



Response to Action Plan (May 2021)

1. Introduction

Following the launch of Scottish Govt's second Social Enterprise Action Plan at the end of March 2021, SENS Scot engaged with place-based and thematic SENS to gauge impressions on how the Action Plan was being received by their members and to feedback on matters that were particularly welcomed – and to highlight any areas of concern.

SENS Scot was actively involved, with others, in co-ordinating the sector's contribution to the first Action Plan (2017-20). We also worked with place-based SENS to consult over 500 frontline SEs to help to inform the new Action Plan (2021-24). Our objective, at all times, is to ensure that there could be an Action Plan that would meet the needs and priorities of the sector. This approach was very much influenced by the data coming from the biennial SE Census – which has reflected a fragile sector – made up overwhelmingly of small, locally-based social and community enterprises. This remains the case today. As we approach the halfway stage of the SE Strategy, it is clear that there has undoubtedly been considerable progress in some areas – while other areas still require to be addressed. Against this backdrop, the sector has undeniably suffered, and will continue to seek to address the consequences of the pandemic - and in this context the publication of the new Action Plan was keenly anticipated.

2. Overview

The Action Plan 2021-24 has naturally been welcomed by the sector. Those across our social enterprise community are conscious that Scotland is fortunate to have such a supportive environment for social enterprise – with both a dedicated and long-term SE Strategy – and supporting Action Plans.

However, in acknowledging our fortunate position in relation to other countries, that does not also mean that there is no room for improvement and that the focus of particular areas of the Action Plan are always necessarily in the best interests of the overwhelming majority of locally-based social enterprises.

The following comments are condensed from a series of both place-based and thematic SEN meetings that have taken place since the publication of the Action Plan. They focus on issues that have been raised on repeated occasions across the various SEN meetings – and reflect the views of frontline social enterprises who, as anticipated, are intended to be the primary beneficiaries of the Action Plan.

3. Headline Initiatives.

- **Business Support** – Having a continued dedicated business support programme for social enterprise is welcomed. However, there was still a sense that this has not 'moved on' in recent years and remains dependent on where you are in the country and who is available. There is recognition that Just Enterprise delivers support 'under contract' where requirements are set – but, in future, a more flexible and responsive approach needs to be explored.

- **Social Enterprise in Schools** – this was supported across the board – although local SENs would welcome the opportunity to participate in facilitating engagement between local social enterprises and schools in their respective geographies.
- **Third Sector and Communities Recovery Programme and Adapt and Thrive** – again this was very much welcomed. Some reported experiencing challenges regarding the process of applying and multiple people and organisations assessing applications - however it is recognised that the funding and support measures put in place throughout the pandemic were substantial and implemented at speed.
- **Accessing International Markets** – Whilst appreciating the importance of international connections – and Scottish Govt’s desire to promote the ‘Scottish Model of Social Enterprise’, £1.5m was viewed as disproportionate given the number of organisations actually ‘engaged’ internationally is very small.
- The focus on **place-based social enterprises, community wealth building, enabling social innovation** has wide-spread support. What this means in terms of actions/investment however remains vague - e.g. *to support Community Wealth Building we will provide an additional five hundred thousand pounds to help community third sector organisations to diversify their income streams through entrepreneurial activity. Is this a challenge fund where any SE can apply or more of a coordinated programme of activities to support CWB?*
- Enhanced national support for **new start social enterprises** was welcomed, however, there was some issues raised about potential ‘double funding’ if other funds to support new SEs already exist in some areas.

4. Areas for further consideration

- **Rural focus** - Support for social enterprise in remote, rural areas – and recognising the different challenges they face – is welcomed – but there is a lack of detail underpinning this. Importantly, this rural focus/ approach needs to be reflected right across all areas of the Action Plan.
- The contribution of social enterprise to **employment** and **employability programmes** in general does not seem to be covered in the Action Plan – e.g. No One Left Behind and its implications. Many SEs were disappointed that the Action Plan did not focus on the links with employability policy developments – which could have placed social enterprises’ contribution and potential to support job creation and employability support front and centre of the Govt’s ambitions for No One Left Behind; Closing the Disability Employment Gap etc.
- **Mental health and employment** – support and investment in both areas will be critical going forward, yet the Action Plan is weak in these areas. Most people said they would like to have seen more emphasis on both mental health and employability which would a) recognise the sector’s existing and significant contribution to outcomes in these areas and b) enable SEs to enhance their contribution given the well-established links between work and positive mental health.
- **Fair Work** – The AP makes strong reference to this being fundamental and at the heart of economic recovery and *‘while evidence suggest that SE’s are leading the way on fair and inclusive working practices, the sector can go even further’*. Beyond an online benchmarking tool, how will the sector be supported to do this ? We firmly believe the sector has demonstrated a strong commitment and willingness to *go even further* and we would welcome further

discussion re a range of support interventions to assist them to adapt and develop their business model to firmly place fair work at the heart of all they do.

- **New/ innovative activities** – there could have been greater recognition of what the sector has already achieved, what’s working well and what’s already happening. More focus is required on building on the long and well-established roots that social enterprises have into their communities in parallel with encouraging new innovative approaches and initiatives.
- The Action Plan feels as though it has been written very much with a **business growth/new start** focus – an emphasis on ‘bigger & better’. This does not seem to align with the reality of the sector which – for many – is not about growth. If anything, organisations are scaling down in an effort to survive. There is also a clear **shift towards loan finance** – i.e. the £30m growth fund. It seems as though the Govt is trying shape a new sector as opposed to supporting the existing one.
- The commitment to establish a **Third Sector equalities baseline** is welcome. However, there is still a lack of focus on **equality and diversity**. In addition, women do not feature strongly in the Action Plan despite the Census evidencing that women feature strongly in leadership roles. Is there scope for more explicit priorities, actions and investment that can support women/ intersectionality, women-run social enterprises and increase the visibility of female role models at all levels across our sector. We need to foster greater diversity across the SE sector in terms of socio-economic background and sector of activity where women are underrepresented. This is also about engaging women with lived experience and young women – the latter important for succession planning.
- **The setting up of a strategic advisory groups** - with sub-groups and working groups, and a new funding strategy. This is welcome, however, these ‘working groups’ need to be genuinely ‘representative’. There were concerns – in many quarters – that the Drafting Group that shaped the Action Plan – was very much geared to those ‘delivering the Action Plan’. Given the breadth and diversity of the sector, a blend of representative voices is required. **A number of questions arose regarding the terms of reference for any groups overseeing the implementation of the AP to ensure transparency regarding decision-making on actions and resources; the process for reaching decisions; monitoring & evaluation; potential conflicts of interest; and the composition of group/s. Also what sub-groups are envisaged?**
- **The guiding principles** outlined in the Action Plan - the notions of co-production; transparency; equality of access etc – need to be genuinely adhered to – with clear evidence that this approach underpins all elements of the Action Plan.
- **Commissioning & Procurement** – The AP says quite a bit about sustainable procurement; collaborative commissioning etc but the ‘how’ is lacking detail. It also states: *Review our support for procurement and how we best support mechanisms that will enable social enterprises to prepare, bid, win and deliver public sector contracts.* **What is envisaged regarding the scope and purpose of this review and what stakeholders will be involved?**

5. Areas of ongoing concern

Third Sector Interfaces (TSIs) have a key role in delivering support to social enterprises at a local level alongside **place based social enterprise networks**. It was disappointing that local sector partners who are closer to their communities and hold local intelligence had little engagement in the drafting process to inform the final priorities and Actions.

Many people commented that the influence of **'delivery organisations'** is evident throughout the Action Plan. The Govt's emphasis on delivering actions via national programmes is perhaps understandable – but a clear steer needs to be given to national delivery organisations that they engage with other national and especially local partners (TSIs/SEs) wherever possible. We think this will enhance implementation and engagement at the local level.

Whilst the Action Plan mentions adherence to the **Voluntary Code of Practice for SE**, some serious concerns were raised with regard to the potential *dilution* of the definition of social enterprise in Scotland. SENScot had meetings with the TSI Chief Officers group and their place-based SEN partners and they share our concern that resources from the Third sector Unit and via the new Action Plan should **not** be supporting organisations that do not align with the Code criteria – i.e. organisations that do not have an asset lock and are profit distributing.

6. General reflections:

The views shared by frontline social enterprises reflect their impressions that the Action Plan has many welcome priorities and that the policy intent is to further support and strengthen the sector in Scotland. However, there are still some areas of concern and some areas (e.g. CWB, public markets etc) which requires further detail re implementation and available resource to do this effectively.

Scotland remains a 'supportive environment' for social enterprise and many components of the AP - the engagement with schools, the opportunities for new starts; the support from Govt to combat the impact of Covid-19 on social enterprises and the communities they serve - are all welcomed.

It is also important to consider how, as sector representative partners (national and place based) - alongside delivery agencies in the eco-system – we can act more in collaboration and ensure that social enterprises have continued and appropriate support as well as greater impact.

Whilst frontline organisations acknowledge a need to attract new individuals and organisations to the sector, they are also very mindful of the importance of building on what has already been achieved. Many of these achievements have taken place at a local and community level – clearly reflected in the sector's response to the pandemic over the last 14 months. Our collective view is that this has not been fully acknowledged within the Action Plan in terms of resources and actions to advance community level resilience and recovery.

We fully appreciate that striking the right balance is always difficult – achieving growth but maintaining values – supporting national programmes versus local delivery – encouraging new starts and international engagement against greater support for existing and established organisations. These are difficult decisions.

From feedback to date, a commitment to full and equal engagement with the sector will be critical in achieving the right balance going forward. Without this, no matter how well intentioned the Action Plan is, it will always feel as being 'done to' as opposed 'done with' the sector.

7. Concluding remarks

SENScot and the SEs appreciate the opportunity to feedback on the Action Plan and we would welcome a follow up meeting with Third Sector Unit to discuss any aspect of this feedback and to work together to ensure effective implementation of the Action Plan for the benefit of supporting our sector's recovery and future sustainability.

May 2021