

ENTERPRISE, EMPLOYMENT & MAJOR PROJECTS CABINET MEMBER MEETING

Agenda Item 30
Brighton & Hove City Council

Subject: Social Enterprise Strategy
Date of Meeting: 3rd September 2008
Report of: Scott Marshall
Contact Officer: Name: John Routledge Tel: 29-1112
E-mail: John.routledge@brighton-hove.gov.uk
Key Decision: Yes Forward Plan No. EEM2829
Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

Approval and endorsement is sought for the Brighton & Hove Social Enterprise Strategy. This strategy aims to harness the energies of key individuals and organisations to encourage and support the development of trading with a social purpose. Implementation of the strategy will result in economic, social and environmental benefits for Brighton & Hove.

2. RECOMMENDATIONS:

- (1) That the council formally endorse and adopt the strategy for the contribution it can make to the economic, social and environmental life of Brighton & Hove.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The council commissioned Brighton & Hove Business Community Partnership (BCP) to produce a Social Enterprise Strategy for Brighton & Hove in 2007. Following a period of research and consultation BCP has now generated a draft strategy to share with the council. *A summary of the draft strategy appears below.*
- 3.2 A mapping survey in 2007 was completed by 67 local social enterprises. Key findings were that social benefit covers a broad range of activity and supports a wide range of beneficiary groups with a strong focus on education, community development, employment and training for disadvantaged groups. *Other findings include:*
- Social enterprises are likely to recruit staff or volunteers from disadvantaged groups and 66% offer work placements.
 - There was a high level of financial independence in the survey group, with 28% completely independent of grant support and a further 19% getting over 90% of their income from sales.

- Key support needs identified were: business planning, procurement, contracting, partnership development and social impact assessment.
- 3.3 During 2007/08, BCP convened a steering group to develop the strategy, drawn from council officers, academics, business community and social enterprises. The steering group has helped BCP shape and refine the strategy as it has evolved over the last year.
- 3.4 A report on the strategy was submitted to TMT on 25th June 2008.
- 3.5 The strategy has developed out of learning from the successful partnership project, *Routes to Social Enterprise*, delivered by BCP and the University of Brighton. This included input from key stakeholders and a steering group involving the Economic Partnership, Business Link, the city council, Care Co-ops, Academy Internet, Social Enterprise South East and BCP.
- 3.6 The council are leading a Brighton & Hove bid to join a European Union social enterprise network that will help forge international links across Europe and generate further support for local social enterprises, including new and developing groups.

3.7 Summary of the draft Social Enterprise Strategy

The draft strategy identifies **Six Strategic Priorities**

- a) **Create knowledge of opportunity and understand impact:** To track the growth, impact and potential of social enterprise activity in the city.
- b) **Increase viability:** Training and skills for social enterprises.
- c) **Encourage co-operative thinking:** Brokerage of support to and from the social enterprise sector.
- d) **Inspire entrepreneurialism:** Celebration and promotion of brave and effective new ideas.
- e) **Improve Transparency:** Support for social enterprises to adopt legal forms, such as the Community Interest Company (CIC).
- f) **Maximise local economic impact:** To ensure that social enterprises can forge contacts and win contracts from public and private sectors.

The draft strategy proposes **Three Brighton & Hove Structures** to support the six strategic priorities above.

- **Social Enterprise Foundation.** The Foundation will oversee the Brighton & Hove social enterprise network, make recommendations for investment and support the attraction of funds to support social enterprise development into the city.
- **Social Enterprise Network.** The Network will develop cross-sector partnerships that fuel a citywide culture of social enterprise. Run as a social enterprise itself, the Network will generate profits to re-invest in further initiatives that show the positive impact of social enterprise.
- **Social Enterprise Centre.** Providing a physical base for the network,

training and desk facilities for start-up and developing social enterprises, the Centre is a long-term goal of the strategy.

4. CONSULTATION

- 4.1 Many one-to-one conversations have been held with key stakeholders to seek their views and keep them informed on the emerging strategy. This has included detailed discussion and feedback on proposals in the draft strategy. One aim of this activity was to encourage 'buy-in' to the strategy, both from partners and social enterprises themselves.
- 4.2 An interactive seminar on the strategy was held for council members (including Cabinet lead for social enterprise, Cllr Dee Simson) and senior officers at Kings House on 30th June 2008.

5. FINANCIAL & OTHER IMPLICATIONS:

5.1 Financial Implications:

The Voluntary Sector Unit within the Arts, International & Voluntary Sector Division of Cultural Services has a budget of £1.789m in 2008/09, though most of this is payment of the grants programme. The Strategy proposals will continue to require officer support time from within the division, and the continuation of grant payments to the social enterprises within the City. These costs are expected to be met within the budget of the division (Peter Francis, Accountant for Cultural Services and Strategy & Governance, 28/08/08).

5.2 Legal Implications:

There are no immediate legal implications arising from this report but key issues on the horizon include the establishing of the Social Enterprise Foundation, the Network Organisation and the Social Enterprise Centre (Bob Bruce, Principal Solicitor 28/08/08)

5.3 Equalities Implications:

A full Equalities Impact Assessment will be carried out on the delivery plan for this strategy once it has been approved by the council. This strategy has the potential to reduce inequalities across a range of economic, social and environmental activities. The strategy has the potential to bring benefits to all of the council's priority equality groups

5.4 Sustainability Implications:

Environmental sustainability is a major driver for the start up and growth of social enterprises in Brighton & Hove. Implementation of the strategy will lead to a growth of sustainable consumption and production of goods and services and help build more sustainable communities across Brighton & Hove.

5.5 Crime & Disorder Implications:

None

5.6 Risk and Opportunity Management Implications:

There are risks attached to any enterprise activity. Social enterprise is vulnerable to the same pressures as small businesses, particularly in an economic downturn. As the strategy builds support available to social enterprises, these risks will be minimised.

Risks attached to not implementing a social enterprise strategy include the loss of opportunities to diversify the local economy, create jobs and access external funding.

5.7 Corporate / Citywide Implications:

Actions in the strategy can support a number of council priorities as outlined, for example, in the corporate plan and local area agreement. Key examples are:

- *Protecting the environment while growing the economy, Better Use of public money, Reduce Inequality by increasing opportunity (Corporate Plan)*
- *Encouraging a thriving third sector, community engagement and volunteering (Local Area Agreement)*

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

Alternative options for the strategy were considered and rejected during 2007/08.

7. REASONS FOR REPORT RECOMMENDATIONS

Recommendations in this report are seeking approval in order to achieve a range of positive outcomes for Brighton & Hove. Examples of the target outcomes are:

- 25 start up social enterprises trained in business planning skills every year by 2013
- Graduate Certificate in Social Enterprise re-instated and 10 social enterprises per year achieve the qualification
- Refresh of mapping exercise 2013 shows decrease in need for business planning skills, procurement support, partnership planning and impact assessment due to effective training/support programmes implemented through strategy
- 500 organisations including 200 social enterprises, 50 community and voluntary sector organisations, 40 public sector departments and 210 businesses engaged in the social enterprise network by 2013
- Business community £100k pa in-kind support to social enterprise by 2013
- Increased profile for social enterprises and Brighton & Hove through success in awards schemes such as SEEDA Entrepreneur of the year, plus Brighton & Hove and Sussex Business Awards
- 800 annual work placements in social enterprises made available to boost employment and skills levels in the city by 2013
- Employment in Social Enterprise sector increased by 32% by 2013

- Five successful case studies of significant procurement relationships between local social enterprises and public bodies per year by 2013
- Impact assessment tool to facilitate social enterprise business planning by 2013

SUPPORTING DOCUMENTATION

1. *The draft Social Enterprise Strategy*

Documents In Members' Rooms

None

Background Documents

None

