

**2nd meeting of the Cross-Party Group (CPG) on Social Enterprise in The Scottish Parliament**

*Scotland's national policy forum for social enterprise*

**Thursday 25 April 2019, 13:00 - 14:30**

**The Robert Burns Room (Committee Room 1), The Scottish Parliament, Edinburgh, EH99 1SP**

Tom Arthur MSP, Scottish National Party (SNP), Convener  
Rachael Hamilton MSP, Scottish Conservatives and Andy Wightman MSP, Scottish Greens, Joint Vice Conveners

Secretariat provided by Duncan Thorp, Social Enterprise Scotland

***AGM, Scotland's Social Enterprise Strategy and new policy topics***

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**Report from the 2nd meeting of the Cross-Party Group (CPG) on Social Enterprise in The Scottish Parliament**

**AGM business**

All MSPs were notified in advance of the CPG meeting that existing office bearers would stand again but were given the opportunity to put themselves forward as an office bearer. No other MSPs notified us of their intention to stand.

Current CPG Convener, Tom Arthur MSP, welcomed and thanked attendees and conducted the AGM business.

Duncan Thorp of Social Enterprise Scotland read out the apologies from those not attending the CPG meeting.

Attendees participated in separate votes to confirm the minutes of the previous meeting and confirm re-election of office bearers i.e. the Convener and the two joint Deputy Conveners.

Tom Arthur MSP, Scottish National Party (SNP) was re-elected as Convener. Rachael Hamilton MSP, Scottish Conservatives and Andy Wightman MSP, Scottish Greens, were re-elected as Joint Vice Conveners.

Tom Arthur MSP presented attendees with the financial report and asked for any questions about this and any other aspect of the CPG.

This concluded the AGM business.

### **Discussion about the letter received from the Cabinet Secretary**

Yvonne McBride, P4P: Regarding point about procurement reform, there is still a lot to do in terms of opening up supply chains to social enterprises.

Bruce Gunn, Passion 4 Social CIC: Can't see that procurement has moved on much, no progress, all rhetoric.

Alex Stobart, Mydex CIC: The reference to social investment - this must include the new Scottish National Investment Bank and city region deals, to release investment and procurement opportunities.

Chic Brodie, Confederation of Economic Development Ayrshire: Currently assisting road haulage industry, there is a lack of engagement with young people but plans to widen knowledge with them. Young people may not be aware that option of social enterprise is available.

Sarah Boyack, SFHA: Interested in how our members could work with SES members in terms of city region deals, housing investment and capacity building, social investment and procurement reform. How can housing associations work with other social enterprises on our joint agenda? May be a topic for future CPG.

Neil Hay, Cyrenians: There is a need to address the social enterprise definition and other social businesses coming in pretending to be social enterprises.

Helene Van Der Ploeg, The Broomhouse Centre: Social investment and social growth fund are great but it's in crisis. Many people are waiting many months for money, delays in getting money to us.

Amanda Taylor, Taylor Nisbet: The resource issue is coming up constantly and initial investment issues.

Jonny Kinross, Grassmarket Community Project: We need more support for small social enterprises, delays in payments are a huge issue for them. Up to seven month delays in terms of late payments.

Claire Pattullo, Edinburgh Social Enterprise: We do hear stories about late payments being a huge issue for social enterprises, in terms of both public and private sectors, people using personal loans to plug gaps.

Kim Wallace, Senscot: Yes agreed, this is a big challenge for social enterprises.

Heather Hall, Inspired Community Enterprise Trust: Pulling our funding stream together and the work involved in this is a big challenge. Income is growing but not enough funding to drive this forward, a constant worry about income.

Ellie Hutchinson, Canongate Youth: We support young people in employment etc. and wrap around support. Making the service work but also getting income is a challenge. We need to ensure vulnerable groups are helped in terms of employability and allowing young people to have a voice.

Bruce Gunn, Passion 4 Social CIC: We employ housebound disabled people. Our job advert was up four days and had over 72 applications, employment demand is huge.

Daniel Fisher, Greyfriars Charteris Centre: We often use Community Jobs Scotland for vacancies but applications are thin on the ground. Eligibility criteria is restrictive, needs to be relaxed a bit.

Linton Smith, Falkirk Towns Ltd: First time at this CPG but we attend the Towns and Town Centres CPG. We've identified social enterprise as a priority to engage with and to consider the social enterprise model. It's a learning curve. Also challenge of making the case to the Town Centre Fund.

Kim Wallace, Senscot: Get in touch with Forth Valley Social Enterprise Network and the local Third Sector Interface about this topic.

Amanda Taylor, Taylor Nisbet: Some of our business support is available, in addition to Just Enterprise business support [the specialist social enterprise business support service]. Just Enterprise is not enough on its own, additional support is needed, including collaborations and partnerships.

Lisa Farrell, University of Stirling: We're very open to working with social enterprises, help from universities is out there, reach out.

### **Presentation from Chris Raftery from the Equalities, Human Rights and Third Sector Division, The Scottish Government**

Chris Raftery, The Scottish Government: The first three-year action plan was published April 2017, identifying 92 actions to: encourage more entrepreneurial activity, strengthen existing organisations and realise market opportunities.

Since the launch of the strategy more than £14 million has been invested into contracts, programmes and projects aligned to these strategic ambitions. We're now into the final year of the current action plan. So it is a time for evaluation, reflection and looking forward.

In terms of evaluation and reflection The Social Enterprise Strategy Reference Group met in November last year and carried out a SWOT analysis of the key priority areas. This was followed up in December by the Stakeholder Sub-Group, which has given us a picture of where the Sector's concerns and ambitions are.

A few major themes emerged:

Thought to be given to supporting local needs, particularly in rural areas.

Engaging with young people to determine why they might purchase from a social enterprise and how they can become involved in social enterprises throughout their future career.

Linked to this is an emphasis on education and training - through both training individuals within social enterprises, particularly in financial literacy and core business skills, and beyond social enterprises through awareness campaigns. Engaging young people is one of the key areas to ensure sustainability of the sector.

A certification for consumer markets to raise awareness and to clearly identify to consumers the social impact of their purchases.

The social enterprise ecosystem could be decluttered through streamlining organisations that are currently supporting social enterprises in similar domains.

The Scottish Government is also committed to a census of the sector every two years. Building on the data previously produced, this year's census launched last week and results published in the Autumn.

I'd ask everyone here to encourage every organisation to send in a return. We rely heavily on these to returns to generate a snapshot of the sector, this is only as good as the returns.

Delivery partners are asked to provide key monitoring data quarterly or twice annually. We're currently working with Analytical Services Division, developing our approach to evaluation.

This data will be used to map activity to the current action points and consider how they contribute to a set of high level outcomes. These outcomes will be developed to assess progress on delivery against the strategy over the ten year period. What are the gaps? This will inform the process of development for the next Action Plan due in April 2020.

The next reference group meets on 14 May. This will focus on: Highlight report/SWOT analysis, Business Support Contract - news is imminent, Intermediary Review, Buy Social/ Raising the Profile, Action Plan Monitoring and Evaluation, International Social Enterprise Observatory and Rural Social Enterprise.

We're already starting to consider the follow on from the analysis at the back end of last year. The development of the next action plan is for the reference group to consider and I don't want to pre-judge the discussion that will take place.

However, I want a sharp, succinct action plan that delivers for the sector and this can only be delivered by the sector and this can only happen if it is co-produced with the sector.

### **Discussion in response to the presentation**

Ellie Hutchinson, Canongate Youth: Co-production, what does this really mean?

Chris Raftery, The Scottish Government: The term means slightly different things to different people, open to suggestions about definition.

Parvathy Nair, University of Edinburgh: What is the situation with business support?

Laura Worku, The Scottish Government: The new Just Enterprise contract process is still live, new contract announced soon. We've had Just Enterprise in place for the past seven years.

Alex Stobart, Mydex CIC: In terms of procurement can we include other parts of the public sector in reform?

Chris Raftery, The Scottish Government: The Scottish Government has suggested a way forward but not always filtering down to procurement decision makers.

Heather Hall, Inspired Community Enterprise Trust: Involve service users more in social enterprise, not just social enterprise leaders. University research being carried out regarding the voice of service users and what social enterprise does for them.

Ellie Hutchinson, Canongate Youth: Co-production needs to be a bit more revolutionary, engaging young people. Social enterprise is more than profit-making, young people want more from work.

Neil McLean, Social Enterprise Academy: Need a more ambitious conversation about what a social enterprise can do to deliver public services e.g. care homes - private sector or social enterprise? A bigger picture debate.

Laura Worku, The Scottish Government: There are other Scottish Government collaborations e.g. co-production in the justice system with the prison service, social enterprises and others with recognised global best practice. Using social enterprise to reduce re-offending, one great example and it works. Social enterprises provide additional benefits to service users.

Alan Staff, Apex Scotland: We're doing exactly this. Corporate Social Responsibility (CSR) is poor quality. Big corporations have skilled people who could help. Social enterprises are underselling ourselves. Genuine CSR is needed.

Kieran Daly, Big Issue Invest: Our programme, Power Up Scotland, delivers private sector mentors, investment and access to networks. We offer routes to market using the private sector.

Darah Zahran, Scottish Enterprise: Policy integration is missing. Social enterprises can see this but The Scottish Government could look at this more, Scottish Enterprise are seeking to do this.

Bruce Gunn, Passion 4 Social CIC: Not about policy but tax breaks. Sustainability is the key issue, paying bills. VAT and PAYE issues. Tax breaks needed until sustainability achieved.

Tom Arthur MSP, Convener: VAT being partially devolved. It's a complex issue, conversations are happening. You can lobby the UK Government on this issue.

Darah Zahran, Scottish Enterprise: We're linking tax breaks and policy in terms of employee owned businesses, integration of support.

Bruce Gunn, Passion 4 Social CIC: CAN DO programme measures financial outcomes but we want to measure social outcomes too.

Angela Porte, Pathways - Mora Consulting: It's overwhelming, there's a plethora of information and support everywhere. Particularly bad for young people - need to make it easy for them.

Chic Brodie, Confederation of Economic Development Ayrshire: Major issue in terms of public services, do local authorities really understand social enterprise? Could we have a more focused awareness campaign for local authorities? Could we get the 32 local authority CEOs together with the Cabinet Secretary?

Tom Henderson, North Ayrshire Council: Myself and colleagues are working to serve social enterprises. Business Improvement Districts (BIDs) and Scotland's Towns Partnership - how can social enterprises benefit from this? Also getting social enterprises into the private sector.

Alex Fleming, Falkirk Towns Ltd: Have looked at developing a social enterprise. The landscape has changed. The purpose is for the social enterprise to work with the BID as the high street declines. Opportunity for regeneration and business development and great opportunity to make links between public, private and social enterprise sectors.

Garry Byars, Sunshine Gallery: There's a lack of transparency in procurement.

Claire Pattullo, Edinburgh Social Enterprise: Local Social Enterprise Networks (SENs) and Third Sector Interfaces (TSIs) vary around Scotland. We're an independent organisation but part of the TSI. Not enough investment in SENs, a reducing budget for us from the TSI. No other funding sources but we are one of the better resourced.

Jonny Kinross, Grassmarket Community Project: BIDS involve a complex process. Pressures on small businesses to deliver retail in a tough environment. Are social values possible for these businesses? Must align with local community impact and interests but pressure just to make money.

Neil McLean, Social Enterprise Academy: We had sponsorship from a big corporation and asked to go to a Corporate Social Responsibility (CSR) conference. Their biggest concern was staff attraction and retention by building purpose and value to work. We should focus on employee purpose and engagement to link with corporates. There are also ethical demands from young people.

Bruce Gunn, Passion 4 Social CIC: We've worked with Johnson and Johnson for six years. The corporate challenge needs to be far bigger.

Ellie Hutchinson, Canongate Youth: Need a rebalancing of hierarchy between private sector and social enterprise. Not just painting walls but skills exchange. An even footing needed - private sector can learn from social enterprises.

Chris Raftery, The Scottish Government: The ambition and passion here is obvious. This will all feed into the next national Action Plan.

### **Any other business and general questions, including topic ideas for the CPG going forward**

Attendees suggested these topics for future meetings:

Claire Pattullo, Edinburgh Social Enterprise: City region deals plus taxation and definitions.

Ewan Law, Rowan Alba: Certification of social enterprises and definition. Scale of ambition - what role should social enterprise have over the next 20 years?

Alan Staff, Apex Scotland: Social enterprise behaviours and ethics.

Linton Smith, Falkirk Towns Ltd: Business Improvement Districts and social enterprise partnerships, good and bad practice.

Alex Stobart, Mydex CIC: The new Scottish National Investment Bank with invited guest speakers.

Tom Arthur MSP, Convener: There is a current Economy Committee consultation on the SNIB.

Angus Coull, Bala Sport: Certification and the Social Enterprise Mark.

Jonny Kinross, Grassmarket Community Project: Certification is an issue, should be for customers not funders or procurement.

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Social Enterprise Scotland  
Thorn House, 5 Rose Street, Edinburgh, EH2 2PR  
Tel: 0131 243 2650  
[hello@socialenterprise.scot](mailto:hello@socialenterprise.scot)  
[socialenterprise.scot](http://socialenterprise.scot)