

Chapter 18.

The Partnership for Supporting the Social Enterprise Strategy, United Kingdom, Scotland

The Partnership for Supporting the Social Enterprise Strategy is a multi-level framework, designed and supported by the Scottish Government. It aims to develop the capacity of social enterprise intermediaries to provide a holistic “peer support” network, and enhance the sector’s collective influence and contribution to policy development. This chapter describes the Partnership’s objectives, rationale and activities, as well as the challenges faced in implementing the scheme and the impact achieved so far. It concludes with the lessons learnt and the conditions for transferring this practice to another context.

Summary

The Partnership for Supporting the Social Enterprise Strategy is a multi-level support framework designed and supported by the Scottish Government with the aim of developing the capacity of national social enterprise intermediaries – principally Social Enterprise Scotland, Social Entrepreneurs Network for Scotland (Senscot) and Social Firms Scotland – as well as partners such as Community Enterprise in Scotland (CEIS) to provide a holistic “peer support” network for social enterprises.

The Partnership was launched in 2011. Its main strategic objectives are to better inform, encourage, network and support Scottish social enterprises at the grassroots level, as well as raise the sector’s profile and promote its contribution to local communities and government objectives. A secondary objective is to encourage greater influence and contribution of the sector to policy development, as well as strengthen its capacity, both in terms of its membership base and the sustainability of its partner organisations.

The rationale for action was the devolved Scottish Government’s explicit recognition at a senior, strategic level that social enterprises not only play a vital role in delivering sustainable economic growth, but also contribute to economic and social justice, and will play an increasingly prominent role in delivering public services to Scotland’s 32 local authority areas. The Partnership enables social enterprises to negotiate Scotland’s complex support architecture, while delivering efficiencies. Each partner contributes a different facet of support for the social enterprise ecosystem, as described below.

Social Enterprise Scotland provides business support and policy guidance, and acts as a “voice” for the sector, including as the secretariat for the Cross-Party Group on Social Enterprise within the Scottish Parliament.

Social Firms Scotland collaborates with and provides a network for social enterprises focusing on employability issues within social firms or work integration social enterprises (WISEs).

Senscot maintains a series of geographical and thematic networks supporting domestic social entrepreneurs, including those accessing Scottish Government funding streams, such as the EUR 7.6 million (euros) (GBP 6 million) (pounds) Enterprise Ready Fund.¹ Senscot has also played a key role in ensuring efficient use of past revenue streams, such as the EUR 1.26 million (GBP 1 million) Social Entrepreneurs Fund.²

CEIS is the largest third sector business support provider in Scotland and the oldest social enterprise support agency in the United Kingdom, established in 1984.

The partners deliver much-needed advice to the sector on obtaining support and accessing funding streams. The mechanism is designed to suit Scotland’s highly developed support ecosystem, which facilitates ambitious strategic partnerships. In other, less developed contexts, a less ambitious approach may be more appropriate.

Key facts

Through direct grant investment, the Scottish Government supports national social-enterprise intermediaries to provide the necessary networking and peer support.

Year of establishment: 2011

Partners: Senscot, Social Firms Scotland and Social Enterprise Scotland

Other key partners (not exhaustive): CEIS, InspirAlba, Social Enterprise Academy, HISEZ, Firstport, Community Enterprise

Country/region/local area: Scotland (nationwide)

Initiative’s financial structure: public

Budget (annual)

Social Enterprise Scotland:	EUR 135 400 (GBP 107 000)
Social Firms Scotland:	EUR 135 400 (GBP 107 000)
Senscot:	EUR 134 138 (GBP 106 000)
TOTAL:	EUR 405 066 (GBP 320 000)

The programme receives no funding from the European Social Fund, the European Regional Development Fund or other EU sources.

Objectives

The Partnership for Supporting the Social Enterprise Strategy (the Partnership onwards) was established to foster collaborative action at the national, regional and local levels, as well as support co-ordination of activities across and between these various levels. The Partnership's main objectives are:

- to better inform, encourage, network and support social enterprises at the grassroots level; to raise the profile of social enterprises through policy engagement and the media; and to recognise and acknowledge the value they bring to local communities, and to meeting government objectives at both the local and national levels; and
- to enhance the sector's collective influence and contribution to policy development, both nationally and locally; and to strengthen the capacity, membership base and sustainability of the partner organisations.

The capacity-building objective supports the notion that the Partnership's strength lies in the fact that it is greater than the sum of its parts. Partnership working has breathed new life into Scotland's social enterprise sector. It has allowed the various partners to think creatively and strategically, and to develop capacity and capabilities, both individually and as a group.

The initiative falls under the following policy areas:

- access to finance (e.g. public or private funds, mix of public/private funds, guarantee schemes, financial intermediaries)
- access to market (e.g. investment market supported by public policies, public procurement, demand-driven approaches, partnerships with private actors)
- support structures (e.g. hubs, networks, consortia, agencies)
- social enterprise development skills, education and training.

As the Partnership arrangements have developed and matured, they have become more informal. Various sector partners³ are co-ordinating the development of a new vision for social enterprises in Scotland. A steering group has been established, which can draw on other key sector players when necessary. Strategic partnership-building has been ongoing for a number of years, and has involved extensive consultation and visioning. In January 2015, the steering group produced a vision document (CEIS et al., 2015) outlining the actions to be undertaken over the next decade in order to build a social enterprise "movement", build capability, build markets and build on potential.

Rationale

The election of the Scottish National Party in 2007 to power and the subsequent development of the Scottish Government's "Action Plan for an Enterprising Third Sector" (Scottish Government, 2008) provided impetus for Scotland's enthusiastic policy support for social enterprise. The Action Plan aimed to tap the knowledge acquired in the social enterprise sector – and the wider third sector – to devise and implement innovative solutions to social and environmental problems, either through direct service delivery or in partnership with other organisations. This Action Plan recognised that social enterprises provide a range of goods and services that produce social benefits (e.g. improved health, opportunities for young people to develop their confidence and skills, rehabilitation of offenders and employment training), enhance the economy and create a more inclusive society. Under the auspices of the Action Plan, the Scottish Government sought to support organisations with the potential to improve or expand their services.

In the aftermath of the financial crisis, as vulnerability rose sharply at the local level – with the largest burden of cuts befalling the most vulnerable individuals and communities – the growing demand for services placed increasing pressure on the social economy. At the same time, the UK Government’s ongoing austerity regime severely curtailed the means to address or mitigate the cuts’ worst effects.

The Partnership was developed in 2011 to foster targeted investment in key facilitation bodies, in a bid to provide them with the capacity to help social enterprises negotiate Scotland’s complex dedicated support structure. Scotland’s many support bodies for social enterprise often have overlapping constituencies, with the result that social enterprises are often confused about selecting the best organisation to turn to for advice and/or support. The Partnership encouraged these bodies to work together to provide clarity and coherence to both the sector and the government, as well as share the workload and encourage the necessary efficiencies.

The Partnership also has worked to encourage social enterprises to provide input on strategic initiatives. Most facilitation bodies are independent, member-led organisations; as such, their capacity to collaborate – rather than compete for funds and constituencies – can be limited. In a sophisticated support infrastructure such as Scotland’s, the challenge often lies in understanding the myriad ways in which organisations can work together, and discouraging them from acting in competition with – or at cross-purposes to – each other. Strategic capacity building has provided them with the capacity and freedom to advance the sector.

Notwithstanding political changes in the political landscape⁴ (Ainsworth, 2012; Roy et al., 2014; *The Scotsman*, 2014), social enterprises and the third sector have continued to receive ongoing government support.

Activities

The Partnership began as a formal collaboration between three key national social enterprise intermediary organisations, sharing key functions and tasks. An advisory body, comprising the chairs and lead officers of each partner, as well as key members from the social enterprise community, was established to provide strategic oversight. The Partnership advises its members on funding streams and initiatives. It also supports the Social Enterprise Exchange event programme, which fosters dialogue, knowledge sharing and exploring ideas.

According to the partner bodies (Scottish Social Enterprise Coalition, Social Firms Scotland and Senscot, 2011) the investment has resulted in the following contributions to policy development, both nationally and locally, through the following initiatives:

- hosting policy roundtables (currently focusing on social enterprise and health, social enterprise and sport, cultural and creative social enterprise, and community food) featuring practitioners and senior policy makers across a range of government departments,
- study visits by parliamentarians, to increase awareness and appreciation of social enterprise across all party lines
- hosting cross-party groups (including the Cross-Party Parliamentary Group on Social Enterprise, whose secretariat is provided by Social Enterprise Scotland)
- monthly e-bulletins to member organisations and parliamentarians
- submitting responses to government consultations, parliamentary questions and motions

- ensuring that the Scottish Government is informed on issues affecting social enterprise and reserved to the UK Parliament (e.g. reform of welfare – which has not yet been fully devolved to the Scottish Parliament – and its impacts on WISE clients)
- allowing and encouraging membership in relevant government forums
- engaging with the Scottish Government on research to inform policy making and improve commercial data collection, sourcing of private sector funding and membership expertise.

The investment also helped promote and showcase the value social enterprises bring to the media and local communities, by:

- co-ordinating a national calendar of events, including the S2S Social Enterprise Fair, Social Enterprise Awards Scotland and parliamentary receptions, to showcase social enterprise
 - co-ordinating press and public relations activity, including membership survey results, publication development, case studies of good practice and member profiles
 - delivering on a communication strategy to raise the profile of social enterprise to a broad range of Scottish and UK stakeholders
 - promoting quality and impact measurement, including through vital statistics surveys (in relation to the social enterprise networks [SENs]), and sector mapping, progress and growth
 - engaging with key partners with international reach (e.g. CEIS, as leader of the Social Enterprise World Forum, or Assist Social Capital, co-founder of the Social Capital World Forum) to raise Scotland's profile as a world leader in social enterprise and learn from good practice elsewhere
1. promoting the role of networks and grass-roots social enterprises at regional and national forums
 2. creating and developing mechanisms for increasing trade both within and outside the SENs⁵
 3. developing tools to measure the level of interaction between social enterprises, for example under the auspices of the census undertaken by Social Value Lab and its partners in 2015 (Social Value Lab, 2015).

Finally, the investment has helped inform, advise and support social enterprises at the grass-roots level, thanks to the following activities:

- delivering and facilitating a calendar of events at the local and national levels, including SEN networking events
 - facilitating SEN meetings, as well as regional/national events, so that SEN and Social Firms Scotland members can engage in strategic relationships at the local/regional level
 - providing information and advice both face-to-face and electronically, through websites, newsletters and study visits
 - providing member engagement and signposting,⁶ with particular reference to national programmes and contracts, e.g. Aspire/Scottish Investment Fund
 - developing private and public-sector partnerships to boost investment opportunities and social enterprise engagement
1. in collaboration with other stakeholders, developing services (Ready for Business, Senscot Legal, mergers and acquisitions) to increase the sustainability of SENs and their members
 2. identifying opportunities for developing new SENs.

Challenges encountered and impact

Table 18.1. summarises the strengths, weaknesses, opportunities and threats (SWOTs) of the Partnership Supporting Social Enterprise Strategy.

Table 18.1. **SWOT analysis of the Partnership for Supporting the Social Enterprise Strategy**

Strengths	Weaknesses
<ul style="list-style-type: none"> ● A systemic, holistic approach covering all parts of the social enterprise ecosystem, encouraging connections between stakeholders both within and outside the sector. ● Partnership action at the national, regional and local levels, and co-ordination of activities across and between the various levels. ● Strategic approach, with matching instruments (e.g. multi-level framework, modular partnership with all partners providing different types of resources, extensive use of research evidence, long-term strategy). ● Growing awareness at a strategic level that a strong economy (including the social economy) is vital to achieving a fairer and more inclusive society in Scotland. 	<ul style="list-style-type: none"> ● Country's small size limits potential market size. ● Relationships between local authorities and the Scottish Government are fractious at times, leading to inconsistent policies across the country (e.g. in public procurement – see Roy et al., 2014).
Opportunities	Threats
<ul style="list-style-type: none"> ● International attention to Scotland's support for social enterprise presents opportunity for partnership working between different countries (including outside the European Union) and sharing best practice. ● Scotland is a small country, where the close proximity between the government and social enterprises facilitates sharing best practice and partnership working. ● Non-partisan political support provides further potential to build sustained partnerships. 	<ul style="list-style-type: none"> ● Potential for cronyism, owing to close proximity between the government and the sector. ● Reduced resources to support the sector, owing to continued austerity. ● Unrealistic expectations placed on the sector by the government, the general public and social enterprises themselves. ● Significant changes in government.

Impact

Scotland's Vision for Social Enterprise 2025 (CEIS et al., 2015) has informed the development of a new social enterprise strategy. Ongoing consultation to further refine it will involve a series of consultations and the drafting – in partnership with the Scottish Government – of a new national ten-year strategy for social enterprise, scheduled to be launched in December 2016 (cut-off date of this report). In parallel, CEIS supported the development of the international strategy, *Internationalising Social Enterprise*, which was launched in September 2016 (see Scottish Government, 2016) consistent with its leadership role in the Social Enterprise World Forum.

The Scottish social enterprise movement has matured significantly over the last decade. This is reflected in increased collaborative working, both through intermediaries and across individual social enterprises, at both the local and national levels. The partners have worked creatively to showcase examples of good practice, lobby for community-benefit clauses in public procurement contracts, engage in partnerships with both the public and private sectors, and explore new and innovative ways of doing business. This “synergy-led” business culture has attracted much attention from other business areas and allowed the social enterprise community to “punch above its weight”, both internationally and as a key component of the wider third sector.

Challenges

The need remains to build trust among all participants, especially as some have overlapping member “constituencies”. The SWOT analysis (Figure 18.1.) identifies potential challenges moving forward. Other challenges pertain to:

- Leadership: long-term processes often entail replacing, building and planning for legacy arrangements and future leaders. Scotland has benefitted from some world-class leadership in recent years, not only within the sector, but also in terms of the continuity of key officials and politicians who understand and continuously support the sector.
- Developing adequate risk-management capabilities: the threat of austerity worldwide has meant that welfare (and public spending in general) has decreased significantly, with the most fragile and vulnerable communities suffering the most. The simplistic notion that social enterprise can somehow expand to fill the gap when government retreats poses significant risks, in that it raises unrealistic expectations.

Lessons learnt and conditions for potential replicability

While other national governments have helped representative bodies develop the capacity of social enterprise ecosystems through awareness-raising (events, advertising, etc.), increasing the knowledge base (research, indicators, etc.), using such knowledge and expertise in policy processes (parliamentary questions, co-production, etc.), and helping individual members use support instruments, it would be difficult to find another example where these different instruments have been exercised together. In Scotland, the financial support is not too restrictive, leaving room for creativity and innovation.

Some elements from this experience could become pillars of policy learning processes:

1. The size and nature of the polity, and the close relationships between the principal organising units and the sector facilitators, seem to have contributed to the success of this particular policy instrument.
2. Adequate preparation, and a series of increasingly important measures, should be in place to build and maintain trust prior to rolling out a full-blown strategic partnership. The fair degree of continuity in the country’s ruling party indicates that government requires time to get involved in such a policy process.
3. While there is no need to continually build unique representations, the partnership should suit the territory’s political context. In Scotland’s highly pluralistic political culture, a diverse network of bodies can yield the desired results. In countries or regions with a more corporatist culture, a more vertical organisation may be more appropriate.
4. Although financial investment is obviously essential (and the importance of adequate financial support from the government cannot be overstated), the key to such a strategic partnership is the recognition that a range of other resources – such as social capital, legitimacy and expertise – are vital to success, and that all partners bring something unique to the table.

If there is a key lesson to be learnt from the Scottish case, it is that investing in strategic partnerships can be highly beneficial, especially if partnership building is valued and sustained as a goal in itself.

Notes

1. For more information, please refer to: <http://www.gov.scot/Topics/People/15300/ThirdSectorFunding/EnterpriseGrowthSustainabilityFund>.
2. For more information, please refer to: <http://www.gov.scot/Topics/People/15300/funding/Fund>.
3. Including CEIS, Community Enterprise, Firstport, HISEZ, InspirAlba, Senscot, Social Enterprise Academy, Social Enterprise Scotland and Social Firms Scotland.
4. As highlighted by public speeches given in 2012 by Scotland's former First Minister Alex Salmond, and in 2014 by Deputy First Minister John Swinney.
5. For example, Scottish Development International operates a programme called the Smart Exporter initiative, which gives Scottish social enterprises, businesses and entrepreneurs free access to experienced international trade advisers. Frequent trade shows and workshops highlight the support on offer, and facilitate partnerships across and within the sector.
6. "A service [that] provides information to [(social)] entrepreneurs about where they can go to seek professional sources of information and assistance. This can be done with websites, with information provided through public employment services and other partners (e.g. chambers of commerce) or through media campaigns" (OECD/European Union, 2016).

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Further reading

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