



# **The School for Social Entrepreneurs**

## **Response to consultation for the Civil Society Strategy**

**May 2018**

## Our Civil Society

**What are the strengths of civil society today? You might consider its mission and motivation, services for the public, difference to quality of life or economic and/or social impact.**

Much of the civil society sector is responding to a climate of high social inequality, and in which public-sector funding is harder to come by.

We believe that social entrepreneurship can unlock opportunity in this environment. Voluntary, community and social enterprise (VCSE) organisations that have traditionally been dependent on grants and public funding are pursuing income from trading and sales. They are becoming more entrepreneurial. Meanwhile, businesses are realising that they must become more socially responsible if they want to maintain the loyalty of their customers, and to be seen as valuable players in society. Social entrepreneurship is the yoke that draws these mindsets together. It sits at the intersection of economic growth and social impact. Social entrepreneurs aim to grow and sustain their income so that they can help people in need, improve communities or the environment, or otherwise benefit society.

Every year, we support more than 1,000 people to learn how to use the tools of enterprise to create social and environmental change. We help them develop the business skills, emotional resourcefulness, social impact and networks needed to create lasting change. We do this through learning programmes and by establishing networks of peer-support, and we also connect people with mentoring and funding.

We believe that socially entrepreneurial approaches need not be limited to social enterprises. We support people starting and growing social enterprises, charities, community businesses and other small and local VCSE organisations. We are proud of working in partnership with businesses, corporates, public-sector organisations and other charities, to embed more socially entrepreneurial mindsets. We believe the mutual learnings these partnerships generate can help to strengthen civil society.

### **How can government help to increase the impact of civil society?**

At the School for Social Entrepreneurs, we define ‘social entrepreneurs’ as people starting and running VCSE organisations that aim to generate some or all of their income from trading and that aim to become sustainable. The social entrepreneurs we support are likely to have a mix of income streams, including grant. They tend to be small and often locally focused, ranging from pre-start-up level to typically around £200,000 turnover, though many grow larger, with turnover upwards of £500,000. One in four of our UK students has direct experience of the social issue they seek to address, and half of our UK students work in the 20% most-deprived geographical communities in the UK. They are supported by our nine regional schools in the UK, which each have deep understanding of the geographies they serve and the local and regional networks needed to embed change.

The social entrepreneurs we support are benefiting communities in all corners of the UK, but they need more support to thrive and survive in the long-term. Government can help to support them in the following ways:

### **1. Raising the profile of social entrepreneurship**

The government can support us in our efforts to unlock the full potential of social entrepreneurs in the UK by bringing a stronger focus in public discourse to social entrepreneurship and its impact. This will in turn help us communicate to funders and partners the value of supporting social entrepreneurs to deliver economic and social/environmental benefits, so we can offer more support.

The government should ensure that social entrepreneurship runs as a golden thread throughout the Civil Society Strategy. We believe the Civil Society Strategy could act almost as a counterpart to the Industrial Strategy, in realising how social entrepreneurs can create economic growth that simultaneously delivers social and environmental change. The Industrial Strategy made no mention of 'social enterprise' and only one mention of 'social investment'. We hope that social enterprise and social entrepreneurs will be much more central to the Civil Society Strategy.

Government can support the aims outlined above by advocating for social entrepreneurship, providing leadership and highlighting successes - especially to those with responsibility for regional growth, who are closest to the small and local VCSE organisations creating change in their communities. LEPs and regional growth hubs, city mayors, city regions and local councils should be empowered and encouraged by government to use social entrepreneurship as a tool to contribute to their economic, social and environmental aims.

### **2. Leadership capacity and access to learning**

The leaders of small VCSE organisations need access to learning so that they can personally develop as leaders, enabling them to better manage the growth and resilience of their organisations. Sometimes they will need to access learning in specific skills, such as digital, winning contracts or marketing. Sometimes they will most benefit from long-duration programmes, where there is opportunity for peer learning and networking alongside the development of business skills and leadership capability. We champion both these learning approaches by offering short courses, such as 'Third Sector Digital Leaders', and part-time learning programmes lasting up to 12 months.

Leadership development means an investment for social entrepreneurs and social-sector leaders: usually of both time and money. While learning will always take time, we believe this learning should be as low-cost as possible, or fully-funded, to strengthen the leadership capacity of civil society. The government can support our efforts to increase leadership capability by raising the profile of social entrepreneurs; and by finding ways to demonstrate to funders and corporates the value of supporting social entrepreneurs. This will help us form partnerships with these organisations to increase our support for social entrepreneurs.

### **3. Access to finance**

Access to appropriate finance is the biggest barrier for start-ups and established social enterprises, according to [Social Enterprise UK's State of Social Enterprise 2017 report](#). One in three

social enterprises sought finance in the previous 12 months, “still significantly ahead of their mainstream SME equivalents”. The smaller VCSE organisations we support, as well as those who responded in our Future of Civil Society workshops, repeatedly cite access to suitable finance as a barrier to growth and sustainability.

Much attention and resource has been given to social investment in recent years, but this form of finance is often not suitable or not accessible for smaller VCSEs. They need more support to improve their resilience and diversify their income streams. The government can increase the impact of civil society by exploring new finance models that support resilience for VCSE organisations that are too early-stage for social investment.

We believe that providing support to Match Trading, a new model of finance developed by the School for Social Entrepreneurs to support increased resilience for early-stage VCSE organisations, will help achieve the government’s aim of making them more sustainable. More detail on Match Trading can be found in the ‘new investment models’ section below.

### **How can civil society be supported to have a stronger role in shaping government policy now and/or in the future?**

The VCSE sector looks to work closely and collaboratively with government to build a more resilient and impactful civil society. At SSE, we are always happy and keen to meet with members of parliament and civil servants to discuss the role of social entrepreneurship in the economy and to be consulted on policy. For example, David Knott from the Office for Civil Society sits on our Match Trading Task Force (detailed further below), and we encourage and welcome this involvement in our sector’s key initiatives and conversations, especially at an early stage in policy development. We have an extensive UK-wide network of civil society individuals and organisations whom we can mobilise for effective policy engagement now, or in the future, and would be happy to help facilitate these connections with government where it is useful.

The engagement the Department has shown during this consultation process has been welcome. Jointly with Social Enterprise UK and UnLtd, SSE ran two workshops in Bradford and London, to allow a wide range of social enterprises to feed their views into our respective responses. DCMS officials were active participants at the London session, as well as listening to the views of the social enterprises involved.

### **We interpret civil society as inclusive of all those outside of the public sector, who share the mission of building a stronger society and improving lives, regardless of traditional sector boundaries such as charity or private and for profit or not. What are the advantages of using this interpretation in developing this Strategy?**

We do not agree with this definition. We engage all sectors in our work and strongly support the VCSE, private and public sectors playing a role to embed social and environmental change at all

levels of society. This definition implies a move towards more cross-sector partnerships, which is central to our way of working and something we support. However we do not believe that all those outside of the public sector constitute civil society.

### **What are the disadvantages of using this interpretation in developing this Strategy?**

We believe that organisations defined as part of civil society should have social or environmental impact as their primary mission and primary metric of success. Purely for-profit companies are not primarily driven by social and environmental impact, as they must be accountable to shareholders and are driven first and foremost by creating financial return. They are not accountable to or responsible for social and environmental impact or to their communities in the same way as charities, social enterprises, community businesses and other organisations historically seen as part of ‘civil society’. So we do not think private and for-profit companies should be included within the definition of ‘civil society’ outlined above. Instead we fully support these organisations to contribute to social or environmental outcomes and we encourage these companies to support the missions of VCSE organisations with their expertise and resources. This is why we proudly work in partnership with corporates such as Lloyds Banking Group, PwC, RSA Insurance Group and Linklaters.

# Partnership

## **Reflecting on your own experience or examples you are aware of in the UK or abroad, how are partnerships across sectors improving outcomes or realising new potential?**

We believe in working in cross-sector partnership to achieve social and environmental impact, and this is fundamental to our way of working. We know that social entrepreneurs can't transform society alone. We all have a responsibility to create a fairer world. That's why we work in partnership with private companies, public-sector organisations and other charities.

Big businesses will only survive long-term if they benefit the communities they operate in. Corporates have the scale to create widespread change, and the talent to help our students thrive. Corporates deepen their understanding of social business by partnering with us.

Public sector organisations can bring about change by using their spending power for good, and innovating in how they provide services. We connect them to opportunities and help them act entrepreneurially.

The voluntary and community sector is fundamental to social progress, but many charities face critical challenges. We help them develop the entrepreneurial skills they need to navigate shifting landscapes.

### **Examples of cross-sector partnerships**

In 2012 we launched the Lloyds Bank and Bank of Scotland Social Entrepreneurs Programme, run in partnership with the School for Social Entrepreneurs (SSE) and jointly funded by Big Lottery Fund. This has enabled us to offer social entrepreneurs across the UK a wide range of support, drawing on the expertise and resources of each partner.

- The multi-award-winning partnership will support 2,600 social entrepreneurs in total by 2022.
- The programme supports social entrepreneurs and charity leaders at all stages of their development, from idea through to scale.
- Social entrepreneurs are supported at locations across the UK, delivered by our nine UK regional schools.
- Each entrepreneur on the programme has access to a comprehensive learning support programme (14 days spread over a year), a business mentor and a grant.
- In 2016, an [external evaluation](#) of the programme found that:
  - An average of 325 beneficiaries are reached by each student's organisation each year after graduation.
  - Over 7,000 jobs were forecasted to be created over the first five years of the programme.
  - 90% of students positively attribute their impact on beneficiaries and local communities to the programme.



SSE develops corporate partnerships to leverage the expertise and scale of corporates, for our students and our own benefit, and to help corporates understand more about social enterprise. We have formed longstanding partnerships with RSA Insurance Group, Linklaters and PwC over the past few years. They provide: mentoring for our students; funding to heavily subsidise learning-programme places; host bespoke events to showcase social entrepreneurship to their employees; and run coaching sessions for our students; among other support. Through the connections we have forged between corporates and social entrepreneurs, we have seen corporate employees go on to join social entrepreneurs' boards, and to support small social enterprises into their supply chains.

- Video illustrating our partnership with RSA Insurance Group: <https://youtu.be/dG88gVFojiA>
- Video illustrating our partnership with Linklaters: <https://youtu.be/yfXxlG03wTo>

We convene all partnership leads from our corporate partners quarterly as part of our Corporate Supporters Group. As part of this group, they share best practice with one another, and help us jointly develop the scope and strategy of our work and partnerships.

We have also developed a cross-sector Task Force to explore our Match Trading funding innovation, which is detailed below in the 'new investment models' section.

Many of our regional schools in the UK also work in partnership with regionally-focused bodies and local government. Please see the 'Place' section below for further details.

**Which of the following factors are the most important to enable more impactful partnership working across sectors? (Please rank up to three choices in order of importance, with 1 as the most important, 2 as the second most important and 3 as the third most important)**

- \_\_\_\_\_ Better knowledge of potential partners
- \_\_\_\_\_ Better understanding of the benefits of partnerships
- \_\_\_\_\_ Better knowledge of opportunities to work in partnership
- \_\_\_\_\_ Better understanding of other sectors
- \_\_\_\_\_ Greater leadership around partnership working
- \_\_\_\_\_ Ability to prove impact of partnership working
- \_\_\_3\_\_\_ Making it easier to identify and access funding opportunities to support partnership working
- \_\_\_1\_\_\_ A common agenda / shared vision and strategy
- \_\_\_2\_\_\_ Shared values
- \_\_\_\_\_ Shared measurement practice
- \_\_\_\_\_ Better skills (e.g. commercial skills, collaborative commissioning practice and social value\*) and capacity (e.g. time, resource) to form partnerships

**Are there any additional factors that would enable more impactful partnerships across sectors?**

The government can support us to develop partnerships that deliver social, environmental and economic benefits, by advocating for social entrepreneurship and highlighting its successes.

**Considering all of the factors you have discussed in this section, how could these be addressed now and/or in the future? You may want to think about the role of different parties, for example central and local government, charities, businesses, yourself / your organisation and others.**

Government can support our ambitions by:

- Demonstrating to funders and corporates the value of supporting social entrepreneurs. This will help us form partnerships with these organisations to increase our support for social entrepreneurs.
- Advocating for social entrepreneurship and highlighting its successes, including by ensuring that social entrepreneurship runs as a golden thread throughout the Civil Society Strategy.
- Advocating for social entrepreneurship to those with responsibility for regional growth, such as LEPs and regional growth hubs, city mayors, city regions and local councils.



## The funding and financing environment

**Reflecting on your own experience, or examples you are aware of in the UK or abroad, what does an effective pool of funding and financing as well as income opportunities for the voluntary and community sector look like?**

Accessing finance is the main barrier to sustainability and growth for many social enterprises throughout the UK. In [Social Enterprise UK's State of Social Enterprise Survey 2017](#), 42% of social enterprises said obtaining grant funding or obtaining debt or equity finance was their most significant barrier to sustainability. (By comparison, traditional SMEs report obtaining finance as only the sixth biggest obstacle to their growth.)

Funding and finance is particularly an issue for social entrepreneurs running smaller, growing organisations - those who are beyond the initial start-up phase, but who are not resilient enough to sustain their organisations entirely through income from trading.

It is important for early-stage social enterprises and other VCSE organisations to be able to access the right mix of income to ensure their success. Social investment is widely available to mature, sustainable social enterprises and charities, but one third of social enterprises generate less than £50,000 a year in total income (Social Enterprise UK's State of Social Enterprise report 2017). For many social entrepreneurs, taking on debt or equity is simply not yet a feasible option until they improve their resilience and sustainability.

The early-stage VCSE sector needs to be able to access more funding and support to improve resilience - funding and support that stimulates growth at an early stage, and that encourages a diverse mix of income streams. We expand on this idea with a new type of grant-funding below in the 'new investment models' section. The right support in these early years can make all the difference to whether a social enterprise becomes sustainable or not.

**Where is there the potential for changes to the funding and financing environment to better support the work of the voluntary and community sector, for example increasing the use of new models of funding, use of technology and/or changes to current funding practice?**

The January 2018 [announcement](#) on additional funding to be made available from dormant bank and building society accounts was extremely welcome. We are interested in how the £330 million, earmarked for helping the homeless, disadvantaged young people, local charities and other good causes in the UK - could, in part, be used to provide finance to early-stage social enterprises and charities looking to increase trading to impact these areas. We believe there is great scope to support those enterprises that are looking to build their resilience through increased trading, by championing new models of finance to support them to increase their trading or otherwise diversify their income streams.

In the future, we also believe that there is an opportunity to shape the extension of the dormant assets scheme to provide greater support to social enterprises in their goal to be better capitalised and more resilient. We are aware that the extension of the scheme is still in its infancy, but hope that alongside the widening of assets in scope of the scheme, the range of sectors and good causes which can be supported through dormant assets can be similarly expanded.

**Which of the following factors are the most important in strengthening the funding and financing environment in the future? (Please rank up to three choices in order of importance, with 1 as the most important, 2 as the second most important and 3 as the third most important)**

- \_\_\_3\_\_\_ Making it easier to bring together civil society with potential funders
- \_\_\_2\_\_\_ More skills training for civil society
- \_\_\_1\_\_\_ Raising awareness of new funding models
- \_\_\_\_\_ Stronger collaboration between funders
- \_\_\_\_\_ Improved funding practices by funders
- \_\_\_\_\_ Increased use of technology to support fundraising

**Are there any additional changes that would improve the funding and financing environment for the voluntary and community sector?**

In our workshops with social entrepreneurs to consult on this response, many social entrepreneurs particularly lamented the lack of funding available for core costs and operational costs. Lacking access to unrestricted income or funding for core costs, they felt unable to make investments in the operational infrastructure needed to sustain and grow their organisations. Enabling access to a greater pool of unrestricted funding or funding for core costs would empower small VCSE organisations to invest in the vital infrastructure needed for sustainability, such as improved digital infrastructure, overheads and better financial management systems.

When it comes to finding the right sources of funding and finance for VCSE organisations, understanding the options available can seem overwhelming. We aim to support early-stage VCSE organisations to find the right balance of income streams for them as part of our long duration programmes, and through short courses such as ‘Sources of funding for charities and social enterprises’. We support the efforts of resources such as the Good Finance website, which is helping social enterprises and charities to navigate the world of social investment.

Smaller organisations need to have a greater understanding of the funding streams available to them, to determine the right mix of income streams for them. This will help prevent them becoming over-reliant on grant-funding. SSE can provide this support both in our role as a learning organisation and as an administrator of traditional and Match Trading grants (see ‘new investment models’ below for full description of Match Trading grants).

**Considering all the changes you discussed in this section, how could these changes be implemented now and/or in the future? You may want to think about the role of different parties, for example central and local government, independent funders, charities, businesses, yourself / your organisation and others.**

Government can support the resilience of small VCSE organisations by:

- supporting those enterprises that are looking to build their resilience through increased trading, by championing new models of finance to support them to increase their trading or otherwise diversify their income streams.
- exploring the opportunity to shape the extension of the dormant assets scheme to provide greater support to social enterprises in their goal to be better capitalised and more resilient.
- enabling access to a greater pool of unrestricted funding or funding for core costs, which would empower small VCSE organisations to invest in the vital infrastructure needed for sustainability.

## **New investment models**

**Reflecting on your own experience or examples you are aware of in the UK or abroad, how are new investment models unlocking new potential and partnerships?**

Social entrepreneurs aim to generate some or all of their income from sales and trading, so they can create impact. We believe that traditional grants can provide a much needed helping hand for social enterprises, and we've been supporting small VCSE organisations with grants for years. However, the grants we were administering weren't always stimulating growth in trading.

Social entrepreneurs often operate in imperfect markets, such as in deprived areas, and have inefficiencies linked to their mission or a low-income client group. Half of the social entrepreneurs we support are working in the 20% most deprived geographical communities in the UK, with six in 10 of them employing people typically disadvantaged in the labour market. All this means that generating enough income from trading is often very challenging. (About a quarter of social enterprises in the UK earn less than 75% of their income from trading, according to Social Enterprise UK's State of Social Enterprise 2017 report.)

Grants are rightly needed to indemnify these inefficiencies, as these organisations are creating positive social and environmental impacts in their communities. But the temptation can be for social entrepreneurs to pursue traditional grants rather than develop income from trading, as grants can be quicker and easier to secure income. An over-reliance on grants can leave these early-stage organisations vulnerable.

We believe it's vital for small VCSE organisations to develop the right mix of income streams to help them become sustainable - especially in the current climate where public-sector funding is

harder to come by. We wanted to find a way to support more social entrepreneurs to pursue income from trading, to help them make their organisations more resilient. We realised we had to do something to help move early-stage VCSE organisations away from grant-dependency and towards greater resilience.

### **Introducing Match Trading grants**

The School for Social Entrepreneurs formally launched Match Trading grants, a brand new funding model, in September 2017. Match Trading is supported by pioneer partners Big Lottery Fund and Lloyds Banking Group, and programme partner Power to Change.

Match Trading grants incentivise social entrepreneurs to increase their income from trading, supporting them to improve their resilience, explore new markets and diversify income streams.

It's a simple concept – **Match Trading is grant-funding that pound-for-pound matches an increase in income from trading.**

If an organisation is offered a Match Trading grant of up to £10,000 over one year, and they increase their income from trading by £10,000 in that year compared to the previous year, they receive a further £10,000 of Match Trading grant-funding – effectively doubling their money.

Our 90-second animation explains more: <https://youtu.be/x4NtERltujQ>

The School for Social Entrepreneurs has now secured partnerships and funding to roll out Match Trading grant to more than 500 social entrepreneurs and leaders of VCSE organisations over five years.

### **How Match Trading works:**

- > Match Trading grants are paid out pound-for-pound against proof of increased income from trading.
- > They reward social entrepreneurs and leaders of VCSE organisations for increasing their trading/'earned' income.
- > This supports the development of business acumen to support long term sustainability.

### **Match Trading grants - results**

It took three years to develop Match Trading.

We piloted the first Match Trading grants in 2015-16 with the support of Lloyds Banking Group and Big Lottery Fund, as part of a joint learning programme.

> The pilot comprised 19 organisations. They were supported for a year with a Match Trading grant of up to £7,000, an SSE learning programme of 14 days spread over a year, and a mentor from Lloyds Banking Group.

> Results were encouraging:

- Organisations increased their income from trading by 92% on average in one year, compared to the previous (baseline) year.
- Organisations rebalanced their income streams, moving from an average income split of 65% grant/35% trading, to 37% grant/63% trading within one year.

- In total, the 19 organisations generated £231,000 of additional income from trading, compared with the baseline year – or around £12,000 each.
- More than 80% achieved the £7,000 increase & claimed the full grant amount.
- 93% agree or strongly agree that Match Trading has helped improve prospects for sustainability.
- 73% agree or strongly agree that Match Trading has helped them think differently about their income streams.

We are now offering Match Trading grants to all social entrepreneurs at Trade Up and Scale Up levels of the Lloyds Bank and Bank of Scotland Social Entrepreneurs Programme, in partnership with the School for Social Entrepreneurs and jointly funded by Big Lottery Fund, over the next five years of the programme (2017 - 2022). This will bring Match Trading grants to a further 440 social entrepreneurs.

In spring 2017, we commenced the Community Business Trade Up Programme: a year-long programme run in partnership with Power to Change. It supported 20 community businesses in England with a Match Trading grant of up to £10,000 and a learning programme of 12 days spread over six months. We supported 10 community businesses a traditional grant of £10,000, and the same learning programme, to function as a control group. Interim results are encouraging:

- By Q3 of the programme, interim results show that the Match Trading grant group have increased their income from trading by **53%** compared to the baseline year (average increase in income from trading of £25,600 per community business).
- This compares with a **33%** increase in income from trading among the control group, who received a traditional grant (average increase in income from trading of £14,700 per community business).

We began a roll-out of the Community Business Trade Up Programme in January 2018 with a further 100 community businesses in England, supported by our eight regional schools in England.

### **Where is there the greatest potential for the future development of investment models for civil society?**

To give Match Trading the greatest opportunity of reaching the VSCE organisations it could most help, we have convened a cross-sector Match Trading Task Force. The aims of the Task Force are to work in partnership to explore Match Trading's potential in a range of different scenarios and markets, leading to a deeper understanding of Match Trading's applicability and limitations.

The Task Force includes individuals from the following organisations: Access Foundation, Association of Charitable Foundations, Barrow Cadbury Trust, Big Lottery Fund, Esmee Fairbairn Foundation, Essex County Council, Inspire2Enterprise, Lloyds Bank Foundation, Lloyds Banking Group, Locality, London Funders, Office for Civil Society, Power to Change, Rank Foundation, School for Social Entrepreneurs, Social Enterprise UK, Social Investment Business, UK Community Foundations, UnLtd, West of England Combined Authority and Local Enterprise Partnership.

We welcome further engagement with the government on the development of Match Trading to further benefit civil society, as we believe the Match Trading model could benefit VCSE organisations operating in a range of contexts. We are keen to share findings and learnings from our own work developing Match Trading grants, and from the Match Trading Task Force, and to consult on how Match Trading grants could be used.

**Are there any additional factors that could enable new investment models to grow in the future?**

Governmental support and/or acknowledgement of the School for Social Entrepreneurs' development of Match Trading grants would help propel this new funding model to achieve even greater impact. It would support our efforts to attract the funding and partnerships needed to support more small VCSE organisations towards sustainability with Match Trading grants.

**Considering all the factors you discussed in this section, how could these factors be addressed now and in the future? You may want to think about the role of different parties, for example central and local government, charities, businesses, yourself / your organisation and others.**

The government can support the resilience of early-stage VCSE organisations in these ways:

- The government can increase the impact of civil society by exploring new finance models that support resilience for VCSE organisations that are too early-stage for social investment.
- The government can provide support for Match Trading, a new model of finance developed by the School for Social Entrepreneurs to support the increased resilience of early-stage VCSE organisations.
- We welcome further engagement with the government on the development of Match Trading to further benefit civil society.

## Place

**Reflecting on your own experience or examples in the UK or abroad, how have local people, businesses, voluntary and community organisations, and decision makers worked together successfully to break down barriers in our communities and build a common sense of shared identity, belonging and purpose?**

The School for Social Entrepreneurs has been taking a place-based approach to creating stronger communities for 21 years. We back people with ideas for improving their local community, and our nine regional schools in the UK are building out networks of social entrepreneurs and other organisations that develop a rich ecosystem of socially-driven economic activity. Our programmes enable social entrepreneurs to support their local communities, by generating employment and acting as an engine for thriving, independent local economies.

Our cohort-based learning approach means individuals develop the networks they need to embed change. As an example, the scale and national reach of the Lloyds Bank and Bank of Scotland Social Entrepreneurs Programme means that we are not only supporting individuals to bring about change; we are helping to build a community of social entrepreneurs committed to improving society over the long term.

Many SSE fellows recruit volunteers from the local community to support their organisations. By doing so they bring benefits to the business and help support local residents, including those whose may be considered vulnerable due to their circumstances.

Social entrepreneurs, and the social enterprises and organisations they run, make an important contribution to the local, regional and national economy. It is not unusual for social entrepreneurs to support economic development by creating local employment opportunities, reinvesting profits, or doing business with other social enterprises. SSE fellows are no exception to this.

### **SSE programmes impact on local communities – outcomes**

*The following outcomes are taken from CAN Invest and Investing for Good's 2016 external evaluation of SSE's biggest UK programme, which will support 2,600 social entrepreneurs by 2022: the Lloyds Bank and Bank of Scotland Social Entrepreneurs Programme, in partnership with the School for Social Entrepreneurs and jointly funded by Big Lottery Fund.*

- > Each fellow's organisation creates, on average, 11 volunteering opportunities each year
- > 89% promote trust within and between communities
- > 93% are helping to build strong, vibrant communities
- > 89% promote neighbourliness and encourage people to help each other out
- > Over 50% of the social entrepreneurs we support help increase community cohesion



The contribution fellows from Years 1-3 of the programme are having on the social wellbeing, economic prosperity, and environmental sustainability of communities:

- > 64% of fellows involve volunteers from vulnerable backgrounds
- > 91% of fellows actively recruit volunteers locally
- > 96% help people to connect with others they might not otherwise meet
- > 93% encourage people to be socially active
- > 60% 'buy social' i.e. buy products or services from a social enterprise
- > 73% 'buy local' i.e. buy products or services from suppliers within the local economy
- > Each fellow creates an average of 2.3 jobs. Looking at organisations who employ two or more people (either full-time or part-time) it is clear that the majority (84%) of employees are recruited from the local labour market. In addition, almost three-fifths (59%) of fellows recruit people who are typically disadvantaged in the labour market
- > When consulted as part of the interim evaluation of the programme, almost 90% of fellows positively attributed their impact on beneficiaries and local communities to the SSE programme.

### **The Community Business Trade Up Programme**

The Community Business Trade Up Programme is run by the School for Social Entrepreneurs, in partnership with Power to Change. This programme helps the leaders of community businesses in England, with:

- > A fully-funded learning programme: 12 days spread over six months
- > A traditional grant or Match Trading grant of up to £10,000
- > A community of people running similar organisations

The community businesses we support are all run by and for a local community. Their profits are reinvested for the benefit of that community. They will be working towards these criteria: locally rooted; accountable to the local community; trading for the benefit of the local community; making a broad community impact.

This programme supports 130 community businesses across England, and each is supported by one of our eight England-based regional schools.

### **Programmes with a local focus**

Drawing on their deep regional knowledge and networks, our nine regional schools in the UK support people to strengthen their communities. Some of them do this by developing programmes with specific geographical focuses, often run in partnership with public-sector bodies and other organisations whose remit is to strengthen local and regional communities. For example:

- > [Well Skelmersdale Social Innovators Programme](#), run by SSE North West in partnership with Well Skelmersdale. This programme supports people in Skelmersdale with the beginnings of an organisation or idea that could improve a community or tackle a social issue, with a fully-funded learning programme and cohort-based approach that helps individuals develop local networks.

> **Thurrock Social Entrepreneur Programme**, run by SSE East and fully funded by Thurrock Council. Sixteen start-up social entrepreneurs in Thurrock are given the opportunity to learn from established and successful local social enterprises, as well as business professionals including accountants, lawyers and marketeers, through 18 learning days spread over a year.

> **Bristol and West of England Start Up Social Entrepreneurs Programme**, run by SSE Dartington, as part of the Social Enterprise and Innovation Project with the support of Bristol City Council and the European Regional Development Fund. This programme supports social entrepreneurs in the area with a fully-funded learning programme, grant of up to £3,000, and cohort-based approach that helps individuals develop local networks.

> **The Engine Room, Cornwall**: a network of Cornish social enterprises, offering a fully-funded support programme for pre-start-up and businesses up to three years old that want to do things differently and help to build a better world. The Engine Room is a partnership between SSE Cornwall, the Real Ideas Organisation, and Cornwall Neighbourhoods for Change, supported by the European Regional Development Fund.

**What are the most important changes that need to be made to enable more people to work together locally to break down barriers and build a common sense of shared identity, belonging and purpose in general? (Please rank up to three choices in order of importance, with 1 as the most important, 2 as the second most important and 3 as the third most important)**

\_\_\_\_\_ Communities having a greater ability to set their own priorities

\_\_\_\_\_ Communities being more aware of issues facing them collectively

\_\_\_\_\_ Workers in local public services taking greater control over how they operate

\_\_\_3\_\_\_ People being more aware of physical assets, resources, skills and relevant organisations the community holds

\_\_\_2\_\_\_ Communities having more or better support on how to mobilise themselves and take action

\_\_\_\_\_ Greater understanding of community shares

\* \_\_\_\_\_ Institutions and organisations delivering public services involving communities in decision-making

\_\_\_\_\_ Institutions devolving more power to their local communities

\_\_\_1\_\_\_ People having better skills, and access to learning opportunities to obtain the skills needed to mobilise themselves

\_\_\_\_\_ More opportunity for diverse groups of local people to meet to discuss local issues and what they think they could do to improve things

## **Are there any additional changes that would enable more people working together to break down barriers in our communities and build a common sense of shared identity, belonging and purpose?**

Our approach at the School for Social Entrepreneurs helps strengthen communities. It equips and empowers people to create change in their local area by developing the skills, emotional resourcefulness and diverse networks they need to take action and make change stick. Our regional schools have the expertise and connections needed to empower and equip more people to tackle problems at local level. But they need more support to do so. The government has a role to play in raising the profile of social entrepreneurship - and organisations like SSE - as a vehicle for strengthening communities. This would help our regional schools secure the funding and partnerships they need to support more people to strengthen communities.

We believe it is essential to **connect people from different walks of life**, to create change together. The learning is two-way when we connect people with privilege to those without it, and connect those from different backgrounds and with different viewpoints. This deepens collective understanding of how to tackle social and environmental problems in the community. But these **conversations need careful facilitation**. Someone must hold responsibility for ensuring that approaches are inclusive, and that everyone has a voice and is supported to take action. The right style of facilitation also enables knowledge-sharing, and gives people the space to form relationships. Our approach has always been to bring together diverse groups of people to share learnings and deepen understanding, and we have 21 years of experience of facilitating such groups. We are always happy to share our learnings.

We believe in equipping people to tackle problems in their communities. We back people with ideas for improving their local communities, because they have the understanding and commitment to make change stick. To create lasting change, they need support to develop the **right skills, networks and emotional resourcefulness**. Regional and local hubs of learning and connection, such as the School for Social Entrepreneurs network of regional schools and local programmes, are able to bring together diverse groups of people from specific communities, and support them to build capacity and develop the networks needed to create lasting change.

We need to help individuals realise they can lead change in their community, regardless of their background. The learning approach at the School for Social Entrepreneurs helps **unlock their confidence and sense of legitimacy as changemakers**. That gives people the power to transform their communities.

**Considering all the changes you discussed in this section, how could these changes be addressed now and/or in the future? You may want to think about the role of different parties, for example central and local government, charities, businesses, yourself / your organisation and others.**

Government can support the aims outlined above by helping to:

- Raise the profile of social entrepreneurship - and organisations like the School for Social Entrepreneurs - as a vehicle for strengthening communities, especially to those with responsibility for regional growth such as LEPs and regional growth hubs, city mayors, city regions and local councils. This would help our regional schools secure the funding and partnerships they need to support more people to strengthen communities.
- Bring together diverse people to create change, and ensure everyone has a voice and is supported to take action; support and consult organisations such as the School for Social Entrepreneurs, which can facilitate conversations between diverse individuals from within communities.
- Support and advocate for regional and local hubs of learning and connection, which are able to bring together diverse groups of people from specific communities to lead change together.
- Advocate for social entrepreneurship as way to help people realise they can lead change in their community, regardless of their background.

## **Public services**

**Are there any additional changes that would enable local public services to respond further to the needs of communities?**

Public sector commissioners need to do more market-making, rather than just straight commissioning from a needs analysis. The challenge for many is they lack capacity, and may be disinclined to take risks. So commissioners need to focus more on building the capacity of their communities to address the problems they face through market-making. They should be encouraging local communities to take up more enterprising approaches to solving local problems by supporting the creation of new organisations and new approaches to tackling persistent problems. For us, that means supporting social entrepreneurship.

Through social entrepreneurship, the public sector can unlock local economic development as a tool for addressing social and environmental problems, while building in local communities.

Ultimately the government should encouraging commissioning - across health and social care, LEPs, city mayors, regional commissioning and so on - to become more enterprising. But this will need up-front investment to allow commissioners to pilot new approaches and new types of partnership.

Strengthening the use of the Social Value Act would help support social entrepreneurial approaches to community needs, at all levels of public commissioning. We support Social Enterprise UK's call for the Social Value Act to be better-used by district councils.

**Considering all the changes you discussed in this section, how could these changes be implemented now and/or in the future? You may want to think about the role of different parties, for example central and local government, other public sector bodies, charities, businesses, yourself / your organisation and others.**

Government can support the aims outlined above by:

- spreading the message and advocating for social entrepreneurship.
- providing leadership and strengthening the use of the Social Value Act.
- empowering local commissioners to make the decisions that work best for their communities.

