

**Response by the Social Enterprise Coalition to the Department
for Children, School and Families’ Consultation on Youth Sector
Support Arrangements**

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Introduction

The Social Enterprise Coalition (the ‘Coalition’) welcomes the opportunity to respond to the Department for Children, School and Families’ Consultation on Youth Sector Support Arrangements.

The Coalition was established in 2002 as the national voice of social enterprise. 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. The Coalition represents a wide range of social enterprises, umbrella bodies and networks, with a combined membership reaching of over 10,500 social enterprises. These include co-operatives and mutuals, housing associations, leisure and football supporters’ trusts and Social Firms. Social enterprises in the UK generate more than £27 billion in turnover, and contribute more £8 billion to GDP per year.

We believe that because social enterprises combine entrepreneurialism with an emphasis on engaging directly with users and the local community, they are well placed to help the department meet its goals for the provision of support services to young people.

3) What improvements could be made to help youth sector organisations access local commissioning opportunities, and where applicable, to grow their business/organisation?

Social enterprises working in youth sector support services face a number of barriers which inhibit their ability to maximise local commissioning opportunities.

Firstly, there remains a lack of awareness among commissioners at all levels of what social enterprises are, their potential role in delivering youth sector support services, and the added social benefits they bring. In addition, a risk-averse culture underpins the majority of public service commissioning.

Secondly, there is a need for commissioners to re-evaluate value-for-money in relation to youth sector support service delivery. The aim of social enterprises is to maximise benefits to the local community through the services that they provide: this may mean that as well as aiming to deliver high quality youth support services, social enterprises may simultaneously be addressing community issues such as local unemployment, skills deficits, or engaging with marginalised groups. These approaches add value to public spending which is often not recognised.

Similarly, some social enterprises have found it difficult to get commissioners and contractors to appreciate the real costs of providing a high quality service which provides meaningful benefits to the young people it is intended to support.

A third barrier relates to the aggregation of contracts. The move towards larger contracts in youth sector support services is disadvantageous to social enterprises, which are often small, community-based organisations.

Within the framework of existing policy and regulations there are a number of ways in which public bodies can increase their purchasing from social enterprises – getting more for their money as a result.

Steps include: identifying existing social enterprises, including establishing relevant forums and networks; simplifying the procurement process to allow social enterprise to compete for contracts and to focus more on outcomes rather than processes; thinking carefully before aggregating contracts; taking a strategic approach to purchasing from social enterprises by developing overarching policies and frameworks, coupled with high level leadership and commitment to social enterprise; basing commissioning decisions on demonstrated good financial management rather than an organisation's profit levels and the size of their asset base.

4) What improvements could be made to drive up and assure the quality of services for young people?

The sustainability of organisations which provide services for young people is a key factor in securing their ability to provide high quality services for young people. The social enterprise model is designed to enable those organisations with social and environmental aims to tackle issues of importance in a financially sustainable manner, giving longer-term security to the organisation than if they had a reliance of short-term grants.

This stability, coupled with the employee involvement in decision-making which characterises many social enterprises, enables these organisations to attract and retain high quality staff. For example, Sandwell Community Caring Trust has remarkably low staff turnover and absenteeism thanks to the importance they place on supporting and empowering staff.

High staff retention and work satisfaction in turn improves the quality of engagement between staff and the young people who use a service. It enables the development of long-term relations between staff and users, and also allows staff to develop a real understanding of the needs of service users, information which in turn can be used to improve service delivery.

6) What would be the best way to help young people, particularly the most disadvantaged, influence policy making at national level?

The Social Enterprise Coalition believes that contracting to service providers who themselves actively encourage and welcome input from young people in the delivery of their services is key to fostering an environment in which young people are empowered to voice their opinions at the national level.

Social enterprises are well placed to respond to the challenge of helping young people to influence policy making at national level. Thanks to the emphasis which they place on engaging directly with their users, social enterprises which provide youth sector support services already recognise the value of encouraging young people to voice their opinions and discuss their needs.

In particular, social enterprises are often characterised by high levels of accountability to their local community, as well as high levels of involvement of local people and service users in the enterprise. For example, the young people involved in Community Campus '87, a social enterprise founded in Middlesbrough, have had an enormous influence on the direction of the enterprise. Community Campus '87, which aims to provide affordable accommodation for young homeless people, was set up with the initial goal of renovating a building to provide such accommodation. The young people who were moving in suggested that through carrying out the building work required themselves, they could gain valuable skills as well as securing accommodation. Recognising this as a good idea, the social enterprise was inspired to set up a Key Skills project which now provides training and qualifications for young people through property renovation.

This example also illustrates a further advantage of social enterprises, in that they are particularly well-placed to engage with hard-to-reach and/or disadvantaged groups. This is because social enterprises often have expert knowledge about and understanding of the communities in which they work.

Social Enterprise Coalition
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April 2008