

Response by the Social Enterprise Coalition to the Department for the Environment, Food and Rural Affairs’ Consultation on the promotion of energy end-use efficiency and energy services Implementing Article 5 of Directive 2006/32/EC in the UK

1. The Social Enterprise Coalition (“the Coalition”) welcomes the opportunity to respond to the Department for Environment, Food and Rural Affairs’ Consultation on the promotion of energy end-use efficiency and energy services Implementing Article 5 of Directive 2006/32/EC in the UK. The Coalition agrees on the importance of an exemplary role for the public sector in leading effort to tackle climate change and energy use. This response will concentrate on the means used to address compliance gaps, the second bullet point of the consultation document.
2. 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 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. Social enterprises work in all regions of the UK, and already successfully deliver public services and contracts for local, Health and education authorities.
3. While in favour of the highest practicable environmental standards, we recognise the difficulty in specifying a level for ‘exemplary’ of balancing opportunity costs to public services and the environment where changes would go beyond cost saving energy efficiency. An emphasis only on energy savings which are cost effective might miss the best methods to achieve both. Whichever implementation option is pursued in relation to annex VI, the procurement practices and exemplary role of public services extend beyond their direct action. They influence the behaviour of markets and so impact on domestic and private industry carbon emissions.
4. Public service commissioners, in becoming more aware of the environmental implications of their commissioning should also be more aware of the advantages of social enterprise solutions. It is important that Defra and delivery agency procurement guidance and best practice communications include social enterprise. They should work with representatives of the sector, such as the Coalition, to ensure that they understand the benefit of social enterprise environmental services for multiple government policy areas: public service efficiency, supporting social enterprises and reducing carbon emissions.
5. In many cases social enterprises provide services better than the alternatives, using innovative methods unavailable to the public sector but not expropriating profit. They can achieve behaviour change by innovative means where private and public initiatives have proven less successful, for example Tower Hamlets Community Recycling. Social enterprises like Green-works and Computer Aid remove and re-use office equipment and furniture. Their success means that replacement with more energy efficient equipment does not involve a carbon cost (from turning old equipment into waste), but a social opportunity (providing lower cost goods to poorer communities, reducing landfill and creating good jobs). Many environmental social enterprises have additional benefits in other policy areas of public service concern, such as: providing employment, training and education to people distant from the labour market, by delivering environmental services. Successful social enterprise practice can serve as an example

to public services and private producers and consumers, both as innovators to imitate or introduction of competitive pressure.

6. In addition to understanding social enterprise benefits, commissioning and the monitoring of efficiency savings should not unfairly preclude social enterprise solutions by the nature of pre-qualification questionnaires, excessive aggregation of contracts, or ignorance. Defra, its delivery bodies and partners in public service should further strengthen their relationships with those, such as the Coalition, who can provide expertise about and represent the sector.

7. The Coalition would welcome the opportunity to discuss these comments further with the Department for Environment, Food and Rural Affairs.

8. Should you wish to discuss this matter further please contact:

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