

POLICY INSIGHT

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Read about the Coalition's activities at the Liberal Democrat, Labour and Conservative party conferences, and what the politicians had to say about social enterprise.

Policy developments

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Profiles

In the run up to the next election, each party will be producing a manifesto. This month we profile the MPs leading on their party's manifesto development.

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The party conferences

The Coalition has had a busy few weeks, travelling up and down the UK to attend the Liberal Democrat, Labour and Conservative party conferences. We held a series of fringe events at all three conferences in partnership with the think tank Demos entitled “Good Company: Can social enterprise build a more sustainable and ethical economy?”

At our Liberal Democrat event, Danny Alexander MP spoke of how recent economic developments have led us to question the current model of capitalism, and fuelled a desire to move to a more values-oriented system which has a great focus on fairness as well as environmental sustainability. He added that social enterprises, as well as promoting these values, are part of the way forward in handing power away from Government and back to communities.

At our Labour fringe meeting, Liam Byrne stated that the Labour party had supported social enterprise more than any other party. He said that there were opportunities for social entrepreneurs both in terms of reaching the markets in deprived communities that conventional business people miss, and in transforming public services. He also said that there should be further investigation into extending the “Right to Request” policy to create social enterprises in primary and community care to other public services, and that social enterprise shouldn’t be seen

as an alternative to the public sector, but rather as a partner that will transform state services.

Oliver Letwin said that his party wants to find ways of achieving social responsibility rather than state responsibility at our Conservative Party event, and said that finding ways for social enterprises to participate in core public services “will be a hallmark of a Conservative government”. He said that the role of government should be to create frameworks in which social enterprises can deliver public services, rather than micromanaging the delivery of services.

We’ll be working hard over the coming weeks to build on the momentum of the conferences and trying to ensure that social enterprise is included in all three parties’ manifestos.

We’ll also be writing a Social Enterprise Manifesto with key asks for the politicians from the movement. If you’d like to feed in to our manifesto, you can sign up to one of our workshops on the Coalition’s [website](#) or contact Olof at olof.jonsdottir@socialenterprise.org.uk for more information.

Social Investment Wholesale Bank

The Social Enterprise Coalition has responded to the Office of the Third Sector’s consultation on the

functions and design of a Social Investment Wholesale Bank, stressing that there is a strong need for an independent wholesale institution.

Our response questions how much capital will be freed up for the establishment of a wholesaler and points out that its scale will influence what it is able to achieve. We emphasise that it would need to be of significant scale to leverage significant private capital.

The Coalition emphasises that a lack of access to appropriate finance can be a significant barrier to growth and that social enterprises need access on a level playing field. It also states that there needs to be greater clarity about the bank’s core functions and what it could realistically do. A wholesaler should be just that, using the expertise and diversity of existing social investors and lenders. We question whether the provision of advisory services for frontline organisations would be practical and recommend that the wholesaler support existing services.

We highlight a number of barriers faced by social enterprises that are important to overcome: availability and role of grants, lack of appropriate finance for growth, lack of clarity about equity for social enterprise, the lack of a single standard for social return on investment, underdevelopment of aspects

of the social investment market, lack of market information, and underdevelopment of financial skills in the sector.

The way in which the wholesaler is structured and run should not cause displacement, distort the market or lead to conflicts of interest. Whoever runs it should be fully representative of the sector, and have relevant expertise in finance, particularly the more risky investment banking, as well as in the social environmental sphere.

For more information, please contact Jon Woolfson at jon.woolfson@socialenterprise.org.uk

Social Care

Our social care system is in great need of reform. The combination of fragmented funding and commissioning structures along with huge pressure from our changing demographics and ever tightening public spending has resulted in a system that is not fit for purpose. Despite the fact that more than £11 billion is spent on personal social care services each year there is vast dissatisfaction with the outcomes it achieves, along with the equity and transparency of services.

In response to this the Department of Health has

launched a Big Care debate setting out a vision for a new care and support system. This highlights the challenges faced by the current system, in particular the wide variations in the standards and quantity of care offered by different local authorities. The paper presents the need for radical reform, in order to develop a National Care Service that is fair, simple and affordable for everyone.

We believe that any reforms to the adult social care system need to recognise the benefits that social enterprises can offer. Social enterprises are well placed to deliver more flexible services based around the needs of the individual service user, encouraging greater degrees of citizen participation. On an economic level, social enterprises simply make sense – the reinvestment of profits ensures that maximum outcomes are achieved for incomes. Further ensuring high quality adult social care requires a skilled and motivated workforce.

Currently in social care, low pay combined with lack of career progression has resulted in a demotivated workforce with high turnover and absentee rates. Staff development is something many social enterprises place particular value on. Be it through involving staff in the decision making process and in designing services, or giving managers the autonomy to make decisions on a day to day basis. If we are to have a care system that can meet the needs of the elderly population, ensuring it is a desirable career choice is essential.

The Green Paper seeks views on how Government can make this vision a reality and develop a care and support system fit for the 21st century. The Coalition will be preparing a response to this paper and are keen to hear your views. If you'd like to feed into this process, please contact Ceri Jones at ceri.jones@socialenterprise.org.uk

Future Jobs Fund

The Social Enterprise Coalition is interested in knowing more about the plans of social enterprises to create jobs over the coming months. The Coalition is especially interested to know more about your experiences in relation to the Government's Future Jobs Fund, whether or not you have applied. Are you willing to complete this very short survey? It should take up no more than five minutes of your time and will help us to inform our policy position.

For more information, please contact Jon Woolfson at jon.woolfson@socialenterprise.org.uk

PUBLICATIONS

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In this section we list our pick of the recent publications that have been released by think tanks and government departments that may be interesting to members of the social enterprise movement.

Getting More for Less – July 2009, Demos

This publication asks how public services can meet people's needs, while costing less. It argues that the route to public sector efficiency is to focus on effectiveness, adding that effective services are personalised--driven by people's needs, taking aim at the cause of problems rather than the consequences, and delivered collaboratively. The publication further argues that social enterprises are central to this vision.

Public Service Reform...But Not As We Know It!, Compass

This book tackles the subject of how the public sector should be reformed. It condemns Westminster politicians for losing faith in public sector workers and challenges the assumption that public service reform should amount to outsourcing and subcontracting to the private sector.

Arrested Development: Reducing the number of young people in custody while reducing crime – 16th July 2009, Policy Exchange

This report discusses local authorities having a financial disincentive to keep young people out of prison and recommends that local authorities should foot the bill for youth custody places, thereby

removing the existing perverse incentive in the system. The report also makes recommendations on refocussing efforts and budgets on keeping young people out of prison through crime prevention strategies.

Building a Better Balanced UK economy: Where will jobs be created in the next economic cycle? – 15 July 2009, Institute for Public Policy research

The depth and extent of the global financial crisis suggest the economic system is likely to undergo some major changes. This paper looks at one aspect of how 'tomorrow's capitalism' could differ from the neo-liberal model of the past. It focuses on employment and asks how government can support the transition to a stronger and more balanced labour force.

The Hidden Debt Bombshell – 19 October 2009, Centre for Policy Studies

This publication contends that the true level of government debt is not £805 billion as currently reported by the ONS but £2,200 billion (i.e. £85,610 per household). It further argues that only when we know the true scale of the public debt can realistic debt targets be made and a substantive policy debate emerge on this country's economic future.

The Impact of the Recession on Northern City-Regions – 16 October 2009, Institute for Public Policy research
This paper looks at the geographical effect of the recession across the United Kingdom and,

in particular, at how it has affected deprived communities in the city-regions in the North of England and the people who live in them. It also offers some thoughts about the challenges these communities will face in the next few years.

Housing and Growth in Suburbia – 2009, Smith institute

This publication follows on from work that the Smith Institute has undertaken on housing and place making. Suburbia has grown enormously and changed dramatically over the past 20 years. Today, more than 80% of the population of England live in suburban areas, some of which have suffered neglect and many have weak labour markets, poor infrastructure, and below-average green credentials. It is from this starting point that the essays in this collection set out ways to make suburban areas more sustainable and much better places to live and work.

What to expect from the Swedish EU Presidency – July 2009, Open Europe

On 1 July, Sweden took over the rotating Presidency of the European Union. This publication details the key issues facing the EU during the Swedish Presidency, and predicts the recession will be at the top of the agenda, with new proposals to regulate financial markets across the EU taking shape, followed by climate change and a controversial new justice and home affairs programme.

COALITION CONSULTATIONS

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In this section we provide details on consultation responses the Coalition will be submitting. If you are interested in any of these consultations please contact the relevant policy contact to feed into our response.

Delivering Secure Low Carbon Electricity: A call for evidence, (DECC)

Launched: 5/08/2009 Closing: 28/10/2009

This consultation explores future challenges that exist in relation to electricity security of supply as the UK economy moves towards a low carbon future. Ensuring security of supply is a particular challenge because of the lead times for building new power stations and the requirement for significant capital investment. The Government is therefore creating a supportive climate for timely investment in a diverse mix of low-carbon technologies, as well as ensuring that the market and regulatory framework can adapt to cope with the different characteristics of low-carbon electricity generation technologies.

To feed in to our response, please contact David Forsgate at david.forsgate@socialenterprise.org.uk

Green Paper: Shaping the future of care together, (DH)

Launched: 14/07/2009 Closing: 13/11/2009

The Department of Health has launched a Green Paper on 'Shaping the Future of Care Together' setting out a vision for a new care and support system. The Green Paper highlights the challenges faced by the current system and the need for radical reform, to develop a National Care Service that is fair, simple and affordable for everyone. The Green Paper seeks views on how Government can make this vision a reality and develop a care and support system fit for the 21st century.

To feed in to our response, please contact Ceri Jones at ceri.jones@socialenterprise.org.uk

OTHER CONSULTATIONS

In this section we identify any consultations which your organisation or your members might be interested in responding to.

Independent Review of Primary Curriculum – recommendation 14(1) - points of entry into reception class, (DCSF)

Launched: 19/10/09 Closing: 30/11/2009

The Department is seeking responses to implementing one aspect of the recommendation made by the Rose Primary Curriculum Review that children should start school from the September after they reach the age of four. The change being consulted on involves two amendments to the School Admissions Code 2009 to require admission authorities to provide for this in their admission arrangements from September 2011.

A consultation on draft environmental permitting guidance – exempt waste operations, (Defra)

Launched: 15/10/2009 Closing: 05/01/2010

This joint Defra and Welsh Assembly Government consultation invites your views on the structure and content of draft environmental permitting guidance

for exempt waste operations. This guidance has been drafted as part of the review of waste exemptions from environmental permitting being undertaken by Defra, the Welsh Assembly Government and the Environment Agency. The aim of the review is to provide a more risk based and proportionate approach to the regulation of waste recovery and disposal operations, complementing the new environmental permitting regime.

Thames Gateway: Eco Quarter: Consultation, (CLG)

Launched: 15/10/2009 Closing: 8/12/2010

This consultation proposes a process for Thames Gateway local authorities to bid for funding to create an eco-quarter in the Thames Gateway that merits exemplar sustainability status. It also suggests which characteristics and standards should be met in an eco-quarter.

This section gives a summary of events the Coalition has been involved in since the previous edition and tell you about upcoming events that may interest you.

What we have been up to...

Social finance roundtable – 8th September 2009

The Coalition held a meeting on social finance to consult with the membership on the Office of the Third Sector's social investment wholesale bank consultation, the finance position of the Coalition more broadly and our manifesto asks. Attendees discussed the need for a wholesale institution and what roles it could play, and the vision for a fully functioning and sustainable social finance market.

Accounting for Social Value: A Learning Event – 22nd September 2009

The Coalition recently attended this Social Return on Investment (SROI) for Social Enterprise in Mainstream Health & Social Care event, organised by the Department of Health. This event presented the findings of a project in which five health and social care social enterprises measured their added value through SROI analysis, and showed that the five social enterprises were delivering social value that

was not stipulated within their contracts.

Party conference fringe events – September and October 2009

Over the last few weeks, the Coalition hosted fringe events at all three conferences in partnership with the think tank Demos under the title “Good Company: Can social enterprise build a more sustainable and ethical capitalism?” Keynote speakers included Danny Alexander MP, Liam Byrne MP and Oliver Letwin MP.

BAME Women Making a Difference through Business – 21st October 2009

This event examined issues such as a low awareness of social enterprise among BAME women and a lack of knowledge of finance and business development, and showcased the people behind successful social enterprises.

ESF national thematic event for social enterprise – 21st October 2009

A new round of ESF funded social enterprise projects has recently begun in the UK. Four partnerships around the country are delivering a wide variety of employment related activities, and Coalition staff attended this meeting to hear more details about the projects' aims.

What we are going to be up to...

Vince Cable roundtable – 27th October 2009

This week the Coalition is hosting a roundtable with the Liberal Democrat Shadow Chancellor of the Exchequer and several other Liberal Democrat Shadow Cabinet members and councillors, in partnership with Councillor Richard Kemp at the Local Government Association Headquarters. Due to limited capacity, this is an invite only event.

Phillip Hammond – 3rd November 2009

The Coalition will be meeting with the Conservative Shadow Chief Secretary to the Treasury in November to highlight how social enterprises have an important role to play in rebuilding the UK's economy. Due to limited capacity, this is an invite only event.

Greg Clark MP Event – 4th November 2009

The Coalition has organised a roundtable discussion with Greg Clark MP, Shadow Secretary of State for Energy and Climate Change. The roundtable will focus on informing the Conservative Party on the benefits of social enterprises in addressing climate change. Due to limited capacity, this is an invite only event.

Health and Care Forum – 18th November 2009

The Coalition will host the latest event in the series of Health and Social Care forums at Goodenough College in London. The programme for the afternoon includes updates on key issues as well as breakout sessions on topics such as competition issues for social enterprises, and technical issues surrounding the right to request and taking innovation to enterprise. Click [here](#) for the full agenda and to register for the event.

PROFILES

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Manifesto leads

In the run up to the next election, each party will be producing a manifesto. This month we profile the MPs leading on their party's manifesto development.

Danny Alexander MP

Born in 1972, Danny Alexander went to Oxford University, where he studied for a degree in politics, philosophy and economics.

After working in various communications roles for the Liberal Democrats, the European Movement, Britain in Europe, and the Cairngorms National Park, Danny was elected to parliament in the 2005 general election as the member for the new Inverness, Nairn, Badenoch and Strathspey constituency.

Danny was quickly promoted to the party's frontbench, becoming a work and pensions spokesperson, specialising in disability employment issues. He became a member of the Liberal Democrat Shadow Cabinet in 2007 first as their Shadow Chancellor of the Duchy of Lancaster and then as their Shadow Secretary of State for Work and Pensions.

Since 2007, Danny has chaired the party's manifesto group. Of his party's manifesto development, Danny said to the BBC, "One of the great strengths of our manifesto process is the fact that our members both in Parliament and outside can get very involved in drawing it up."

Ed Miliband MP

Born in 1969, Ed Miliband read PPE at Corpus Christi College, Oxford and an MSc in Economics at the LSE.

After working briefly in television journalism, Ed became a speechwriter and researcher for Harriet Harman and then for Gordon Brown. In 1997, he was appointed as one of Gordon's special advisers with specific responsibility as a speechwriter, before becoming chairman of HM Treasury's Council of Economic Advisers, directing the UK's long-term economic planning in 2004.

Ed was elected to parliament in the 2005 as the member for Doncaster North, as has risen quickly through the party. His first ministerial post came in 2006 when he was appointed as Minister for the Third Sector. In 2008 Ed became the first Secretary of State at the newly created Department for Energy and Climate Change, and he has also been charged with leading the Labour party's manifesto development.

In an interview with the BBC, Ed said that politics is set to be characterised by its responses to, "the economic crisis... the political crisis caused by expenses; and - in my view - the climate crisis." He added that "the very clear message from our manifesto will be - you can't go back to business as usual on any of those. We need a different sort of economy, going forward, we need a

different sort of politics going forward."

Oliver Letwin MP

Born in 1956, Oliver Letwin went to Eton before reading history at Trinity College, Cambridge and earning a PhD from the London Business School.

After an early career in politics as special adviser to Sir Keith Joseph as Secretary of State for Education from 1982-83 and then the Prime Minister's Policy Unit from 1983-86, Oliver built a career at N. M. Rothschild & Son, Merchant Bank.

Since entering parliament as the MP for West Dorset in 1997, Oliver Letwin has held a series of mainly finance related posts, including Shadow Financial Secretary, Shadow Chief Secretary to the Treasury and Shadow Chancellor of the Exchequer.

Since 2005 Oliver has also been the Chairman of the Conservative Policy Review. Talking to the BBC, Oliver has said that the party's aims of achieving "progressive ends through Conservative means" remain on track, and that the social reforms which the party has been proposing are recession-proof because their plans for public service reform took into account "right from the beginning" the fact that they had to be done "without spending any extra money."



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