

Not driven by profit maximisation

Operates in many fields:-

- public policy
- urban planning
- social movements
- community development
- design, technology
- social entrepreneurship

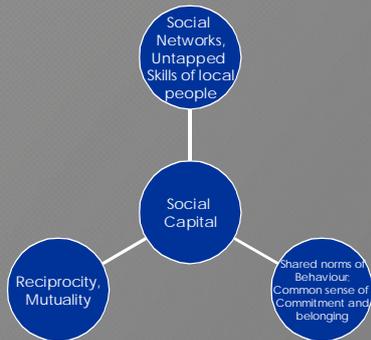
Requires:-

- leaders
- finance
- markets open for social solutions
- incubator
- institutions for systemic change
- attitudes cutting across public, private and non-profit sector



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Social capital



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Obstacles

- Recognising, introducing and cultivating new opinion (new ideas may, at the beginning, be less efficient than optimised alternatives)
- Overcoming barriers to change and risk aversion (eg of upsetting vested interests)
- Supportive environment required but government agencies not good at recognising and replicating good innovations
- Strategies for innovation must incorporate services and social organisations
- Poor relationships between public service commissioners and managers, third sector practitioner innovators, social investors and policy makers

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British government policy towards social enterprise – commitment from 12 ministries

- Social Enterprise Action Plan
- Fostering a culture of social enterprise
- Ensuring the right information and advice are available to social enterprises
- Enabling social enterprises to access appropriate finance
- Enabling social enterprises to work with government



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Government support for social enterprise

- Funding for 'social enterprise strategic partners' (intermediary support organisations)
- Support for young people in enterprise; women's enterprise
- Awards for outstanding examples of social enterprise
- Social enterprise ambassadors, as 'role models'



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Social Firms – 'supportive workplaces' providing meaningful work for disadvantaged people

- At least 25% of workforce disadvantaged and 50% of income comes from sale of goods or services
- 137 social firms, creating 1652 full time jobs, 52% people (mostly disabled)
- Sectors include catering, recycling, horticulture and training, retail, cycle restoration and repairs, travel and tourism, transcription services, packaging and printing, IT and consultancy



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Working in many different fields



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Social Firms UK – a social enterprise strategic partner

- Promote the development of Social Firms throughout the UK
- Support social firms & developing social firms
- Represent members to government
- Improve conditions and create new opportunities for social firms and raise their profile
- Map development, promote research sector and maintain a central Resource Centre
- Encourage best practice, promote social franchising of good replicable models and operate the Star Social Firm quality mark



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Legal forms

- Co-operatives
- Development Trusts
- Housing Associations
- Industrial and Provident Societies
- Charities
- Community Interest Companies

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Necessary conditions for the future, in Japan and UK

- Decentralisation of power and money
- Greater freedom for communities to shape their own solutions
- Space in public services for testing out new ideas
- Collaboration of practitioners, policy makers and social entrepreneurs
- Innovation units, to pioneer and coordinate ideas
- Expert user laboratories to test out ideas
- Development of 'accelerators' for particular sectors like health and education and 'cross-cutting' themes such as disability, ageing or care
- Scaleable innovation



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Some UK social enterprise examples – in health field

Cuckoo Lane Practice

Administration run by social enterprise.
Profit reinvested in patient services



SELDOC

A GP cooperative, based in two hospitals, in South East London owned by the GPs and staff, providing out of hours general medical services



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2012 London Olympics

- Participation by social enterprises will create a legacy for the community
- Involvement in community asset development
- Engagement in the sports agenda
- Participation in Thames gateway area in the development of a transportation hub, skills and employment
- Long term regeneration of the Lower Lea Valley in East London



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Child Care

- Strong link with government's regeneration and employment goals
- Affordable price provision tough for social enterprise
- Financial support from government required for good and lasting solutions, so that a high level of services can be provided for families of all income levels
- "Social enterprises in childcare are particularly important because they can represent all the key stakeholders in local communities, including children, parents, employers and staff."



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Links

Upstarts Award www.edgeupstarts.org	Impetus UK www.impetus.org.uk	Charity Bank www.charitybank.org	The London Rebuilding Society www.londonrebuilding.com
Sustainable Funding Project www.ncvo-vol.org.uk/Asp/Search/microsites	The Funding Network www.thefundingnetwork.org.uk	The Beacon Fellowship www.beaconfellowship.org.uk	UnLtd. www.unltd.org.uk
Social Enterprise Coalition www.socialenterprise.org.uk	Venturesome www.cafonline.org/default.aspx?page=6903	Community Development Finance Assn www.cdfa.org.uk	The Big Boost www.thebigboost.org.uk

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