

Consultation on Third Sector Partnership Board Social Firms UK's Response

1 Social Firms UK is the national support agency for Social Firm development. We are one of the strategic partners of the Government's Office for the Third Sector. We welcome the opportunity to comment on the proposals for CLG's Third Sector Partnership Board.

2 Social Firms are a distinct type of **social enterprise**. They are market-led enterprises, working in a wide range of sectors, that have a specific social mission to create employment for severely disadvantaged people. A Social Firm recycles its profits and is committed to:

- generating over 50% of its income through sales of goods/and or services, and
- ensuring that at least 25% of the people it employs are at a particular disadvantage in the labour market and face particular barriers to securing "mainstream" employment.

3 The actual and potential growth of the Social Firms sector is significant. Between 1997 and 2007 the number of businesses in the Social Firms sector grew from 5 to 151 throughout the UK. In total these firms have over 1650 (FTE) jobs of which 52% are held by severely disadvantaged people, many of whom have mental health problems or learning disabilities. On top of this, over 840 trainees participate in time-limited training at Social Firms on a weekly basis.

4 So in their local areas, Social Firms make a significant impact on the social and economic well being of the local community. Through their enterprise they are contributing to local economic prosperity and creating jobs for people who have the most difficulty securing employment. Their social mission chimes well with **CLG's strategic objective 3**. Their activities are also contributing to the achievement of the **cross-government PSA measures on social exclusion**.

Consultation Question 1. Do you agree with these proposals on the role of the Partnership Board

We agree that a Third Sector Partnership Board will provide invaluable input to policy development at a strategic level and that detailed policy development should also be informed by social enterprise stakeholders as well as those in the voluntary and community sector.

The CLG Partnership Board needs a clearly defined role and remit. There are likely to be areas of overlap and shared interest between it and other departments, who may or may not have third sector advisory bodies. We would want to see these overlaps or areas of shared interest identified at an early stage. We would want to see mechanisms put in place that ensure that the activities and outputs of the various advisory bodies are complementary. In view of the Department's commitment to partnership working, these

mechanisms should be clearly set out and widely publicised so that third sector stakeholders can feed their views in efficiently and effectively.

Consultation Question 2. Do you agree we need a mixture of third sector organisations, representative bodies and local government?

Yes.

Consultation Question 3. Do you have views on which representative organisations should be invited, given our strategic objectives?

It is vital that the representative bodies reflect the full range of third sector interests. We consider that Social Enterprise Coalition would be able to do this for the social enterprise sector. Also there is a clear synergy between Development Trusts Association and several of CLG's strategic objectives.

Consultation Question 4. Do you agree with the proposal that the department should hold an open competition for members during 2009?

Yes.

Consultation Question 5. Do you agree the Partnership Board should meet three times a year linked to key milestones?

The frequency of meetings and the preparatory work envisaged needs to take into account the capacity of the Partnership Board members, and its remit..

Consultation Question 6 Are there key opportunities and risks, relevant to our strategic objectives, that the Partnership Board should consider to discuss?

Key opportunities are:

- Recognising how social enterprises are already contributing to CLG Strategic Objectives relating to empowered individuals and communities, delivery of high quality services, prosperous communities, regeneration, tackling deprivation and economic development.
- Finding ways to remove the barriers that constrain social enterprise development and
- Identifying the most effective means of supporting the growth of the sector at local level to maximise the contribution it can make.

Key risks are:

- failing to recognise the breadth of the "third sector" and the differences between grant-reliant and profit – reinvesting trading organisations and their respective needs

- a failure of joined up thinking with other government departments who are responsible for relevant policies that are crucial to the achievement of CLG's strategic objectives. For example, both CLG and DWP have departmental responsibility for tackling worklessness and Social Firms UK would want to see how enterprise (BERR's responsibility) and economic development can contribute to reducing worklessness and raising employment levels.

Consultation Question 7 : Do you agree with the proposed approach to project groups?

The approach sounds sensible in theory but please see answer to Question 5.

Please do not hesitate to contact us if you or your colleagues would like further information on Social Firms.

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