

**Response by the Social Enterprise Coalition to the Higher
Education at Work consultation**

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Introduction

The Social Enterprise Coalition (the Coalition) welcomes the opportunity to respond to the Department for Innovation, Universities and Skills consultation on Higher Education at Work.

The Coalition was established in 2002 as the national voice of social enterprise. The Coalition represents a wide range of social enterprises, umbrella bodies and networks, with a combined membership reaching over 10,500 social enterprises. These include co-operatives and mutuals, development trusts, housing associations, leisure and football supporters' trusts and Social Firms. Social enterprises are businesses with primarily social or environmental objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. This response was informed by consultation with members of the Coalition practicing in education and children and young people's services.

We are fully supportive of the government's aims to ensure that everyone in the UK has access to high quality training and education which enables them to reach their potential in today's workforce and participate fully in society more broadly.

We further believe that social enterprises can make a real and sustained contribution to education and training services through applying innovative and efficient approaches. In particular, social enterprises have made a real impact in addressing the complex and diverse education and training needs of people who have disadvantages in accessing the workforce.

Business support and training

We welcome the department's commitment to ensuring that Small and Medium Enterprises (SMEs) have access to the management and leadership support they need.

Business support for social enterprise in the UK, including management and leadership support, has been described as 'increasingly fragmented, incoherent and patchy'. This has significant implications in terms of ensuring that those working in social enterprise are equipped with the skills necessary to create and maintain a successful business. By extension, it impacts upon the demand for employees with high level skills within social enterprises.

There are three particular areas of management and leadership support which need to be strengthened to enable social enterprises to reach their potential. These relate to technical skills, financial skills and corporate skills.

Technical skills

At the early stages of business development it has been shown that social enterprises may not be able to afford business support. Where there is a charge for support services social enterprises may be excluded, especially when technical advice is required. This is a serious hindrance to the success of social enterprise start-ups.

Financial skills

Social enterprises require access to specialised business expertise to support them in managing the complex triple bottom line method of accounting. In addition, some social enterprises lack the financial management skills needed to handle more sophisticated finance. Although social enterprises have built up their financial management skills in recent years, there is still a shortfall, particularly when it comes to handling bigger budgets and using more sophisticated forms of finance.

Particular areas where training is needed include cost management, presenting financial data for the purposes of securing finance, understanding investment readiness, and comparing the suitability of different financial products.

A lack of tailored business support solutions hampers the ability of many social enterprises to successfully implement this method of accounting, which is one of the main tools used by social enterprises to report on the social and environmental value of their work.

Corporate skills

Some social enterprise leaders do not have a background in business and therefore may not understand business terminology. As such, they require support from business advisors to help them adjust to a business culture. However, there is a real lack of business advisors with an understanding of the nature of social enterprise. Business support advisers in this position are likely not to understand the business culture of social enterprise and will therefore be ill-placed to support the transition of new social enterprise leaders into this way of working.

The Coalition urges the Department for Innovation, Universities and Skills to take these support needs into consideration in their plans to develop high level programmes for management and leadership as part of the new Management and Leadership funding for SMEs under the Train to Gain Plan for Growth.

Specifically, needs include both training for deliverers of management, leadership and business support, as well as direct training opportunities for social enterprise leaders and managers. It is vital that both these forms of training are oriented towards the particular needs of social enterprises, as distinct from both traditional businesses and voluntary and community organisations. This requires a thorough understanding of social enterprise as a business model where social and environmental aims are central drivers.