

**Response by the Social Enterprise Coalition to Business Enterprise  
and Regulatory Reform on 'Simplifying Business Support: A  
Consultation'**

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### **Introduction**

1. The Social Enterprise Coalition welcomes the opportunity to respond to Business Enterprise and Regulatory Reform on 'Simplifying Business Support: A Consultation' and supports the move towards simplification of business support and inclusion of social enterprise as a core element of mainstream business support policy and delivery.
2. The Coalition has responded to the questions we feel are most relevant in the consultation paper (see below) and we introduce this response with an outline of the points which we strongly believe provides a critical framework within which the Business Support Simplification Programme (BSSP) has to fit.
3. The Coalition was established in 2002 as the national voice of social enterprise. We represent a wide range of social enterprises, umbrella bodies and networks, with a combined membership reaching of over 10,500 social enterprises. The response to this consultation has been prepared by the Coalition using the views of members and key stakeholders who responded to a range of different requests for information, and who have attended meetings on business simplification or on regionalisation of business support over the past year.<sup>1</sup> Their comments are supplemented with an analysis of the current papers and reports being produced by Government.
4. Government defines social enterprises as businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or the community, rather than being driven by the need to maximise profit for the shareholders and owners.<sup>2</sup> Demand for social enterprise business support is increasing: the sector is growing and along with it the recognition of the role social enterprise can play in creating wealth and employment and in enhancing choice and diversity in a more plural, resilient and sustainable economy.
5. Good quality business support can help social enterprises increase their impact. This increased impact will help the Government to achieve many of its goals, including overcoming social justice and exclusion<sup>3</sup>, as well as providing economic benefits.

### **Summary of key points in response to the consultation questions**

6. The business support system needs to be easily understood and accessible, particularly for people and communities that do not have good links to support organisations.
7. Overall, delivery to social enterprises cannot be on the basis of prescriptive themes or products but on client-focused flexible and appropriate packages of support,

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<sup>1</sup> Three important examples are (i) a consultation event jointly hosted by the Social Enterprise Coalition and CAN on *Business Support Simplification* with representatives from Government, held in London on July 26, 2007; (ii) ongoing discussions with the Coalition's business support interest group to develop key messages during earlier stages of DTI / BERR simplification programme development; and (iii) input from the social economy development partnerships in the ESF funded Equal programme

<sup>2</sup> [http://www.cabinetoffice.gov.uk/third\\_sector/social\\_enterprise/](http://www.cabinetoffice.gov.uk/third_sector/social_enterprise/)

<sup>3</sup> Cabinet Office (2006), *Social Enterprise Action Plan: Scaling New Heights*

particularly with a more developmental and holistic approach at pre-start and at start-up.

8. There is a need to recognise and acknowledge the role of third sector organisations in delivering business support as well as the private sector.
9. The language and adaptation of products are key to ensuring the relevancy and take-up of these products.
10. Generally speaking, less branding (proposed by the consultation) means less confusion for the clients. However, if the branding and marketing is vague it will not be effective in increasing access and take-up by the clients who need it most.
11. To minimise customer confusion, true partnerships between all providers are necessary within regions, as well as multiple access points for social enterprises through all quality-assured providers and two-way referrals.
12. Business Links are generally not used by social enterprise at present nor believed to have appropriate skills or understanding and this needs to be addressed.
13. Evidence shows that businesses improve their performance when they use business support. The key is therefore to get businesses to access support and emphasis on a primary route is less important than quality and appropriateness of that support.
14. There is much interpretation of Information, Diagnostic and Brokerage (IDB) by Business Links. This needs to be under the remit of national strategic oversight, and approaches or lessons learned can best be shared through this route across regions to ensure equality of services.
15. The business support outlined in the consultation paper does not fully cover the needs of a wide range of businesses or communities nor does it address all public policy aims.
16. A new system should build on what works, particularly for delivery of support by third sector and specialist social enterprise support organisations.
17. The support system should reflect the Government's social and environmental, as well as economic, aims.

### **General Comments on the consultation paper**

18. The Coalition is concerned that social enterprise is mentioned only rarely in the consultation and the implications of social enterprise support needs and rationales for government support are unreflected. Therefore, a great deal of further work and thought needs to be done by government to ensure that the future products, services and delivery processes of publicly-funded business support meet the needs of social enterprises and fulfil public policy goals.
19. The recent Government *Social Enterprise Action Plan: Scaling New Heights* produced by the Cabinet Office and launched by Gordon Brown, in relation to advice and support, states that social enterprises 'need access to appropriate support to maximise their business performance and, in turn, their social impact'. The challenge is that of 'linking specialist expertise with mainstream support channels'. We agree with this statement which is supported by the Evaluation of the Phoenix Fund and the work of

the Enterprise for All Coalition, stressing the need for seamless and 'braided' delivery of specialist and mainstream support.<sup>4</sup> We set out below our core concerns, issues and suggestions to ensure an appropriate network of linked and complementary services which are responsive to customer needs, high quality, provide equality of access and are based on genuine partnership.<sup>5</sup>

20. The following points provide the critical framework which comes prior to and within which the BSSP has to fit:

- a) The importance of holistic and ongoing business support to development, particularly of pre-start and start-up social enterprises.<sup>6</sup> The emphasis on products by the BSSP needs to be considered in the most effective way to deliver support to social enterprises in a seamless and 'braided' approach. As we point out in our *Policy Paper on Business Support*, 'simplifications must not just be about the number of services but also the delivery and design'. They need to respond to the needs of the individual and be quality accredited. The policy paper sets out a range of recommendations to achieve this.<sup>7</sup> The section on delivery in the BSSP consultation document is light on detail so it is difficult to comment on what is proposed. What is important is the need to attract businesses to the support system and to ensure that they receive appropriate high quality support.
- b) Guidance for Regional Development Agencies (RDAs) by the Cabinet Office points out that 'Business Link does not always provide a good service to social enterprises, social enterprises tend not to go to Business Link and they often cannot (or will not) pay for support, particularly at start-up and early growth'.<sup>8</sup> As a result, Business Links are generally not used by social enterprises at present nor believed to have appropriate skills or understanding. This means that there needs to be:
  - Training for Business Link personnel to understand the needs of, and to recognise, social enterprise;
  - Appropriate and flexible Information, Diagnostic and Brokerage (IDB) models or specific social enterprise IDB models, ideally provided by specialist advisers;
  - Sensitive branding (which requires further discussion and development otherwise it may deter prospective clients);
  - The ability for clients to feedback and rate services provided;
  - Funding for social enterprise support that recognises the reduced ability or willingness to pay, especially by start-ups and early stage organisations; and
  - The need to quality assure advisers and the services brokered.

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<sup>4</sup> Ramsden, P. (2005) *Evaluation: The Phoenix Development Fund*, [www.berr.gov.uk/files/file37787.pdf](http://www.berr.gov.uk/files/file37787.pdf) and EfAC (2006) *Enterprise for All: progressing the agenda* [http://www.socialenterprise.org.uk/documents/efac\\_report\\_final.pdf](http://www.socialenterprise.org.uk/documents/efac_report_final.pdf)

<sup>5</sup> More information on the Coalition's recommendations about business support for social enterprise can be found on [www.socialenterprise.org](http://www.socialenterprise.org) *Policy Paper on Business Support*, submitted to DTI Ministers in 2006. Much of this information is also set out in the Government's *Social Enterprise Action Plan: Scaling New Heights*

<sup>6</sup> This point is made by many social enterprise organisations and practitioners in response to our calls for evidence and within recent research by for example by SEEM and The Guild for the East of England (see below for details of work)

<sup>7</sup> Social Enterprise Coalition (2006), *Policy Paper on Business Support*

<sup>8</sup> Cabinet Office (2007), *Social Enterprise Business Support: Guidance for Regional Development Agencies*

- c) The need for multiple access points to business support rather than only through Business Link. As the recent Action Plan for Social Enterprise stated after extended consultation with the sector, 'our approach is to make sure that business support interventions are accessible and appropriate to social enterprises, and where there is a clear need for specialist support this should be linked to mainstream services'. It would be unfortunate if BSSP prevented the RDAs from having a business support system that allowed for different routes in. Whilst it is accepted that Business Links or their branded IDB models will direct to publicly-provided support, previous behaviour suggests access is most likely to be through specialist agencies, at least initially.<sup>9</sup>
- d) There is a need for multiple access points and providers that know about each other and the details of what each other offers (whether from the public, private or third sectors). The customer wants seamless delivery and tailored support to its individual needs. Many social enterprises need advice on where to go but do not want to be passed from pillar to post. The system of public, private, and third sector support needs to be properly joined-up making a reality of the 'no wrong door' model rather than 'primarily' or solely through Business Link, at least until it has a better reputation and quality of service and is recognised as a primary access route.
- e) It may be the case though that Business Link can never be the only access route particularly for some kinds of social enterprise that only feel comfortable with, or will access, specialist support, or for those people from under-represented groups which currently make little or no use of Business Links. These points mean that there needs to be true partnership between all relevant and appropriate providers in an area with respect to social enterprise support and mutual two-way referring.
- f) Business support for social enterprise includes issues such as community development, or volunteer support, which can be found in, and are similar to, voluntary sector support.<sup>10</sup> This means that social enterprises will make use of business support or organisational and community support from all kinds of sources.
- g) Some business support for social enterprise also includes personal development for the entrepreneur, which is not fully reflected in the BSSP.<sup>11</sup> This is also an issue for potential 'mainstream' entrepreneurs from disadvantaged communities or under-represented groups.
- h) Business support for social enterprises tends to be more in-depth and more costly.<sup>12</sup>
- i) Awareness raising and outreach is a core part of social enterprise development, particularly in disadvantaged areas and for under-represented people and groups.<sup>13</sup>

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<sup>9</sup> Social Enterprise East Midlands (2005), *Business Support Services available to the social enterprise sector*

<sup>10</sup> Co-operatives UK, for example, talks of 'business support plus' which mixes counselling and community work with business advice to underline the point about the importance of the institutional framework, culture and attitudes of the delivery process not just products. It argues that the current model deals with homogeneity and it is unclear how it is going to work with the differences of social enterprise and its diversity let alone the different motivations within mainstream business

<sup>11</sup> The importance of personal development within social enterprise business support is particularly highlighted by the work of the School for Social Entrepreneurs in its recent evaluation (see Appendix One for details)

<sup>12</sup> This point has been emphasised in all regional studies and regional responses to ongoing business support development, for example, in work by SEL (2007), *London Social Economy Taskforce: Response to Consultation for the Social Enterprise Business Support action plan* [www.sel.org.uk/commentary.html](http://www.sel.org.uk/commentary.html)

- j) The development of rationales for support and modes of evaluation which reflect the complex and multi-factorial nature of social enterprise outcomes, support needs and market failures in provision is needed.<sup>14</sup>
  - k) A clear recognition, clarification and resulting practice needs to be developed which recognises the contradiction between locally developed provision meeting local needs and general national (albeit) targeted provision under general themes and products. For social enterprises this is particularly the case since they are often part of Local Enterprise Growth Initiative (LEGI) and Department of Health targeted support. It is also an issue which needs further discussion within Government since the *Review of sub-national economic development and regeneration* as part of the Comprehensive Spending Review proposes devolution and innovation to meet local need.
  - l) Since there are comments about variability in support across organisations, ongoing feedback will be necessary about experiences as well as forms of user-led review and quality accreditation.
  - m) There is a need for further clarification over incentives for businesses (and indeed for all organisations) to become more inclusive. This is particularly true in the area of incentives for economic inclusion.
  - n) Clarification is also needed on how the current Cabinet Office and RDA commitments to social enterprise support are to fit with the BSSP. While the action plan and guidance state that arrangements will be consistent with BSSP, it is not yet clear how this will work in practice.
21. The Cabinet Office researched social enterprise business support across the regions and highlighted the diversity of social enterprise, its origins and missions and motivations along with the importance of specialist support in both delivering, and as an entry route to, business support.<sup>15</sup> We have also set out below where social enterprise support needs are different to those of mainstream business and the implications of this difference both for the delivery and type of products proposed by the BSSP.
22. As part of the consultation process, the Department of Communities and Local Government has asked for comments from organisations and groups involved in economic inclusion on the BSSP plans. It is particularly concerned that ‘the delivery of public policy goals other than economic objectives are recognised, in particular, social cohesion and inclusion’. This concern by a government department underlines the

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<sup>13</sup> This point is raised again and again by members and also by regional research by infrastructure bodies – see the next section and Appendix One

<sup>14</sup> Cabinet Office (2007), *Social Enterprise Business Support: Guidance for Regional Development Agencies*, for example, sets out market failures as being:

- Lack of social enterprises accessing support
- Lack of capacity and expertise amongst Business Link staff
- Inability of SE to purchase high quality business support
- Lack of advisers capacity standards amongst social enterprise support
- Lack of evidence base to qualify case for government intervention

A report by PACEC for the then SBS *Mapping of Government Services for Small Business* showed that this is not an issue only relating to social enterprise but that “further work is required to understand the relative cost-effectiveness of different kinds of support.” RISE has also included a GVA plus measure as part of its regional support model for social enterprise and specialist IDB

<sup>15</sup> Rocket Science UK Ltd for the Cabinet Office (2007), *Mapping Regional Approaches to Business Support for Social Enterprises*

point that the rationales for intervention for business support are currently based primarily on economic growth and employment. Whilst these outcomes are also key to government aims, the support system can help to deliver other policy aims, including through supporting social enterprise which has been recognised for its contribution to many more government goals. Specific barriers to the take-up of support also need to be addressed.

23. The concern of the Coalition is that the rationales for engagement with business support for social enterprises and other target groups are not reflected in the current consultation. This lack of understanding also has implications for forms of evaluation which will affect the maintenance or support for current and future needs. If not done appropriately, evaluations may end up comparing apples with pears to the detriment of social enterprise.
24. We are concerned that if the needs of social enterprise as well as evidenced and effective forms of delivery to social enterprise are not taken into consideration, then there could be both reduced take-up of services by social enterprises and reduced provision of appropriate support – both of which are contrary to the aims of the BSSP.<sup>16</sup>

### **Current Regional Developments**

25. Several regions have been piloting and developing appropriate business support for social enterprise after an investigation of need. The results of this work are different in different regions. However, they illustrate and reinforce the points made above as well as pointing to the need for a much better sharing of best practice between regions. We have included details of practices in the South West, East Midlands, London and East of England here.
26. South West:
- a) RISE (The Voice for South West Social Enterprise) is working with Business Link and SWRDA, the South West RDA, to ensure a regional minimum offering for social enterprise, funded by the EU and other sources including the Cabinet Office and SWRDA.<sup>17</sup> Its specialist provision will include support to start up (including employee and volunteer management, social goals and measurement), pre-pre-start, IDB development and application for social enterprise, and the delivery of specialist support. More specifically, the funding will support awareness raising, specialist support packages and strategic work with the public sector.
  - b) A social enterprise IDB – Social Enterprise Link – has been piloted and developed by RISE and is being run on an interim basis through Northern Arc Business Link Gateway.
  - c) The evaluation of the Social Enterprise Link pilot confirmed the efficacy of this approach in increasing social enterprise referrals for support, the benefits from

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<sup>16</sup> Ongoing research by Rocket Science on behalf of the Coalition into the infrastructure support needs of social enterprise has confirmed that existing services are patchy, incoherent and inconsistent. This view is of concern since much funding of specialist support is dependent on reducing EU funding or was supported by Phoenix Fund monies which no longer exist. Also, the submission to this consultation by the NFEA points out that it is very unclear whether there really is confusion to the extent that is claimed or that the reduction of duplication will have positive benefits and increased take-up amongst the 'hardest to reach' particularly since it could remove effective local programmes, disenfranchise local authorities, inhibit partnership and private sector involvement

<sup>17</sup> Update on the Regional Social Enterprise Business Support Service [www.rise-sw.co.uk](http://www.rise-sw.co.uk)

more than one diagnostic, and the need for a brokerage pot to access support.<sup>18</sup> Also, the evaluation concluded that Northern Zone personnel needed to be trained and the diagnostic is best carried out by social enterprise specialists. There will also be a Supplier Matching Service and work to build suppliers and identify new gaps.

## 27. East Midlands:

- a) SEEM (Social Enterprise East Midlands), together with emda (the East Midlands RDA) and Business Link Leicestershire, piloted a social enterprise regional IDB service to see how a specialist IDB service could be developed.<sup>19</sup> Some of the findings include:
- Relatively few social enterprises use Business Links and most that have done so thought the advisers had not understood their support needs or their social values;
  - Most access support through other channels such as specialist providers or other public sector bodies;
  - A specific social enterprise identifier is needed to ensure that social enterprises are recognised and referred appropriately;
  - An amended diagnostic tool did not seem to be appropriate for start-ups. The work suggested a variety of changes to make the IDB more useful and appropriate, particularly with a focus on groups and not individuals (counter to most Business Link support). Support should have more focus on governance and legal issues, the role of the volunteer boards/management committees, assessment of the role of volunteers and measuring social impact;
  - Social enterprises need high levels of ongoing business support;
  - Social enterprises often fail to identify their need to develop marketing capacity more so than mainstream business;
  - Specialist social enterprise needs are governance, legal issues, partnership development and community involvement. Areas which need social enterprise understanding are finance, marketing, contracting and management. And generic issues for mainstream business and social enterprises are premises, training, quality systems, online trading and HR; and
  - Advisers need to understand the way social enterprises work and the value-based nature of these businesses.
- b) As a result of that pilot, SEEM secured financial support to better mainstream social enterprise business support by increasing the number of social enterprises which used the Business Link service, increasing the capacity and expertise of Business Link and improving the ability of social enterprises to purchase business support.

## 28 East of England:

- a) The Guild, on behalf of Social Enterprise East of England, undertook a short research project designed to identify whether or not social enterprise development

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<sup>18</sup> Co-Active for RISE (2007), RISE Business Support Project – Final Report April 2007

<sup>19</sup> The Guild for SEEM and emda (2006), *Social Enterprise Information, Diagnostic and Brokerage Service (IDB) Pilot, Summary Report, November 2005-2006*

was being supported by sub-regional partnerships through EEDA's (the East of England RDA) 'Investing in Communities' pot. It could not ascertain how much support was going to social enterprises through mainstream or third sector provision since this information was unavailable.<sup>20</sup> Findings included:

- Most social enterprises cannot afford ongoing support;
- Social enterprises need a more complex package of support over a longer period of time than traditional SMEs;
- There is a lot of fragmented provision caused by different funding which is available only in certain areas; and
- The regional social enterprise strategy identifies nine objectives for support, but this provision is unavailable on many areas or in many localities despite a commitment to equality of access to quality support, or start up or development support.

b) Through another piece of work<sup>21</sup>, the Guild proposes that the regions recognise the need for:

- Specialist support to set up or run effectively as a social enterprise;
- Better links by some specialist providers to other providers;
- Appropriate partnerships amongst providers in the region;
- A matching database of specialist providers; and
- More input from social enterprise in the understanding of business support needs.

29. London:

a) Social Enterprise London notes that general support has been shown through research by GK Partners to be inadequate.<sup>22</sup> Also:

- Social enterprises need to know what support is available and how it is rated by other users; and
- The higher level of resources needed to support start-up social enterprises.

b) In its response to the *Consultation for the Social Enterprise Business Support Action Plan* it added that:

- From its experience, the most successful support was provided by specialist providers;
- Research undertaken by Cardiff University for Triodos in 2004<sup>23</sup> showed that social enterprises do not see Business Link as providing services for them;

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<sup>20</sup> The Guild produced a short research report for Social Enterprise East of England *Investing in Communities Support for Social Enterprise Development: Summary of Findings, June 2007*

<sup>21</sup> The Guild for Social Enterprise East Midlands (2005), *Business Support Services available to the social enterprise sector*

<sup>22</sup> SEL (2007), *London Social Economy Taskforce: Response to Consultation for the Social Enterprise Business Support action plan* [www.sel.org.uk/commentary.html](http://www.sel.org.uk/commentary.html)

- There needs to be specific financial support for products such as early core funding, business planning, asset readiness, or tenders. Finance is needed to support feasibility studies, risk management, business planning, financial help, legal structures, tendering and tax breaks, and business rate information; and
- Support should also be available for those charities who want to become more enterprising.

### **Specific or tailored needs of social enterprises**

30. There is now a great deal of research that has taken place on social enterprise business support needs and best practice that needs to be taken into account when designing and delivering publicly-funded business support (refer Appendix One). This material illustrates the need for a more thorough understanding of social enterprise business support and how best it can be delivered to meet public policy goals as well as the needs of social enterprises themselves. This substantial body of work is currently not mentioned in the Consultation. It urgently needs review and consideration.
31. A reading of current evidence, however, suggests that further robust and longitudinal research needs to be undertaken to ascertain the needs for business support that social enterprise has, the most appropriate delivery mechanisms and forms of support, and the actual effectiveness of outcomes of different kinds of intervention. Without this work being both commissioned and done, this BSSP will be unable to meet both Government and sector goals for social enterprise support.
32. Some of this evidence illustrates that the oft-quoted but widely criticised 'fact' that 80-90% of the needs of social enterprise are similar to mainstream but that the 10-20% is make or break should not imply, even if this figure is right, that 80-90% of business support for social enterprises can be mainstream and not tailored. Many of our members point out that the differences cut across all aspects of business support, affect take-up of services, perception of providers, or the nature of the products or services offered. It is the value-driven nature of what social enterprises do which creates this distinctness.
33. The main differences between mainstream support and social enterprise as reflected in needs and support provision can be summarised as:
- The participatory nature of management and employment;
  - Management needs which involve accountability to a wide range of stakeholders, working with Boards of Directors or trustees;
  - Measuring and improving social impact;
  - The goal of a triple bottom line which implies the need to balance different social or environmental goals with economic sustainability;
  - Finance which works for different governance and ownership models and uses of profit;
  - Often more of an emphasis on training;
  - Legal considerations, particularly with respect to organisational form;

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<sup>23</sup> Centre for Business Relationships, Accountability, Sustainability and Society, Cardiff University for Triodos Bank (2004), *Turning Big Ideas into Viable Social Enterprise*

- Marketing which incorporates building relationships with other stakeholders including the community and a complex customer range;
- The fact that at pre-start and new start many organisations may require long-term on-going support;
- Most social enterprises, particularly those at start-up, cannot pay for their support;
- Some required support is similar to that of the voluntary and community sector, such as capacity building, volunteering, etc.;
- Social enterprises come from many origins. They can be new starts or they can be externalisations from the public sector, arise from community development or regeneration programmes, be buy-outs from the private sector or evolutions from pure voluntary sector grant-focussed models;
- The different motives and aims of social enterprise and how these are reconciled with growth (impact is the main goal and not growth *per se*);
- Managing assets as income generators and working with local authorities to identify potential asset transfers;
- Succession management – e.g. employee buyouts, membership management; and
- Complex governance structures which need to recognise and incorporate a wide range of stakeholders. Also, directors' attitudes to risk and reward can be very different from in a mainstream business.

### **Answers to specific consultation questions**

***Question 1: Do you think the business support outlined in Figure 2 and at Annex A adequately covers the key needs of business and helps achieve public policy aims outlined in this document?***

34. The business support outlined in the consultation paper does not fully cover the needs of a wide range of businesses or communities nor does it address all public policy aims.

35. We have set out the key needs of social enterprises above and shown how it is distinct from mainstream support both in content and in the language and way it is developed. From work around the regions in the UK, several packages of additional support are being developed to meet unmet need. RISE in its Social Enterprise Link pilot in the South West, has created specific packages for social enterprise as follows:

- Governance including legal structures;
- Impact measurement for established social enterprises;
- Working with volunteers;
- Access to finance;
- Managing assets and buildings;
- Partnership and multi-stakeholder working;
- Performance improvement; and
- Succession management.

36. Other work in other regions has identified other specific needs such as:

- Community development and involvement;
- Tenders, particularly for the public sector;
- Early core funding;
- Outreach and pre- pre-start; and
- Feasibility studies.

37. Extended comments on each of the existing and suggested product areas and themes are provided in our answers to the consultation questions and within Appendix Two. Overall, delivery to social enterprises cannot be on the basis of prescriptive themes or products but on client-focused flexible and appropriate packages of support, particularly with a more developmental and holistic approach pre-start and at start-up. It is a bit of a red herring just to focus on 'products' since this pre-supposes a pick and mix approach to support which may be appropriate for developed and mature social enterprises but not at the start-up and early growth stages where a more holistic and broader approach is needed. Additionally, if the language and culture does not speak to social enterprises, delivery and take-up will be affected adversely.

38. We also note that:

- The current themes do not work to cover all business support needs of social enterprises;
- The current themes are not necessarily expressed in the right language;
- Many products currently do not recognise their relevance to social enterprises and their criteria may exclude them;
- Most products do not incorporate broader rationales for intervention other than economic growth and therefore may not incorporate social enterprise outcomes; and
- The use of the term innovation could be misinterpreted to apply only to technological adoption and innovation rather than recognising service innovation or the inherent innovative business models, governance, employment practices etc. of social enterprise. This should be changed to make sure this is not the case.

39. The policy aims as set out in the consultation document are currently extremely vague. The rationales expressed within each of the product areas are primarily focused on employment creation and growth and do not reflect the policy aims of supporting social enterprise as expressed for example in the *Cabinet Office's Social Enterprise Action Plan: Scaling New Heights (2006)*, or other departmental work on social enterprises such as that by DEFRA or the Department of Health. Broader public policy goals include contribution to public service renewal, ethical markets, social and economic inclusion, environmental change, etc.

40. The concern of the Coalition is that the rationales for engagement with business support for social enterprises are not reflected in the current consultation. This lack of understanding also has implications for forms of evaluation which will affect the maintenance or support for current and future needs.

**Question 3: Where do you feel support is adequately provided by the private sector, thereby reducing the need for public sector support?**

41. If 'private' sector means mainstream business provision that is not publicly funded, then the same comments hold for this provision as those directed at mainstream publicly-funded support. In other words, this kind of provision is currently not directly appropriate. If the 'private' sector refers to non-public sector provision then specialist support provided by non-mainstream-business providers has been mapped by for example, the Social Enterprise Unit, RISE, SEEM, SEL and SEEE and gaps ascertained. Unlike mainstream private sector provision, this provision is currently funded predominantly by a range of sources, including local authorities, the RDAs, European funds, central government departments or other non-public trusts and foundations. The complex synergy between publicly-funded and non publicly-funded support is either apparent within organisations tailoring support for social enterprises or in the mix of providers and the methods of collaboration and referral between them. There are also clearly stand-alone providers. Much of the work done by certain regions has aimed to join this provision up.
42. Another key point is that more mature social enterprises may well pay for support but pre-start and start-ups generally will not and cannot, and will require longer term ongoing and holistic (not product based) support which meets their specific needs.
43. Social Enterprise London also made the point in its contribution to our consultation that 'new social enterprises are less averse to using private sector organisations, whereas well established community groups tend to have a bias against them and therefore no matter how well managed the private sector organisation is, they will not attract social enterprises and therefore will be of limited use'.
44. There is a need to recognise and acknowledge the role of third sector organisations in delivering business support as well as the private sector.

**Question 5: Do the business support themes make it easier for you to know what publicly-funded support is available to meet the needs of your business? Are they the right themes?**

45. The language and adaptation of products are key to ensuring the relevancy and take-up of these products. At present, the themes and products are not clearly relevant to social enterprise even if many of them could be, because of the way that they are described and the language used. We have included specific comments on themes below and more detail on each of the products has been included in Appendix Two.
46. **Access to finance:** The advisor needs to know about how best to broker and diagnose needs and know about all the finance options for social enterprise, including from specialists. The point is worth making that most social enterprise *access to finance* programmes or products include elements of business advice and support which make them more effective.
47. **Sales and marketing development:** This support has to be contextualised to how social enterprises understand and use these terms and how they work in practice. It is clear though from sector research that one area that social enterprises are weak on is

that of understanding the market in which they are operating and marketing in general<sup>24</sup>, so this theme should be helpful.

48. **Management, recruitment, people development:** Again, this theme should be helpful but there is a need to recognise the social enterprise differences and specificities as set out above and to ensure that the products under the theme are open to social enterprises.
49. **Operations and efficiency:** At present, this theme appears to be a catch-all for issues such as environmental protection and incentives for inclusion. It is very unclear what this theme refers to and will not help clients, whether they are from social enterprise or from mainstream business.
50. **Product development:** The word product is misleading in the context of business, let alone social enterprises. Many organisations offer services which require very different approaches to development to those of 'products'. Since most social enterprises are service providers this issue is important. Another point is that service development products have to be designed in a way that makes them helpful to, and accessible by, social enterprises.
51. The Coalition suggests that the title of this 'product' is changed to 'product and service development'.
52. There is also a risk that product development will become focused on science and technological innovation, not taking into account policy rationales for supporting service innovation and the related and overlapping notion of 'social innovation'. Social innovation as a term and idea is currently being explored through Cabinet Office work on *Innovation and public services and the third sector*, the development of the Innovation Exchange by the Cabinet Office and work by NESTA and the Young Foundation amongst others.
53. Suggestions made by Coalition members include:
  - R&D for innovation in social enterprise to be better understood and funded or delivered appropriately by publicly funded support providers; and
  - Support for knowledge bodies to develop new models and ways of working with social innovation and social enterprise innovation (note: social innovation can involve complex partners from different sectors to achieve innovations that meet social need).
54. **Starting Up:** From current evidence both researched and in practice (and set out above), it is clear that at start-up, the most in-depth and holistic support is needed, and it is unlikely that social enterprises will be able to pay. Also, not all organisations are new starts. Some are voluntary sector organisations looking to develop more business-like activities, others are transfers from the public sector, and yet others are buy-outs or ownership changes from the mainstream private sector.
55. This focus on start-up also needs to include outreach and pre start or pre-pre- start work to encourage and develop effective social enterprises across the regions.

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<sup>24</sup> See for example The Guild for SEEM and emda (2006), *Social Enterprise Information, Diagnostic and Brokerage Service (IDB) Pilot, Summary Report, November 2005-2006*

**Question 6: To what extent will reducing the amount of branded business support make it easier to know what is available to meet the needs of your business?**

56. Generally speaking, less branding means less confusion. However, if the branding and marketing is vague and does not work so that clients recognise that this product or service works for them and their needs then it will not be effective in increasing access and take-up by the clients who need it most.

**Question 7: How can the delivery of business support be better arranged to minimise customer confusion and achieve economies of scale?**

57. We believe that to minimise customer confusion, true partnerships between all providers are necessary within regions, as well as multiple access points for social enterprises through all quality-assured providers and two-way referrals. We have already shown how specialist IDB has been piloted in several regions in order to meet need. This approach is likely to increase take-up and use of services by social enterprises of both Business Link and specialist support. It also provides a model for providing appropriate support to other target groups.

58. We are also not convinced that there is necessarily customer confusion for social enterprises, but we do know that services are fragmented and not always relevant or of the highest quality (both mainstream and specialist).

59. It is unclear how this approach increases 'economies of scale'. It should aim to rationalise and increase the effectiveness of appropriate delivery to the client, which should be the main outcome measure. Economies of scale can mean 'one size fits all' and will be ineffective for this market if social enterprises are meant to be 'shoe-horned' into standard provision. Additionally, the effectiveness and take-up of specialist support attests to the importance of this kind of support.

60. Attention also needs to be paid to different and appropriate forms of marketing and access routes and context specific outreach as well as pre-start support in order to enable the development of strong and viable social enterprises to address their different aims, many of which are synonymous with public sector goals.

**Question 8: How can Business Link be further developed to meet business and government needs consistent with this policy?**

61. The Guidance for RDAs by the Cabinet Office points out that, 'Business Link does not always provide a good service to social enterprises, social enterprises tend not to go to Business Link and they often cannot (or will not) pay for support, particularly at start-up and early growth.'<sup>25</sup> As a result, Business Links are generally not used by social enterprise at present or not believed to have appropriate skills or understanding, which means that there needs to be:

- Training for Business Link personnel to understand the needs of, and to recognise, social enterprise (one way to ensure this happens is via the USE programme – a programme for business advisors created by SEL);
- Appropriate and flexible IDB models or specific social enterprise IDB models, ideally provided by specialist advisers;

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<sup>25</sup> Cabinet Office (2007), *Social Enterprise Business Support: Guidance for Regional Development Agencies*

- Sensitive branding, which requires further discussion and development otherwise it may deter prospective clients;
- The ability for clients to feedback and rate services provided;
- Funding for social enterprise support needs to recognise the reduced ability or willingness to pay, especially by start-ups and early stage organisations; and
- The need to quality assure advisers and the services brokered, for example by using the National Occupational Standards for social enterprise advisers developed by SFEDI and the sector.

***Question 9: How can business support services make best use of Business Link as the primary access channel for business?***

62. Evidence shows that businesses improve their performance when they use business support. The key is therefore to get businesses to access support and emphasis on a primary route is less important than quality and appropriateness of that support.
63. At present all the evidence shows that the primary access channel to publicly-funded support by social enterprise is via specialist social enterprise support bodies. Work done by SEEM in the East Midlands and by RISE in the South West has emphasised the need to ensure that the IDB is appropriate and the Business Link advisers are skilled up to recognise and to work with social enterprise, often through using specialised IDBs led by specialist advisors.
64. RISE suggests from its experience that one way to increase the effectiveness of Business Link as the primary access channel is to require that these Business Links have specialist social enterprise knowledge, for example that they reach the SFEDI quality standard on social enterprise and actively invest in training. If they do not possess these skills then they will have to buy them in and brand them Business Link. In the South West, the Business Links are working with social enterprise support agencies to create a better flow of clients and to monitor the experiences of the clients that go through this service. This pilot also found that there is a need to fast-track clients with specific needs.
65. As noted above, we think that the word 'primary' needs careful consideration. A multiple access point referral system is the ideal so that Business Link can be a primary access point for publicly-funded services where appropriate but it must not become the 'only' access point for all support.

***Question 10: Do you agree with the proposed strategic oversight of business support?***

66. We are unclear about the ways in which national strategic oversight can balance with devolution and innovation at both the regional and local levels. We feel that this issue needs further clarification and development. In any national body, there must also be representation from the social enterprise sector.
67. A key issue raised in a recent paper on Business Support by the Coalition was that there is much interpretation of IDB by Business Links. This, along with the lessons of the various types of provision for specialist IDB or trained IDB, needs to be under the remit of national strategic oversight, and approaches or lessons learned can best be shared through this route across regions to ensure equality of services.

**Question 16: How far will our proposals make it simpler for business to know what publicly-funded business support is available and how to access it?**

68. At present, and for the reasons given above, we do not know whether this approach will make it easier for social enterprises to access publicly-funded support or to know what is available. It will depend on how these proposals work for social enterprises in terms of language, suitability and applicability of products and services and the overall delivery approach at regional and local level.

Social Enterprise Coalition  
Policy Team  
September 2007

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**APPENDIX TWO – BSSP Offers and Social Enterprise Comments**

Business themes	The offer	What is it?	What does it provide?	Social enterprise comments
Access to finance	Financial awareness and capability	Help to secure private sector funding	Providing current and prospective entrepreneurs with investment readiness service	<p>This is a key issue for social enterprises. Good quality training on financial issues could have a big impact on the sector. Some materials have been developed by the DTI and the sector. It is important that the descriptor allows social enterprises to access this support.</p> <p>The Business Link access point advisers must be able to understand social enterprise needs as well as the full spectrum of appropriate and available support, locally, regionally and nationally.</p> <p>In the detailed notes on each of these areas provided on the BSSP website, benefits and outcomes do not mention or understand that the key role of finance is not just growth (however defined for the sector) or increased turnover <i>per se</i> but also increased sustainability of the organisation and increased or maintained social, economic, and environmental outcomes that flow from their mission and triple bottom line.</p>
Access to finance	Debt finance	Loan finance for young businesses	<p>Providing:</p> <ul style="list-style-type: none"> <li>• Debt finance at an appropriate, risk-priced interest rate which reflects the nature of the borrowing enterprises – via government underwriting loans from banks and other financial institutions.</li> <li>• Business advice services alongside the loan to reduce the prospect of default</li> </ul>	<p>The Business Link access point advisers must be able to understand social enterprise needs as well as the full spectrum of appropriate and available support, locally, regionally and nationally.</p> <p>There is also a need to ensure that social enterprises can access appropriate mainstream debt provision and support e.g. the Small Firm Loan Guarantee Scheme.</p> <p>This simple distinction between debt and equity is problematic for both social enterprise and mainstream business. Some of the most innovative products are hybrid and have elements of both. See work by the Cabinet Office on access to finance by social enterprise, by evaluations of the Adventure Capital Fund <a href="http://www.adventurecapitalfund.org.uk">www.adventurecapitalfund.org.uk</a> or work by BIGInvest. <a href="http://www.biginvest.co.uk">www.biginvest.co.uk</a>.</p> <p>In the detailed notes on each of these areas, provided on the BSSP website, benefits and outcomes do not mention or understand that the key role of finance is not just growth (however defined for the sector) or increased</p>

				<p>turnover <i>per se</i> but also increased sustainability of the organisation and increased or maintained social, economic, and environmental outcomes that flow from their mission and triple bottom line.</p> <p>The five year limit on eligibility will also cause problems. It does not acknowledge that some older organisations might need this e.g. older community organisations that want to establish a business or an employee buy-out that essentially means the setting up of a new business with little track record.</p>
Access to finance	Risk capital	Equity financing for high-growth businesses	Enables establishment of commercially viable equity funds by investing a combination of private and public money in small high-growth businesses that are seeking up to £2million in equity finance.	<p>It is important that social enterprises have access to risk capital if they are to achieve their potential. The wording on social enterprise returns is very important.</p> <p>The Business Link access point advisers must be able to understand social enterprise needs as well as the full spectrum of appropriate and available support, locally, regionally and nationally. This is particularly true in the case of equity since this is an area of rapid innovation and change within the context of social enterprise ownership and control needs and appropriate rates of return.</p> <p>This simple distinction between debt and equity is problematic for both social enterprise and mainstream business. Some of the most innovative products are hybrid and have elements of both. See work by the Cabinet Office on access to finance by social enterprise, by evaluations of the Adventure Capital Fund <a href="http://www.adventurecapitalfund.org.uk">www.adventurecapitalfund.org.uk</a> or work by BIGInvest. <a href="http://www.biginvest.co.uk">www.biginvest.co.uk</a>.</p> <p>In the detailed notes on each of these areas, provided on the BSSP website, benefits and outcomes do not mention or understand that the key role of finance is not just growth (however defined for the sector) or increased turnover <i>per se</i> but also increased sustainability of the organisation and increased or maintained social, economic, and environmental outcomes that flow from their mission and triple bottom line.</p>
Access to finance Sales and	Export credit guarantee	Helping business manage non-	UK government backed guarantees, via the Export Credit Guarantees Department (ECGD), for	A few large-scale social enterprises may use this product. Increased awareness and understanding of social enterprise will be important.

marketing development		payment risks in overseas transactions	payment on overseas contracts for major capital goods and large-scale projects	
Access to finance	Capital investment grants	Help to support capital investment projects either by SMEs or by companies operating in the assisted areas.	<ul style="list-style-type: none"> <li>Grants to address some of the market failures that limit the development of SMEs. Specifically, grants to offset the difficulty that SMEs have obtaining capital given the risk-averse nature of certain financial markets and the limited collateral that they may be able to offer</li> <li>Aid to assist the development of the most disadvantaged regions in England by supporting sustainable investment and job creation, promoting the expansion, rationalisation, modernisation and diversification of economic activities by encouraging firms to set up new establishments there</li> </ul>	<p>Some social enterprises may need access to these. Also, the current asset development agenda involving appropriate asset transfer from the public sector should also be linked to and understood by IDB advisers.</p> <p>The understanding of ‘the development of the most disadvantaged regions’ needs to be better understood in relation to social enterprise i.e. job creation and economic diversity but also many more relevant issues: transport, childcare, retail availability, access to finance for individuals as well as social enterprise and business etc.</p> <p>The more detailed notes on this product state that high value-added high skill and technology risk activities are particularly effective at stimulating sustainable employment. It has to be recognised that social enterprise provide different access and development channels that these private sector organisations need to and can benefit from through partnerships or other linkages.</p> <p>Incentives for disadvantaged areas development have not generally been under the remit of Business Link and it is unclear how this can be reduced to business support or divided from other support, such as capacity and community development, transport, etc which is better delivered and the responsibility of other agencies or bodies or specialist support.</p>
All themes	Support networks	Helping businesses to work together to exploit market opportunities	<p>Collaboration and networking services and facilities for groupings of businesses at the national, regional or local levels to:</p> <ul style="list-style-type: none"> <li>Exploit market opportunities or meet shared challenges</li> </ul>	<p>Support networks are extremely important. The issue here is about ensuring that social enterprises can access appropriate mainstream business networks and also ensuring that there are specialist social enterprise networks that address specific needs whether general or sectoral.</p> <p>The key will be to ensure that the text does not inadvertently lead to social enterprises being ineligible.</p>

			<ul style="list-style-type: none"> <li>• Improve the performance of businesses and of the wider sector, supply chain or network</li> <li>• Increase the rate of exchange of knowledge, expertise and best practice</li> </ul>	<p>The Cabinet Office's <i>Social Enterprise Action Plan: Scaling New Heights</i> includes a policy commitment to identify and support networks.</p>
Management, recruitment, people development	Skills brokerage	Help businesses to define their skills needs and identify solutions	<p>Brokerage service to help businesses identify and source all levels of skills development solutions for their workforce to ensure continued and improved business success.</p>	<p>The Business Link access point advisers must be able to understand social enterprise needs as well as the full spectrum of appropriate and available support, locally, regionally and nationally.</p> <p>Social enterprises access training from both mainstream and third sector providers and the public sector. An attempt to map this provision was made by the Social Enterprise Partnership (SEP) under the ESF funded Equal programme and continued by SETAS <a href="http://www.setas.co.uk">www.setas.co.uk</a>.</p> <p>Skills are not just about business skills or sector specific knowledge but also confidence, legitimacy, credibility, networks of support. Some people may be put off by qualifications and accredited learning and support. (See work by the School for Social Entrepreneurs – details in Appendix One.)</p>
Management, recruitment, people development	Skills solutions	Help to improve employee skills	<p>Funding for learning, either nationally, regionally or locally, to support training to improve the skills of people in the workplace, and to help businesses become more sustainable or to innovate and grow. Includes support for:</p> <ul style="list-style-type: none"> <li>• Improving basic employability skills</li> <li>• Technical skills</li> <li>• Higher level advanced</li> </ul>	<p>A key part of the work of many social enterprises is that of providing more than average training for their staff either because they come from relatively unskilled starting points to enable them to move on to mainstream employment. Much of this work is therefore over and above 'business survival and success' needs and has been recognised by some local authorities as requiring particularly training contracts or subsidy. This is an issue which needs further discussion at a national level, but this product could be very helpful if social enterprises can use it to improve the skills of people from disadvantaged backgrounds.</p> <p>The Business Link access point advisers must be able to understand social enterprise needs as well as the full spectrum of appropriate and available support, locally, regionally and nationally.</p>

			<p>skills, and</p> <ul style="list-style-type: none"> <li>• Management and leadership of the business</li> </ul>	
<p>Management, recruitment, people development</p> <p>Operations and efficiency</p>	<p>Incentives to employ the economically excluded</p>	<p>Helping business manage the risk of employing economically excluded communities and groups</p>	<p>Focusing on hard to reach groups and communities and working with Jobcentre Plus and Business Link, this will include:</p> <ul style="list-style-type: none"> <li>• Providing mental or physical health support in the workplace</li> <li>• Adaptation of premises for the physically disabled</li> <li>• Help with security vetting prior to employment</li> </ul>	<p>As above, some social enterprises are specifically focussed on this approach and therefore their business model and the services provided are aimed directly at this mission rather than on creating an inclusive workforce to meet other product and service needs.</p> <p>This product could be very helpful to social enterprises and could lead to them contributing even more to government aims of getting people off benefits and into the workforce.</p> <p>As above, there is more of a need here to talk about incentives which are beyond those applying to mainstream business because of the kind of work they do and outcomes they have in bringing excluded people and groups into the market and employability.</p>
<p>Operations and efficiency</p> <p>Product development</p>	<p>Shared support environments</p>	<p>Shared premises and support facilities in which businesses develop and grow</p>	<p>Providing:</p> <ul style="list-style-type: none"> <li>• Shared facilities and support services at competitive rates</li> <li>• Access to facilities where a business can innovate</li> <li>• Exchange knowledge, and receive support and guidance</li> </ul>	<p>The Business Link access point advisers must be able to understand social enterprise needs as well as the full spectrum of appropriate and available support, locally, regionally and nationally.</p> <p>We know that there is a paucity of shared premises and incubation that is relevant for social enterprises and for non-high tech organisations, in both the start-up and growth and consolidation periods. Further research and support for this area will encourage the retention of business within certain areas, and provide relevant and supportive environments for social enterprise success.</p> <p>A number of social enterprises (e.g. CAN, Manor &amp; Castle, Luton &amp; Dunstable) have developed shared premises. This product could be helpful to them and others but the product must be open to them. It is possible that the focus on the private sector in the text could exclude them so it should be changed to private <i>and</i> third sectors.</p>
<p>Operations and efficiency</p>	<p>Business technology and best</p>	<p>Helping businesses work</p>	<p>Providing shared facilities and services designed explicitly to enable businesses to share,</p>	<p>The nature of collaboration between social enterprises is generally not to exploit new technological knowledge (although in some cases, for example in the areas of health this may be true). This points to the need to recognise</p>

Product development	practice hubs	together to commercially exploit new knowledge	test and exploit new knowledge and technological developments, and to share best practice amongst groups of new and established businesses.	that best practice hubs may be around particular types of service provision or innovative processes or social enterprise innovation and not just technology practice.
Operations and efficiency	Protecting the natural environment	Help and incentives to achieve a healthy and resilient natural environment	<p>Information, advice, grants, funding and loans to encourage businesses to adopt less environmentally damaging practices and solutions – including:</p> <ul style="list-style-type: none"> <li>• Environmental audits</li> <li>• Assistance in building markets for eco-friendly products and services</li> <li>• Developing bio-diversity friendly corporate strategies</li> </ul>	<p>The Business Link access point advisers must be able to understand social enterprise needs as well as the full spectrum of appropriate and available support, locally, regionally and nationally.</p> <p>Some social enterprises are set up specifically in order to ‘show’ how markets and businesses could work viably or to create and adopt new environmental technologies or working practices.</p> <p>As in the example of skills development above, these issues may need further discussion about the nature of the ‘incentives’ available to and required by those who are working above and beyond current best practice.</p>
Operations and efficiency	Promoting resource efficiency and sustainable waste management	Help and incentives to create a low carbon economy and tackle climate change	<p>Information, advice, grants, funding and loans to encourage resource (heat and power, water and raw materials) and energy efficiency (including low carbon) practices and technologies and more sustainable waste management – including:</p> <ul style="list-style-type: none"> <li>• Energy/resource efficiency audits</li> <li>• Investment in technologies and practices that encourage</li> </ul>	<p>This product could be helpful to social enterprises, including those that are developing ways to supply renewable energy and those that run premises and would benefit from initiatives to encourage the use of microgeneration technologies.</p> <p>The Business Link access point advisers must be able to understand social enterprise needs as well as the full spectrum of appropriate and available support, locally, regionally and nationally.</p> <p>As in the example of skills development above, these issues may need further discussion about the nature of the ‘incentives’ available to and required by those who are working above and beyond current best practice.</p>

			<p>energy and resource efficiency</p> <ul style="list-style-type: none"> <li>Assistance to help the take-up of environmental standards (i.e. ISO 14001) and improve energy management</li> </ul>	
<p>Operations and efficiency</p> <p>Product development</p> <p>Sales and marketing development</p>	Business expertise	Help to get expert advice	<p>Fully or part-funded quality assured business expertise:</p> <ul style="list-style-type: none"> <li>Technical/specialist expertise addressing specific issues within an individual business</li> <li>Generic business expertise from an expert with successful track record in running a small firm</li> </ul>	<p>The first bullet is helpful and there needs to be assurances that the product is open to social enterprises.</p> <p>This area is clearly critical to social enterprise but it could be argued that this applies within all areas of operation. The last bullet point is also appropriate although the concept of mentoring could fit in here as being a key part of the development of many social enterprises by those with appropriate experience. Aston School for Social Entrepreneurs, for example, works with people who are unable or unwilling to get qualifications and it says that one of the most effective forms of help is mentoring.</p> <p>The Business Link access point advisers must be able to understand social enterprise needs as well as the full spectrum of appropriate and available support, locally, regionally and nationally. This exemplifies the point already made that IDB models are not necessarily heterogeneous and that access to expert support and recognition of its importance or use requires specialist IDB and not just highly trained generic delivery agents.</p>
Product development	Connection with knowledge institutions	Help to develop links with the science and research base	<ul style="list-style-type: none"> <li>Support for hosting and arranging events, seminars and exhibitions where businesses and knowledge base institutions can meet and potentially establish productive relationships</li> <li>Financial incentives for SMEs making their first meaningful contact with a</li> </ul>	<p>As for many mainstream businesses, connections with knowledge institutions are underdeveloped with respect to the non-science research base but critically important. This fact was stated in the recent Review of Innovation in Services by the DTI and has not been fully explored in the work on social enterprises. It is absolutely critical to the support for innovation of the kind that social enterprises excel in.</p> <p>The Coalition suggests changing the title of this product to 'product and service development'.</p> <p>This product needs to be open to social enterprises.</p>

			<p>knowledge base institution</p> <ul style="list-style-type: none"> <li>Information, project scoping and knowledge/technology brokerage services provided by knowledge base institutions, regions, nationally or internationally</li> </ul>	
Product development	Innovation collaborations	Help to work together and with the science and research base	<p>Funding and support to promote and enable knowledge development and exchange between businesses and between businesses and knowledge base institutions, including:</p> <ul style="list-style-type: none"> <li>Placement of under-graduates/graduates in businesses</li> <li>Exchange of staff between businesses and between businesses and knowledge base institutions</li> <li>Collaborative research and development activities</li> <li>Large scale demonstrator projects</li> </ul>	<p>As above, the idea that innovation is only about science and technology has been superseded by research as well as recent government thinking.</p> <p>This area requires much more thinking and development in order to meet the actual needs of a predominantly service-based economy as well as increase the potential of social enterprises to meet needs and to challenge and illustrate best practice within the private and public sectors.</p> <p>These are critical developments for social enterprise and need to be further developed. A current example is the way in which the social enterprise projects within the ESF funded Equal programme have, and are, working together to share best practice and mainstream. Regional support infrastructure bodies are also acting as forums for this kind of knowledge brokering and exchange.</p> <p>Collaborations which work for social enterprises also include:</p> <ul style="list-style-type: none"> <li>Peer to peer support which could be brokered through IDB</li> <li>Matchmaker networks to disseminate information about social franchising, licensing and growth opportunities</li> <li>Networking across the private and social enterprise sector.</li> </ul> <p>In many cases social enterprise has been excluded from programmes such as the SW BEACON Network – criteria to access the network are a certain GDP per capita. RISE research has specifically pointed to an appetite for</p>

				business to business collaboration especially those that are well established eg the developing RISE Trade Association. See <a href="http://www.rise-sw.co.uk">www.rise-sw.co.uk</a> .
Product development	Innovation advice and guidance	Help to plan and develop new products and services	Fully or part-funded expert advice and guidance to help businesses 'kick-start' work on specific innovation projects	<p>As above, the idea that innovation is only about science and technology has been superseded by research as well as recent government thinking.</p> <p>This area requires much more thinking and development in order to meet the actual needs of a predominantly service-based economy as well as increase the potential of social enterprises to meet needs and to challenge and illustrate best practice within the private and public sectors.</p>
Product development  Access to finance	Innovation finance	Help to develop and commercially exploit innovative ideas	Grants or loans for individual businesses to develop technology based product, process or service innovations, to assist with the cost of research and development including obtaining intellectual property rights, proof of concept, market research, capital expenditure linked to prototyping and large scale demonstrators	<p>As above, the idea that innovation is only about science and technology has been superseded by research as well as recent government thinking.</p> <p>This area requires much more thinking and development in order to meet the actual needs of a predominantly service-based economy as well as increase the potential of social enterprises to meet needs and to challenge and illustrate best practice within the private and public sectors. Outcomes should not just relate to growth in terms of turnover or profitability since for social enterprises the focus is on relative impact and outcomes and sustainability, not necessarily growth in a traditional sense.</p> <p>It will also require much more thinking about the rationale for intervention which reflect the kind of outcomes and environments in which social enterprises work. The range of outcomes include or are irrelevant to increased productivity or growth, and relate to wider social, economic and environmental concerns to government, to wider society and to the economy.</p> <p>Social enterprises that do develop products need to learn how best to understand and protect intellectual property and patenting. There is currently limited support in this area and this needs to be provided and funded.</p>
Sales and marketing development	Getting into new overseas markets	Tailored help for specific markets	<p>Support includes:</p> <ul style="list-style-type: none"> <li>• Hands-on guidance and research</li> <li>• Guidance on overseas</li> </ul>	Some social enterprises do trade overseas and could increasingly do so in future. Therefore it will be important to ensure social enterprises are able to benefit.

Product development			<p>marketing and communications strategies</p> <ul style="list-style-type: none"> <li>• Help on trade show access and meeting overseas buyers</li> <li>• Assistance in arranging overseas visits and general 'in-market support'.</li> </ul>	
Sales and marketing development	Growing internationally		<p>Provides support for:</p> <ul style="list-style-type: none"> <li>• Developing business strategies for continued international growth</li> <li>• Developing and sustaining outward investment and supply chain linkages</li> <li>• Support for inward investors established in the UK</li> </ul>	Some social enterprises do trade overseas and could increasingly do so in future. Therefore it will be important to ensure social enterprises are able to benefit.
Starting up	Business creation	Help to overcome barriers to setting up new business	<p>Information, skills and expertise to individuals and business to start trading – including:</p> <ul style="list-style-type: none"> <li>• Business strategy and business planning</li> <li>• Finance and financial skills</li> <li>• Market research</li> </ul>	<p>The Coalition welcomes the mention of social enterprises as target customers.</p> <p>It is in this area where the majority of evidence in both research and practice points to the need for specialist support, mentoring, and the important factor that most social enterprises at this stage cannot and will not pay for support.</p> <p>Additionally, pre-start and pre- pre- start training and outreach are absolutely critical to the development of potential ideas and the development of appropriate organisational forms, particularly at a community level. This is where support also overlaps considerably with community development and capacity building and which recognises the fact that many people will want support in developing their idea and turn it into the correct sustainable model</p>

			<ul style="list-style-type: none"> <li>• Customers and selling</li> </ul>	<p>–be that a mainstream business, voluntary sector organisation or social enterprise. Social enterprises also take a long time to develop and grow, and this needs to be recognised.</p> <p>Benefits of support for social enterprises are again not just about employment creation and productivity and revenue growth but also about social inclusion, other policy goals.</p>
Starting up	Local community business advisers	Helping hard to reach communities start up in business	<p>Locally based business advisors to augment the Business Link service to work with and in targeted communities and groups to:</p> <ul style="list-style-type: none"> <li>• Provide advice, guidance and support to individuals in those communities and groups seeking self-employment</li> <li>• Pro-actively promote self-employment as a means into economic activity</li> <li>• Stimulate low productivity businesses into growing their aspirations</li> <li>• Facilitate linkages to Business Link services as appropriate</li> </ul>	<p>This is a very weak product since it is unclear how this new strata of adviser fits with the current understanding of how people start up social enterprises or are supported by specialist social enterprises or voluntary sector bodies to start. The focus in the wording of this product is primarily on ‘self-employment’.</p> <p>The term ‘hard to reach’ is often only used by the public sector and shows that it generally finds it hard to reach this group whereas trusted organisations and people within communities are often at an advantage, at least for some groups or people. Also, there is an area bias to this product. We know that there are more people in poverty outside government defined deprived areas than within. These people should not be forgotten and will access support in very different ways and through very different kinds of routes and organisations – the evidence does not indicate that it will be via a Business Link branded service.</p>
Starting up	Preparing for self employment	Helping raise levels of business start up	<p>Help in reviewing an individual’s readiness for self-employment and support to help them get started – including advice on:</p> <ul style="list-style-type: none"> <li>• Rewards, challenges, risks and responsibilities</li> </ul>	<p>It is in this area where the majority of evidence in both research and practice points to the need for specialist support, mentoring, and the important factor that most social enterprises at this stage cannot and will not pay for support.</p> <p>Additionally, pre-start and pre- pre- start training are absolutely critical to the development of potential ideas and the development of appropriate organisational forms, particularly at a community level. This is where support also overlaps considerably with community development and capacity</p>

			<ul style="list-style-type: none"> <li>• Self esteem and confidence</li> <li>• Understanding the language of business</li> </ul>	<p>building and which recognises the fact that many people will want support that is able to support them in developing their idea and turn in into the correct sustainable model be that a mainstream business, voluntary sector organisation or social enterprise.</p>
<p>Starting up Operations and efficiency</p>	<p>Tackling barriers to self-employment</p>	<p>Helping raise levels of business start-up</p>	<p>Support to target groups of new enterprises – including:</p> <ul style="list-style-type: none"> <li>• Childcare</li> <li>• Transport costs</li> <li>• Anti-crime measures</li> <li>• Mentoring from specific social groups</li> </ul>	<p>This is very unclear that this product is conceptualised particularly well since barriers to self-employment are recognised within social enterprises that support enterprise. The linkage to this work and recognition of it is appropriate. Lessons from social enterprise and women’s enterprise support show that there are many barriers to starting a business and that this is part of the ‘enterprise for all’ agenda and an integral part of support, not easily packaged off (see the EfAC report in Appendix One for more details). Other issues include:</p> <ul style="list-style-type: none"> <li>• Government benefits and how they interact with and create barriers to successful self-employment.</li> <li>• Soft skills such as confidence, self-esteem, etc that cut across all kinds of people and need to be recognised in support that encourages the potential and actuality of self-employment.</li> </ul> <p>Mentoring and coaching were written into previous versions of the BSSP and appear only to have survived here. Mentoring has proved to be a core development need of social enterprises, not just the self-employed. Such mentors need to be quality assured.</p>