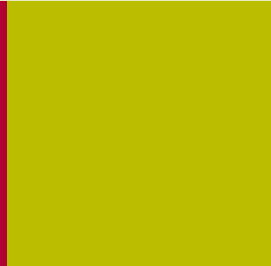
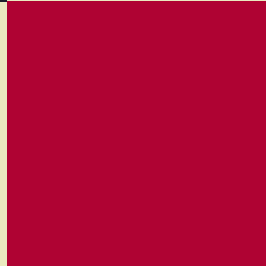
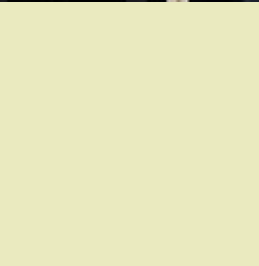
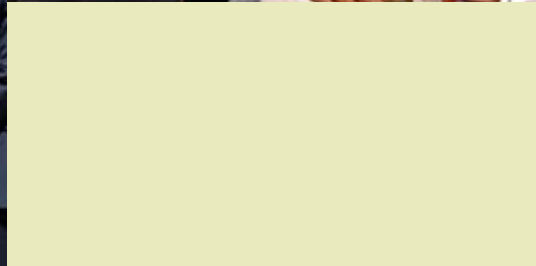
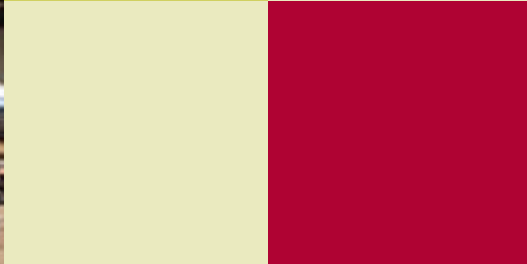
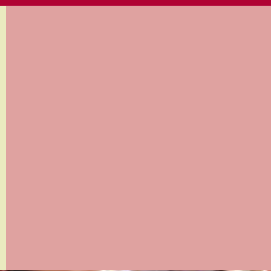
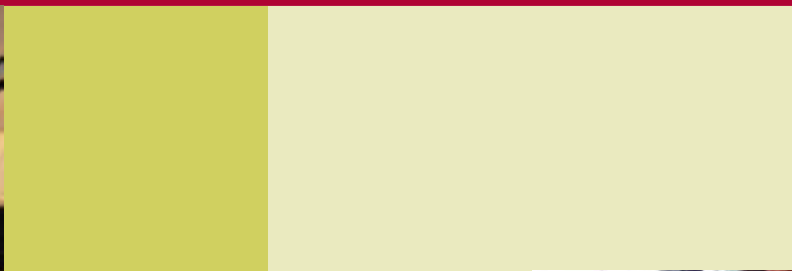




# Social enterprise action plan

## Two years on





Kevin Brennan meets Sadiye Somnez, driver with social enterprise HCT Group.

'Social Enterprise Day is a great opportunity to celebrate social enterprise and reflect on what has been achieved over the last year. As Minister for the Third Sector, I champion social enterprise across government, promoting and enabling partnership working between government and the sector. I am encouraged to see increasing support for social enterprise from government departments this year and hear individual success stories from social enterprises themselves. As businesses driven by a social or environmental mission, social enterprises are well placed to respond to current economic and environmental challenges and our commitment to support them is stronger today than it has ever been.'

**Kevin Brennan**  
Minister for the Third Sector  
[www.cabinetoffice.gov.uk/thirdsector](http://www.cabinetoffice.gov.uk/thirdsector)



'It's been great not only to see real progress for so many of the actions laid out by the Cabinet Office over the past two years, but also to be confident in Government's strong support of social enterprise.

The challenge now is for social enterprise to truly transform the way business is done in the UK. Business can be an instrument of change, a way to anchor wealth in communities, a solution to society's most pressing problems – unemployment, exclusion, inequality – and that kind of business is social enterprise. As a movement we have come far already, and have so much to celebrate, but we now need to work harder than ever to continue to foster a culture of social enterprise in the UK - the current economic situation that we are facing makes it clear that the time is now for a business revolution.'

**Jonathan Bland, Chief Executive**  
Social Enterprise Coalition  
[www.socialenterprise.org.uk](http://www.socialenterprise.org.uk)

The Social Enterprise Action Plan, launched in 2006, set out a framework for government support for social enterprise aimed at creating an environment for social enterprises to grow. The framework established four strands of action:

- Fostering a culture of social enterprise
- Ensuring the right information and advice is available to social enterprise
- Enabling social enterprise to access appropriate finance
- Enabling social enterprises to work with government

Two years on we can see how that framework has driven action across government, both in delivering on commitments and taking these further. We can also start to see the impact this work is having, and use the framework to guide future policy.

Department for Business Enterprise and Regulatory Reform (BERR) Household survey of entrepreneurship 2007 showed:

- 29% of people in the UK are familiar with the concept of social enterprise, compared with 26% in 2005.
- Of these 27% say that they have family, friends or acquaintances who work for a social enterprise, a marked increase from 18% in 2005.

*The Social Enterprise  
Action Plan in numbers:*

**3 Trailblazers  
magazines**

**3 Local Authorities  
piloting social clauses**

**9 social enterprise  
OTS strategic partners**

Social Enterprise Day 2008 forms part of the first ever Global Entrepreneurship Week: a week which aims to unleash the enterprising ideas of young people from over 75 countries to address some of society's biggest problems, from economic development, to poverty reduction and climate change.

Social Enterprise Day is part of the Make Your Mark: Change Lives campaign, geared at inspiring the next generation of social entrepreneurs. This is delivered by Enterprise Insight, sponsored by the Department of Business, Enterprise and Regulatory Reform (BERR) and supported by the Department for Children, Schools and Families (DCSF) and the Office of the Third Sector (OTS).



## Case study

The logo for 'thePhoneCo-op' features the text 'thePhoneCo-op' in a blue, sans-serif font, with 'your voice counts' in a smaller, lighter blue font below it.

**My year by Vivian Woodell, CEO of The Phone Co-op, overall winner of the OTS – sponsored Enterprising Solutions Awards 2008.**

'It has been an excellent year, with record turnover of £7.6m, and our highest ever profit of £338,000. Our members have also invested £500,000 more in The Phone Co-op. This shows that, at a time when trust in other forms of business is in decline, people see the attraction of the co-operative model even more clearly. However, it's not only about financial results. We also want to put something back into our sector, so we've launched a new fund to support other social enterprises which are starting up or expanding.'

[www.enterprisingolutions.org](http://www.enterprisingolutions.org)

## Case study



**My year by Andrew Croft, chief executive of CAN – one of OTS's strategic partners**

'This year CAN marks its 10th anniversary. I am delighted that we have also secured investment from Triodos and Charity Bank for our third CAN Mezzanine in Old St, central

London, providing space for up to another 80 third sector organisations.'

'Through our strategic partnership with the OTS, we have been able to increase our network, which among other things has enabled us to leverage more business support from the commercial sector for the organisations we work with.'

CAN and CAN Mezzanine provide shared office space, business support and capital funds through its Breakthrough Investment Fund.

[www.can-online.org.uk](http://www.can-online.org.uk)

OTS is working across government and with the sector to build on the commitments in the Social Enterprise Action Plan. For example by:

- Committing, with the Department for Innovation, Universities and Skills (DIUS), to invest £2.5m over three years in a third sector skills body that will identify and address skills gaps in the sector.
- Investing in Capacitybuilders – a non departmental public body set up to build the capacity of the third sector - for a £6m social enterprise infrastructure support programme. This will include mentoring schemes and increasing the number of accredited advisors.
- Presenting the first national social investment conference in May 2008, attended by over 250 delegates. It showcased pioneering market innovations, funds and models, with social enterprises pitching to investors, who subsequently invested.

Details of progress against all the actions in the action plan are on the back of this leaflet.

# Social Enterprise across government

Departments across government are developing and deepening their relationships with and understanding of social enterprise. For example:

- **Department for Communities and Local Government** has a new focus on social enterprise, supported by a network of social enterprise champions across the department.
- **Department for Environment, Food and Rural Affairs** launched their Third Sector Strategy in November 2008 which included new strategic partnerships with five social enterprise support organisations – the Plunkett Foundation, SEC, DTA, Co-ops UK and RISE.
- **Department for Children, Schools and Families'** Youth Sector Development Fund seeks to build the capacity and sustainability of third sector organisations that have developed effective approaches to working with young people. Organisations will receive support to build sustainability, including the development of social enterprise approaches.
- **Department of Health** has invested £15m of their £100m social enterprise fund and has published a guide for NHS staff considering using their "right to request" to set up a social enterprise.

## Case study



### My year by John Charles, chief executive of social firm Catering2order

'2008 has been an excellent year for Catering2order and, as a small Social Firm, we're proud of attaining such an important contract through a competitive process; it's certainly given us the appetite to compete for more contracts of this nature!'

Catering2order, based in London, has created employment for 15 people, many of whom have visual impairments. In 2008 it won a contract to provide catering services to the Olympic construction site. Social Enterprise London has been engaged by OTS to encourage social enterprises to be involved in the development and delivery of the Olympic Games.

[www.sel.org.uk](http://www.sel.org.uk)

[www.socialfirms.co.uk](http://www.socialfirms.co.uk)

## What's next...

The Social Enterprise Action Plan will continue to provide a framework for all the work done across government to support social enterprise. In addition we are delivering our commitments laid out in the final report of the Third Sector Review. OTS is actively working on new initiatives such as:

- **Measuring social value** – a new project starting in November 2008 to standardise the approach to using social return on investment tools and increase their accessibility.
- **Promotion of social enterprise** – new work to increase understanding of social enterprise, following groundbreaking research published in September 2008.
- **Social investment** – to continue to build the social investment market and the potential for a social investment wholesaler.

- **The potential of social enterprise** – work with other government departments to help them undertake action research to provide evidence on the contribution of social enterprise to their strategic objectives. The first of these projects are:
  - **Department of Health** – looking at the social return on investment of social enterprises operating in mainstream healthcare.
  - **Communities and Local Government** – examining community share and bond issues.
  - **National Offender Management Service** – seeking ways to expand existing social enterprises geared towards reducing re-offending.
  - **Business Enterprise and Regulatory Reform** – exploring ways to support the sustainability of Community Development Finance Institutions (CDFIs).

# Progress on the commitments made in the 2006 Social Enterprise Action Plan

## Fostering a culture of social enterprise

**1. Develop a new research programme on the value of the sector** – OTS has committed £5m for a new Third Sector Research Centre launched in September 2008, and has launched a programme on measuring social value.

**2. Review ethical consumer markets and social enterprise** – OTS commissioned five 'think pieces' on social enterprise, published on Social Enterprise Day 2007, including one which focused on ethical markets.

**3. Develop a programme to appoint 20 social enterprise ambassadors** – The Social Enterprise Coalition (SEC) runs this programme on behalf of OTS and has recruited over 30 ambassadors.

**4. Support the Make Your Mark: Change Lives campaign** – OTS, BERR and DCSF have supported and will continue to support this campaign, whose main focus is Social Enterprise Day and the Trailblazers magazine.

**5. Strengthen guidance material to schools on social enterprises** – DCSF is working with the sector and partners to develop new materials for schools.

**6. Integrate social enterprise into GCSE Business Studies** – Social enterprise is included in the GCSE Business Studies syllabus from Sept 2008.

**7. Explore new ways to promote social enterprise in tertiary education** – DIUS is working with OTS to develop its understanding of how social enterprise can help achieve their wider strategic goals on skills in the UK.

**8. Promote social enterprise to graduates as a potential career** – Social enterprise materials, developed by the National Council for Graduate Entrepreneurship, are available to all university careers services.

**9. Facilitate discussions with business leaders about social enterprise** – Social enterprise ambassadors are engaging with business leaders to bring social enterprise higher up the private sector agenda.

## Ensuring availability of the right information and advice

**10. Provide £5.9m through Regional Development Agencies (RDAs) to improve SE business support** – RDAs developed plans for how this money should be used and started their projects. An independent evaluation of the experiences of social enterprise with Business Link is now underway.

**11. Improve the information and guidance on businesslink.gov for social enterprises** – The new guide [www.businesslink.gov.uk/trysocialenterprise](http://www.businesslink.gov.uk/trysocialenterprise) was launched in November 2007. OTS is working with businesslink.gov to continuously improve this online resource.

**12. Integrate support for social enterprise infrastructure organisations into Capacitybuilders strategy** – Capacitybuilders corporate plan 2008–11 clearly set out steps to support social enterprises including £6m for social enterprise specific infrastructure support.

**13. Review the specific skills needs of social enterprises and whether they are met by mainstream support** – In October 2008 OTS and DIUS launched a jointly funded £2.5m third sector skills body to identify and address skills gaps in the sector.

**14. Identify national, regional, sub-regional, local and sectoral social enterprise networks** – OTS commissioned a review and passed the findings to Capacitybuilders to support their work with these organisations.

## Enabling access to appropriate finance

**15. Roll out financial awareness training for social enterprises** – OTS has reviewed existing training materials and is developing a programme to support social enterprise.

**16. Include social enterprise in mainstream access to finance interventions** – OTS worked with BERR to produce a revised No Nonsense Guide to Business Finance and on their more recent Enterprise Strategy. We will continue to work together to ensure social enterprises can make use of mainstream interventions, for example, allowing more CDFIs to lend with the backing of government-secured loans.

**17. Review the existing investment via CDFIs and consider dissemination of good practice** – RDAs recommended that CDFIs consolidate on a regional basis, to increase sustainability.

**18. Commission two pilots to test supply and demand for social investment** – The results of these pilots are being published on Social Enterprise Day 2008.

**19. Consult on the use of £10m for co-investment in social enterprise** – The results of the consultation were published in October 2008. We are now seeking partners to manage the fund.

## Enabling social enterprise to work with government

**20. Review the operation of Community Investment Tax Relief (CITR)** – HMT completed this review early in 2007 and operational changes to CITR were made in the subsequent months.

**21. Consult on how to tackle barriers on the use of social clauses** – A survey on the use of social clauses to build social or environmental outcomes into public service contracts was completed in September 2007. Following this, three local authorities worked with OTS and the North East Centre of Excellence to examine their use of social clauses in practice. A report will be published in December 2008.

**22. DEFRA to publish a revised waste strategy setting out steps to help social enterprise to play a greater role** – This was published in May 2007.

**23. Support the development of social enterprises in health and social care** – DH are continuing to develop their £100m Social Enterprise Investment Fund.

**24. Market the supply2gov portal to social enterprises** – supply2gov was promoted at the 2007 VOICE conference, reaching over 800 social enterprises.

**25. Recognition of the role SE can play in the Olympics** – Through our strategic partnership with Social Enterprise London (SEL) OTS is facilitating engagement between the Olympic Delivery Authority and social enterprises. At least two social enterprises have already won contracts to support the development of the Olympic site.

**26. CLG to promote mainstream regeneration funding for social enterprise solutions** – CLG is reviewing the results of a consultation on their regeneration framework which recognises the importance of social enterprise in supporting regeneration.

**27. CLG to publicise and promote “clawback” guidance to local authorities** – CLG has published a guide to managing risks in asset transfer, including on “clawback”.

**28. Extend OTS strategic partner programme to social enterprise representative organisations** – OTS now has a total of nine social enterprise strategic partners, sharing a pot of over £5m over four years from 2006.