

Report from the Cross-Party Group on Social Enterprise in The Scottish Parliament

6 December 2018

Tom Arthur MSP: Thanks to Ben Macpherson MSP, who helped set up the CPG before his promotion as a Minister. Great to see such a range and depth of social enterprises here today plus many support organisations.

Moohgouon Kamgan, AfricAlba: As a social enterprise we didn't want to rely on grants. We're based in Glasgow due to the higher African population. Rental costs for offices is an issue.

Trishna Singh Sikh, Sanjog/Punjabi Junction: Our social enterprise income has been used for past ten years to fund our charity. Procurement is a key issue. Good brand and reputation but never big enough to compete with bigger players.

Rachael Hamilton MSP: Hard to scale up because of funding? Scaling up to reach public and private sector markets?

Trishna Singh Sikh, Sanjog/Punjabi Junction: Scaling down just now but developing outside catering and other work. Sub-contracting needed, we're not Sodexo. Many small organisations need this.

Tracey Muirhead, School for Social Entrepreneurs Scotland: Fife Council just launched a new initiative around partnership working and procurement.

Graeme Ferguson, Fife Council: Public sector spends about £11bn a year on procurement. If we want to move from grant dependency procurement is key. We're working with procurement colleagues. Local authorities are all facing big challenges. Community Benefit Clauses in contracts have been a focus. Challenge is to build capacity to compete. Getting into big company supply chains. Maybe 'micro contracts' needed. We can help get to these supply chains, we've published a new guide. The P4P [specialist third sector procurement service] can help too.

Celia Hodson, Hey Girls: We looked at public sector contracts and they seemed too big. Then we looked again and decided that we can get support to bid. Our small social enterprise is now winning tenders across Scotland. Glasgow City Council was the first and other local authorities followed.

Trishna Singh Sikh, Sanjog/Punjabi Junction: We work with excluded women, our aim is to help improve their lives and be employment ready. But the process takes time and effort. There is no spare capacity to do more and keep going.

Shalinay Raghavan, Building Futures: The private sector wants us to work for nothing because we're 'not for profit'. Local authorities and government need to hold construction companies to account. They have tight profit margins - but so do we. Recognition needed that we are businesses. 'Not for profit' does not mean free.

Zahra Hedges, CEIS and Social Enterprise Scotland: Social enterprise is often just used as a tick box exercise for the private sector.

Graeme Ferguson, Fife Council: You know the cost of your own services and how much you need to charge. Walk away if they can't pay the price.

Decio Emanuel, Nu-EI Consulting Ltd: Social enterprise is the future for Scotland's economy. Social enterprises are enterprises, often social enterprises themselves don't see this.

Josee Scott, Freedom Unlimited Enterprises: Can The Scottish Government have reserved contracts for social enterprises?

Alison Chandler, Aberdeen Council of Voluntary Organisations: There's always been a cluttered landscape for social enterprise support, not changed in 13 years. Often this support doesn't reach Aberdeen. Some social enterprises just get on with it without support and are not connected to sector support networks.

Audience member: What about the role of Business Improvement Districts (BIDs)?

Tom Arthur MSP: The local BID in my constituency has come together to help regenerate the local community.

Dean Lockhart MSP: BID partly funded by the local authority and outside the procurement rules, not bound by them. What gaps are there in terms of support?

Susan Harkins, Business Gateway Edinburgh: We made the strategic decision to have a specialist adviser but this is not consistent across all of Scotland. Confusion in local authorities about definition e.g. we are not talking about 'not for profit'. We work closely with clients to explore all models. We work with Firstport [specialist social enterprise start up agency]. Lots of women are leading social enterprises and it fits in with The Scottish Government inclusive economy agenda. The catering supplier question is common but difficult to find enough suppliers, even for the recent Social Enterprise World Forum in Edinburgh. Business support is not consistent.

Barry Ayre, FreshSight: I've heard the procurement story for the past 18 years. What Fife Council is doing is brilliant. According to the Social Enterprise Census 2017 57% of social enterprises have a turnover of less than £100,000. We should be sector-led, not a Scottish Government responsibility. Perhaps we need 6 strategic partnerships for social enterprise across Scotland.

Gordon Hodgson, Edinburgh Social Enterprise: We aimed for 100% catering supply chain for the World Forum. They do exist but capacity and resilience an issue. One supplier pulled out a week before the event and we had to source an alternative. Currently discussing big contract with a consortium. Great work done by P4P, would be good to continue this at a local level. We want to do more but support needs to be localised. We've been talking about this issue for a while in the sector.

Zahra Hedges, CEIS and Social Enterprise Scotland: A review of national social enterprise intermediary/support bodies will be taking place. The Just Enterprise [specialist social enterprise business support service] does work well. There is an imbalance in support depending on where you live. We encourage private sector engagement and we have guidelines for engagement, public sector is slower. Find a different door.

Celia Hodson, Hey Girls: In terms of the cluttered landscape support is far better in Scotland than England. We approached all agencies and accessed support, we're grateful for their support. We have 11 public contracts but also 4 private contracts. We do need a tube map style guide of support.

Moohgouon Kamgan, AfricAlba: We have an issue with empty buildings in Glasgow not being used. Often told to call City Property. Glasgow has a lot of empty buildings but they're closed to use, could be used by social enterprises. Community Empowerment Act must play a role.

Alan Miller, Triodos Bank: The community Right to Buy is a real opportunity.

Catherine Eadie, MHScot Workplace Wellbeing CIC: We had a great meeting with P4P. Procurement and getting ready to bid is an issue due to capacity and getting on with the day job, it's time consuming.

Graeme Ferguson, Fife Council: Business Gateway and Just Enterprise are sources of free support.

Celia Hodson, Hey Girls: We had five days of Just Enterprise support, very good.

Tom Arthur MSP: What other issues are there apart from procurement? Capacity building, internationalisation, what else?

Lindsey Sibbald, Business Gateway Edinburgh: There's a difference between community enterprise and social enterprise. Some are community based and not wanting to expand beyond their local area. Get the business basics right. Stop using 'not for profit' and similar language.

Shalinay Raghavan, Building Futures: We're limited in Scotland in terms of business models that can move businesses towards better sustainability. How can we lever in investment to scale up? A blended model of grant/investment needed. Appetite for risk needed.

Tracey Muirhead, School for Social Entrepreneurs Scotland: We have a blended model called Match Trading to increase trading activity. We pay a grant but only on condition of increased trading activity. A 93% increase in trading activity by those in the scheme. It's sponsored by Bank of Scotland.

Lindsey Sibbald, Business Gateway Edinburgh: Must ensure business basics e.g. does anyone want to buy your product? Increased interest in social enterprise is good but still a misunderstanding of what it means.

Trishna Singh Sikh, Sanjog/Punjabi Junction: Ten years ago we were encouraged to adopt the social enterprise model without any experience in it. The business aspect an increasing focus in past two or three years. Business is a learning curve. There was a big social enterprise euphoria ten years ago but it's not easy to do. Huge challenges and barriers. Resilience needed.

Zahra Hedges, CEIS and Social Enterprise Scotland: Some start as charities, some start as businesses. B Corporations and other business models now emerging. Experience on a charity board is not necessarily transferable to a social enterprise board.

Dean Lockhart MSP: No legal definition, definition is an issue. The Voluntary Code for Social Enterprise in Scotland is there but needs work around this. What model works best? What can policy makers do?

Gordon Hodgson, Edinburgh Social Enterprise: Not one single best model, the model should flow from the business. All are good. We are getting more fraudulent enquiries, many dodgy models out there. Real issues coming up as model becomes more popular. Being used to simply win contracts. Senscot Legal are seeing the same issue. More also claiming to be social enterprises on social media.

Graham Branscombe, East Dunbartonshire Voluntary Action: Could we have social enterprise accreditation? Could Third Sector Interfaces (TSIs) lead on this?

Decio Emanuel, Nu-EI Consulting Ltd: A legal model definition is needed. Different business models exist e.g. there are different types of Community Interest Company (CICs).

Alison Chandler, Aberdeen Council of Voluntary Organisations: We need awareness raising about social enterprise. Definitions of social enterprise often unhelpful, many organisations that we identify as social enterprises would choose to exclude themselves from that definition.

Josee Scott, Freedom Unlimited Enterprises: Social entrepreneurs have courage and commitment. How can the support system work better? We are all visionaries and have dreams. There's power in a united voice.

END

Further points emailed in by Trishna Singh, Sikh Sanjog/Punjabi Junction after the meeting: Any more potential tax breaks? VAT exemption? A subsidised employment scheme for people to work specifically with social enterprises? Grants specifically for social enterprises?

Letter to The Scottish Government

Aileen Campbell MSP
Cabinet Secretary for Communities and Local Government
Scottish Government

St. Andrew's House
Regent Road
Edinburgh
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16 January 2019

The new Cross-Party Group on Social Enterprise in The Scottish Parliament

Dear Cabinet Secretary

In December we held the first meeting of the revived Cross-Party Group on Social Enterprise in The Scottish Parliament.

There was strong interest in the meeting from social entrepreneurs from across Scotland and a lively, varied debate.

The meeting demonstrated a big demand to drive forward public policy and create a favourable environment for social enterprise development in every community.

A number of key issues were raised at the meeting and a summary of these are below.

Could you please give a response to each of these points from a Scottish Government policy perspective?

Certainly some of these points are also a responsibility for social enterprises themselves, as well as local authorities and others.

Key points:

- There's a huge issue with unused, empty building in Scotland, how can we bring these into productive use for social enterprises?
- Can we improve assistance to social enterprises by helping with rental costs for office space?
- Procurement reform - how can this be further improved and simplified to allow social enterprises to compete for contracts? How can policy-makers incentivise public authorities to break down contracts into smaller parts? Can social impact have more of a priority in legislation?
- How can policy-makers help social enterprises develop their capacity?
- How can we improve understanding and open up opportunities in the private sector?
- How do we improve the national and local social enterprise support 'eco system' and ensure consistent local support across Scotland?
- How can Business Improvement Districts (BIDs) better support social enterprise?
- What potential is there for more funding and tailored investment for social enterprises? What about offering a blended grant/loan model? Is there potential for tax breaks?
- How can the employment and social security systems assist? A subsidised employment scheme for social enterprises?

- How do we deal with the issue of those pretending to be social enterprises? Is a legal definition possible or desirable?

Your sincerely

Tom Arthur MSP

Convener of the Cross-Party Group on Social Enterprise in The Scottish Parliament

Duncan Thorp

Policy and Communications Manager, Social Enterprise Scotland and Secretariat for the CPG

Registered attendees

First Name	Last Name	Organisation
Megan	Ansdell	Wild and Kind Studio
Tom	Arthur MSP	The Scottish Parliament
Barry	Ayre	FreshSight
Jayne	Baxter	Office of Alex Rowley MSP
Katy	Bennet	Grow Communication Ltd
Petra	Biberbach	PAS
Graham	Branscombe	East Dunbartonshire Voluntary Action
Garry	Byars	Sunshine Gallery
Alison	Chandler	ACVO
Barry	Docherty	CharacterMatters
Mike	Douglas	Age Scotland
Catherine	Eadie	MHScot Workplace Wellbeing CIC
Decio	Emanuel	Nu-EI Consulting Ltd.
Graeme	Ferguson	Fife Council
Daniel	Fisher	Greyfriars Charteris Centre
Jen	Fleming	Big Lottery Fund
Heather	Hall	Inspired Community Enterprise Trust Caledonia Cremation and Community Renewal Trust
John	Halliday	Scottish Borders Council
Carol	Hamilton	The Scottish Parliament
Rachael	Hamilton MSP	Business Gateway
Susan	Harkins	Cyrenians
Neil	Hay	CEIS/SES
Zahra	Hedges	North Ayrshire Council
Tom	Henderson	Gorgie City Farm
Iain	Herbert	Edinburgh Social Enterprise
Gordon	Hodgson	Hey Girls
Celia	Hodson	Scottish Fair Trade Forum
Ross	Isdale	

Moohgouon	Kamgan	AfricAlba
Moyna	Kennedy	Potential in Me CIC
Ewan	Law	Rowan Alba
Josiah	Lockhart	Firstport for Social Entrepreneurs Scotland
Simon	Lynch	Scottish Borders Social Enterprise Chamber CIC
Anne	MacDonald	Highlands & Islands Enterprise
Cynthia	Marks	Business in the Community Scotland
Martin	McElroy	Kibble Education and Care Centre
Matt	McGrandles	FVSE CIC
Lorna	McKenzie	Sunshine Gallery
Douglas	McLaren	Scottish Government
Colin	Millar	WellScot
Alan	Miller	Triodos Bank
Claire	Miller	City of Edinburgh Council
Paul	Morris	Glasgow City Council
Tracey	Muirhead	School for Social Entrepreneurs Scotland
Mike	Pretious	Queen Margaret University
Shalinay	Raghavan	Building Futures
Maggie	Robb	PwC
Dan	Rous	FVSE
Josee	Scott	Freedom Unlimited Enterprises
Lindsey	Sibbald	Business Gateway
David	Sinclair	WellScot Enterprises
Trishna	Singh	Sikh Sanjog/Punjabi Junction Fauldhouse Community Development Trust
Julie	Smith	Royal Bank of Scotland Social & Community Capital
Tracy	Thomson	West Lothian Council - Business Gateway
Martin	Thomson	Social Enterprise Scotland
Duncan	Thorp	Social Investment Scotland
Lindsay	Wake	Social Enterprise Scotland
Kate	Walshaw	Social Enterprise Scotland
Louise	Willson	Outside the Box
Michelle	Wilson	Triodos Bank
Laura	Worku	Scottish Government
Darah	Zahran	Scottish Enterprise

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