

Workshop D Notes

Focus on Scotland

Workshop Facilitators: Leona McDermid (Social Firms Scotland), Stuart McKay (Communities Scotland)

The workshop open with a brief presentation / discussion from both facilitators who highlighted such issues as:

- **How can we use these changes in the political landscape to our advantage?**
- **Use our voice, grow our voice and grow social enterprises?**

Leona set the scene; Starting with a statement which John Swinney Cabinet Secretary for Finance and Sustainable Growth, had said when opening the McSence facility, which was reported in the Herald on the 26th of June:

John Swinney said yesterday he "fully supported" the social enterprise strategy published earlier this year by Communities Scotland, but the new emphasis was significant. "It says very clearly that the government views seriously and strongly the contribution that can be made by social enterprises to the economic development of Scotland."

He added: "If you look at the type of work we do in urban areas challenged by economic deprivation, and in rural communities where there might be challenges of geography or accessibility, social enterprises play a significant part in the economy."

Leona highlighted that clearly this represented a huge opportunity for organisations within the sector.

In addition there were opportunities around welfare reform, city strategies (within which there may be an opportunity to 'experiment' with the welfare system) and Workforce Plus.

There were also opportunities for growing the sector, through aspects such as procurement, small Social Firms forming consortiums, business acquisition, franchising and replication as well as proving Social Firms worth through documenting evidence (SROI, Social Accounting) and highlighting health gains in Social Firms.

Stuart highlighted the strategy '*Better Business – a strategy and action plan for social enterprise in Scotland*' which documents the important contribution a social enterprise business model can make to life in Scotland.

The strategy had a two year development process and is the first of it's kind. Now with the change of government, the SNP has picked up on the strategy and remains committed to and will build upon the document. The strategy also has £1.5m of funding underpinning the activities.

Stuart highlighted that there will be a spending review in the Autumn of this year, which will be supported with evidence of work and evaluation, there will also be an evaluation of the Wider Role funding.

Finally Stuart explained that Communities Scotland Social Economy Unit has now moved in with the Third Sector Team at the Scottish Executive.

The two facilitators invited any comments from the workshop. One comment which was raised was around Procurement. When highlighting procurement and procurement practices one aspect which must be re-iterated is the Best Value System, which is based on value for money. This linked with the

capacity for volume of product and a consistent quality is a key area for organisations and procurement officers to consider. This point may be re-iterated through meet the buyer events at which commissioners could be invited along.

The workshop was then divided into two groups and asked to address three questions:

- 1. *What are the key issues in each of these areas in relation to developing Social Firms; in Health, Enterprise and Employment***
- 2. *What solutions do you think would work to change these issues***
- 3. *What should Social Firms Scotland be campaigning on***

After much discussion, the two groups presented the following responses to the questions:

Question One - Key Issues:

- Funding, for start-up and guidance on where to look for funding
- Having the right legal advice
- Competition between Social Firms (Consortia?)
- Having the right business idea. It has to be a great idea as it must be viable to cover the costs and be appropriate to the people whom the social firm is targeting
- There is no strong intermediate labour market to provide people with a 'stepping stone'
- Awareness of Social Firms
- Organisations shouldn't be left on their own to pay for support needs
- A lack of ongoing mentoring / business support
- Private sector perception
- Mindset which is focused on individuals rather than business
- Proving the case e.g. social return on investment

Question Two - Solutions:

- Cluster Social Firms to gain access to larger contracts
- Get philanthropists, banks, funders to give payment holidays
- Give long term resources e.g. land, buildings etc. Leasing free / peppercorn
- Ongoing mentoring support
- Raise awareness (e.g. schools and universities)
- Building evidence of social value
- Bring health / work together through Social Firms
- NEET Strategy with Social Firms as a solution
- Employment support programme funding
- Link to Local Social Economy Partnerships
- Apprenticeships in school
- Tap into private sector

Question Three – Social Firms Scotland

The top priorities for Social Firms Scotland should be:

1. Awareness of Social Firms
2. Get social benefit into best value
3. Support from government regarding investment in social value

Also when looking back at question one and the key issues the areas where Social Firms Scotland could have an impact were in:

- Having the right legal advice
- There is no strong intermediate labour market to provide people with a 'stepping stone'
- Awareness of Social Firms
- Organisations shouldn't be left on their own to pay for support needs
- A lack of ongoing mentoring / business support