

SOCIAL ENTERPRISE SOLUTIONS **FOR TRANSFORMING LOCAL SERVICES**



A PROPOSAL FOR LOCAL AUTHORITIES

Your challenges...

With public sector budgets drastically reduced and local authority spending cut by an average of 40% over this parliamentary period, the way public services are designed and delivered is beginning to change, yet must change further still. Many authorities are thinking strategically about how to transform and reshape their public services - from children's centres to adult social care, libraries to health services, refuse collection to parks and open spaces, welfare and education. Councils now recognise that economic and social regeneration go hand in hand and more than ever have to be mutually reinforcing. **Social enterprise models can deliver at a local level, giving us what we need, when we need it – delivering services that work for the individual, the community and the taxpayer.**

With 60% of planned cuts to public sector spending still to hit in the next parliament, according to the Office for Budget Responsibility (OBR), the situation will get much worse over the next few years, without a radical rethink of how to deliver services effectively in our communities. Some local authorities have been quick to react – and have woken up to the financial and social advantages of embedding social value and enterprise into council policy, procurement and business strategy, but others have some way to go.

Local authorities spend millions on procurement every year. **By using the social enterprise approach you can make your money go further by achieving added social benefits through your contracts for the benefit of your communities.** Social Enterprise UK has a wealth of replicable examples and best practice to help you do this. When applying the social enterprise approach, we will ensure that it is relevant and supportive to your broader strategic objectives.

Our solutions?

Social enterprises are businesses that trade to tackle social problems, improve communities, people's life chances, or the environment. They are in our communities and on our high streets – from coffee shops and cinemas, to pubs and leisure centres, banks and bus companies. They make their money from selling goods and services in the open market, but they reinvest their profits back into the business or the local community.

Social Enterprise UK (SEUK) is the national body for sector, a strategic partner to six government departments, multi-national companies, local government, and with a fast-growing membership of social enterprises, social investors and their supporters. Through our award winning work in the field, SEUK has sector-leading experience and expertise in social enterprise, social value and building sustainable business models that deliver social impact and greater social justice.

SEUK has the leading media and communications profile in the sector, with articles consistently in mainstream press, a substantial social media presence and the most online traffic in the social enterprise sector of anywhere in the world. SEUK is the first port of call on social enterprise for government, business and social enterprises alike, and conducts the most in-depth and credible social enterprise research globally.

The social enterprise market – sustainable, dynamic and job creating, is shaped through two key campaigns and programmes; 'Buy Social, Buy Local' and our 'Social Enterprise Places' programme. The more organisations and individuals buy from social enterprises across all sectors, the more positive social value can be created and the more communities can be empowered to change for the better.

We are also a growing and dynamic sector. Data from the State of Social Enterprise Survey 2015 shows a sector exceeding expectations in both growth and impact:

- 41% of social enterprises created jobs in the past 12 months compared to 22% of SMEs.
- 40% of social enterprises are led by women; 31% have Black Asian Minority Ethnic directors; 40% have a director with a disability.
- 73% of social enterprises earn more than 75% of their income from trade.
- 35% social enterprises are three years old or less – more than three times the proportion of SME start-ups - in terms of new business formation in the UK, social enterprise is where the action is.
- 59% of social enterprises employ at least one person who is disadvantaged in the labour market.

SEUK recognises the financial and organisational challenges that local authorities face.

The good news is that we can provide solutions that not only deliver greater social impact but can save you money too. SEUK has experience working with forward thinking local authorities to deliver excellence in social enterprise.

This document presents a menu of support, solutions and best practice. We have identified a clear, demonstrable, step by step programme of activity for those with limited social value policy, through to those who consider themselves to be leaders in the sector. We have the expertise, partners and programmes to help you transform your services demonstrating leadership and innovation in this growing sector and we look forward to working with on a bespoke programme.

The following packages and case studies set out what a successful social enterprise council looks like and how you can transform your services. We have the expertise, contacts and experience to assist, support and train your local authority to deliver top quality services with greater social impact.

Please contact me to discuss these initiatives further and let's work together to make your council a leader in the social enterprise field.

Best wishes



Peter Holbrook, CEO, Social Enterprise UK

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What our clients say...

It's a no-brainer! Why would we not be involved? If we have the opportunity to invest our £300 million budget in a way that brings greater return and wider health benefits for Salford residents, we'd be irresponsible not to."

Dr Paul Bishop, Clinical Lead for Salford CCG

"We are moving towards a place where we have several examples of where we are doing things differently, with better outcomes for residents, and for less money. Particularly in early help and prevention, dementia and childhood obesity. We are clearer about what we want in terms of action, and about doing it together."

Will Tuckley, Chief Executive, London Borough of Bexley

Offer 1: Policy taskforce to transform local services

What is the challenge?

Local authorities recognise that the social enterprise model has the potential to deliver greater value for money alongside improved social impact. However, this requires support in assessing where the service gaps and opportunities are.

What is the solution?

SEUK will establish a taskforce to deliver a bespoke Social Value Policy, drawing upon best practice with key recommendations and an action plan for your council and foundation for further social impact. This has proved effective across the country, most recently in Durham where we worked closely with the Council and the Federation of Small Businesses to deliver a series of recommendations relevant to their services and locality.

We will work with officers to embed the Social Value Act in Council policy. This Act was originally proposed by SEUK, and we led the cross-party, cross-sector advocacy that brought it into law. The Act was always clear in its reference to considering social and environmental value in the pre-procurement phase, to ensure that engagement and proper stakeholder consultation could take place. We will work closely with procurement teams to ensure pre procurement work ensures that a commissioner knows what the market can provide, thinks about social value in the design phase, and avoids social value being added on as a 'box' at the procurement stage.

SEUK has significant experience of such work from its ground breaking Health and Social Value & Building Health Partnerships programmes, delivered in partnership with the Institute for Voluntary Action Research.

The key objectives and outcomes of the taskforce would be:

- To build trust and mutual understanding across sectors
- To enable senior staff in the public sector and VCSE organisations to implement social value in commissioning and delivery through cross sector collaboration
- To develop and implement a local programme for social value
- To share models of effective working and areas of best practice
- To improve VCSE organisations' ability to measure and articulate their social value
- To deliver recommendations for action based on the taskforce

To date, these programmes have had success in over 20 local areas across the country: from Halton to Haringey, and from North Tyneside to South Gloucestershire delivering cost savings and great social impact. The outline programme below is based on this strong track record of delivery and local change.

Programme overview

The programme will bring together senior leaders from the local authority together with other key local stakeholders: housing association, charity and social enterprise sector (and potentially relevant private sector providers). Participants need to be a) decision-makers and b) involved directly in commissioning, procurement or delivery.

The content of the programme of learning and support will include:

- One half-day diagnostic session
- One half-day partnership development session
- One half-day understanding Social Value session
- One half-day action plan development session
- A further two half-day implementation support sessions
- Ongoing support over subsequent 6 months to deliver on agreed local objectives and implementation of commissioning strategies, and for VCSE organisations to assess and demonstrate their social value
- Delivery of a bespoke social value policy fit for your council

Policy Task Force case study: Durham County Council

In summer 2013, SEUK partnered with Durham County Council to launch a Durham Social Value Taskforce to deliver better value (in all its aspects) to the local authority, whilst at the same time to help small businesses and social enterprises win more contract opportunities.

Chaired by Councillor Neil Foster, Portfolio-holder for Economic Development and Regeneration, it was agreed that the Taskforce would run from September 2013 to May 2014 to consider and recommend ways that the Public Services (Social Value) Act 2012 (referred to as Social Value Act) might be used to help grow the local economy.

As part of the Taskforce's work, Durham County Council was keen to look at ways in which it could embed the principles of the Act across everything the Council does. The County Council has already made good progress in helping businesses in the County to access contract opportunities. In 2012/13, 54.4% of the Council's spend was with County Durham suppliers, and 55.6% of this amount was paid to SMEs in the County (a total value of £286.6m spent in the local economy of which £159m was spent with SMEs).

Establishing a Social Value Taskforce provided an opportunity to build upon the good work the Council has already done and to learn from best practice elsewhere in the country to further improve opportunities for businesses in County Durham. A series of recommendations were drawn up and are being actioned.

Offer 2: Social value procurement and commissioning

What is the challenge?

The Social Value Act came into force in 2013 and requires public bodies to consider social value in service contracts (and contracts for goods where there is a service element) above a prescribed financial threshold. This coupled with the financial climate means that resources have to go further, services need to be delivered across agencies and departments. Public sector cuts continue and devolution is on the rise. Councils must redefine how they deliver services to local residents who are increasingly forensic about how and where money is spent.

What is the solution?

The social enterprise model is becoming the go to vehicle for delivering top quality local services and maximising social impact. SEUK can develop a social value framework/policy but also embed in procurement and measure (through contract/supplier management) outcomes. A social value strategy can help deliver local objectives, boost local economies, create jobs, develop communities alongside leading to fairer pay, healthier work forces and a sustainable economic environment.

SEUK can offer direct and expert engagement with procurement teams to identify opportunities for social enterprise suppliers. Once you are heading in the right direction you will receive national recognition via our council accreditation: “We Buy Social, We Buy Local.”

SEUK will assess areas of spend in a way that generates innovative social value and engages local social enterprises. This would involve:

1. Benchmarking existing spend with social enterprise using our open data development.
2. Identifying potential areas of new spend with social enterprises – brokerage to the leading legal experts in the field and other local authority peers, advice on social value measurement approaches, bespoke advisory work on social value frameworks and strategy development with you, the local CCG and social sector to build stronger partnerships.
3. Delivering training and awareness sessions to procurement and commissioning teams on social value and how they can look to work with social enterprises building on the areas identified in the research using tried and tested methods from around the country.
4. Establishing spending targets such as allocating at least 25% of annual procurement spend to micro, small and medium-sized enterprises (SMEs), social enterprises and voluntary/community organisations; applying a 10% weighting to social benefits during the tendering process.
5. Meet the buyer event and facilitating a seeing is believing tour to showcase and explore how local social enterprises can deliver services and support to the council.

The culmination of this work would be to seek to award the Council with our “Buy Social, Buy Local” accreditation. This has thus far been awarded to the Houses of Parliament, Wates Group, Landmarc and Telereal Trillium. SEUK would look to communicate this success as an example to other local authorities of how they can take advantage of best practice.

“Buy Social, Buy Local” accreditation criteria:

- We have fair, accessible and open procurement processes
- We are raising awareness of social enterprise across our organisation
- We have trained relevant staff about buying from social enterprise
- We work with Social Enterprise UK to find social enterprise suppliers
- We are committed to measuring the impact of buying social

Procurement Case Study: Added social value through a school meals contract

In 2013 the Council tendered for a contractor to provide school meals in over 200 primary schools.

Key to the tender process was an assessment of the added value that could be offered by bidders – over and above the core provision of healthy meals for pupils at a competitive price. There was a particular focus on seeking commitments to use local produce, reduce food waste, and create and support targeted employment and training opportunities.

The successful contractor, Taylor Shaw, committed to several added social value initiatives including:

- Subsidising the cost of meals for nursery pupils, and working with schools to increase school meal uptake, seeking to ensure that all young children sit down to a healthy, cooked meal during their school day.
- Supporting a minimum of 12 apprenticeships and a large number of shorter work placements, and working with the Council's Employability Team to increase this number.
- Setting a target for 30% of all job vacancies to be filled by a candidate from a disadvantaged group (including people with disabilities, long term unemployed, and young people in the NEET category)
- A requirement that all meals would be based on fresh food from raw ingredients, cooked daily on site.
- A commitment to a year-on-year increase in the proportion of local produce being used.
- Establishing and implementing a clear carbon reduction plan to reduce the CO2 impact of the contract.
- A commitment to reduce the amount of waste sent to landfill by 60% over the lifetime of the contract.

The Council has also recently tendered for a framework contract for school meals in secondary schools, incorporating a similar approach to social value.

Offer 3: Supporting local social enterprise - accessing social finance

What is the challenge?

The Voluntary and Community Social Enterprise Sector (VCSE) has a long history and established track record in supporting those further from the labour market. However, many have traditionally relied on substantial grants and funding from local authorities which are no longer available. The result is that there is now a lack of support, infrastructure and strategy to leverage support from this sector. Furthermore there are a plethora of social finance initiatives but these are not easy to navigate. As the industry experts, we can help.

What is the solution?

SEUK can work with you deliver a sustainable and robust VCSE able to deliver services on behalf of the local authority. We are experts at mapping, analysing infrastructure, connecting local networks and identifying gaps. An in house social enterprise unit and Cabinet member could help to drive this agenda forward.

Apply for our nationally recognised 'Social Enterprise Places' Programme accreditation which recognises and embeds hotspots of social enterprise activity. There are currently 17 places around the UK accredited with social enterprise status which has helped galvanise this sector and resulted in collaborations of key stakeholders. If successful we will work with you to host a 'social enterprise summit' bringing the social enterprise sector together; deliver a 'social enterprise safari' showcasing exemplar social enterprises in your local authority to help bring together a network able to work alongside the council to deliver services.

Youth engagement

SEUK also has a wealth of examples, case studies and models of engagement where social enterprises have delivered outstanding results with young people from challenging backgrounds. Delivering skills, job and volunteering opportunities, career paths and networks. We have worked with national partners such as the Young Foundation, the National Council for Voluntary and can harness and localise this expertise.

Leveraging social investment and external finance

As the industry experts we can help to navigate and assist in identifying opportunities to access social finance from a range of funding sources. Whether it is bid writing, navigating the myriad of programmes or understanding new social investment opportunities we can help. Social investment is emerging as a possible alternative source of support for the sector. Social investment is attractive, particularly for smaller organisations, as risk is shared with the investor.

Training for officers and members about the range of social investment opportunities including explanations and advice regarding:

- What's on offer: Grants to support you to develop the capacity of your organisation, to enable you to reach the point where you're ready to take on investment
- Amounts available: £25,000 – £75,000 (Big Potential) / £50,000 – £150,000 (ICRF)
- What they will expect from you: You spend the money paying for specialist support to help you improve your organisation.
- What they may hope to get from you: That you go on to seek investment of anywhere up to a maximum £500,000 (Big Potential) or £500,000 and over (ICRF).
- Key benefits: Enables you to access expertise that you wouldn't otherwise be able to afford; prepares your organisation for investment
- We broker relationships and support from our expert partners in the sector such as the School for Social Entrepreneurs' Scale-Up or UnLtd's Big Venture Challenge / Fast Growth, or one of the growing number of 'accelerators'.

Plymouth City Council case study

SEUK has worked with Plymouth Social Enterprise Network to embed best practice and create partnerships with the local council. In 2015 Plymouth City council have launched a Social enterprise investment fund for businesses in the Plymouth area

£600,000 of funds are available to provide a mixture of loans and grants for social enterprises to create jobs and bring redundant buildings back into use in the city. The fund is a mixture of grant and loan. The revenue funding available is an individual award of grant between £5,000 and £10,000 for providing business support. The capital funding is available with each grant/loan amount envisaged to fall within the £15,000 to £80,000 bracket.

Plymouth City Council has also been at the forefront of successful community asset transfers. The Grade I listed Devonport Guildhall has been transformed following a council transfer and supporting grants. The Guildhall, once costing the council money just in upkeep has generated jobs, a high quality creative and cultural community meeting venue and offices spaces in a heavily built up area of Plymouth. Devonport Regeneration Community Partnership worked to ensure the Guildhall was renovated with the local community in mind and is now a thriving social enterprise and community hub. The main hall still hosts events, celebrations and dances, but the former police station is now a social enterprise office and the cells contain exhibits of artwork, not prisoners!

Social investment case study

Valley Kids – Valley Kids is a South Wales-based charity with a 30-year track record working with and supporting disadvantaged children and families. In 2001 they received a £210,000 loan from social bank, Charity Bank, to enable them to buy a building they'd previously rented. Since then they've secured more than £3 million in funding to buy more buildings and expand their activities. This includes a £395,000 loan from Unity Trust, another social bank, in 2013.

Offer 4: Building Health, Adult & Social Care partnerships

What is the challenge?

Health, adult and social care are under increasing budget pressures. With an ageing population and greater demands on services alongside reduced funding, local authorities need new solutions to these vital services.

What is the solution?

SEUK can work with you to deliver bespoke partnerships, collaboration and integrated working, essential to transform health and social care. Our 'Building Health Partnerships' package has been designed to produce lasting change. In partnership with IVAR (Institute for Voluntary Action Research), a charity with over 15 years reputable research and action learning at local and national level, we have experience delivering change programmes in 34 local areas and partnered with over 850 organisations. We've worked with over 500 senior leaders engaged (from CCGs, Local Authorities and VCSE organisations helping delivering more than 130 action learning workshops.

This package will take an overarching look at your health sector and deliver the following:

- Local Research: Work goes on behind the scenes to orchestrate impact through one to one meetings, telephone calls, information and idea sharing
- Senior Buy-in: Scoping and scene setting with key individuals and establishment of a 'core' group to plan and shape the programme
- Action Learning: An invited group of people come together several times over a fixed period of time to share learning, develop ideas and plan practical solutions (6-12 months)
- Delivery: Collective action and change during and between facilitated sessions, with results shared, challenged and improved
- Sharing: Identification of innovation and practical outcomes for learning and replication at local and national level

Building Health Partnership case studies

New Commissioning Models: Nottingham - Joint commissioning opportunities in employment and health AND Manchester - Building a robust evidence case for investment in LGBT health

Policy Development:

Salford - Social value testing and a toolkit for learning AND North Tyneside - Social value policy endorsed by HWBB

Service Re-Organisation: Bolton - Mapping services and re-designing pathways AND Swindon - Piloting new working practice in secondary mental health

"At the final BHP session the CCG were pleased to announce the allocation of £400,000 in transformational monies in mental health for children and young people. The CCG are keen to further develop tier 1 services and were pleased that BHP has been working on Bolton's vision for positive mental health & wellbeing for young people. This vision was agreed as a direct result of the BHP partnership model."

Stuart Thompson, Mental Health Commissioning Manager, Bolton CCG

A final note...

The above packages are flexible and can be adapted to the particular focus or context of a local area; SEUK is very open to discussion which helps shape the right intervention for your local authority. We have particular capabilities in supporting local authority members and officers through a process of expeditionary learning, exploring what other exemplar local authorities and statutory organizations are doing to transform services and would welcome the opportunity to explore how learning could be effectively shared with others to inspire activity across other parts of the country.

Recognising the very challenging fiscal environment for public sector organizations, SEUK will leverage as much additional and complimentary resource from its network of corporate and social enterprise members and from our network of supporting charitable foundations. Organisations such as GLL, Interserve and PwC have indicated that they would be potentially in kind or financial supporters of any work undertaken with local authorities where appropriate.

In order to discuss these packages further, please contact Stuart Emmerson on 07568 078 059 or stuart.emmerson@socialenterprise.org.uk

The House of Commons and House of Lords have been accredited as 'Buy Social' organisations by SEUK



(L-R: Chair of SEUK board Claire Dove, RT Hon Hazel Blears MP, Professor Muhammed Yunus, Peter Holbrook, CEO SEUK, RT Hon John Bercow MP)