

## **In an election year what should all parties be pressed to bring to the table? Jonathan Bland - founder of Social Business International**

To be successful social enterprises need to be ruthlessly focussed on these things: a clear vision, the right product or service that the market wants, good leadership, empowered staff, good governance, engagement from the wider community, an appropriate level of capital on the right terms and the use of tools to measure the impact and evaluate progress. But if that's the case, why spend time worrying about what a national, regional or local government's approach to social enterprise?

Governments at any level are not good at creating social enterprises. Social entrepreneurs do this. However, they do have considerable ability to help or hinder the operating environment for social enterprises (and can sometimes do both at once!). They set the legislative framework: the legal forms that can be used for trading, tax rates, employment law and a whole lot of other regulations. Their policies can also influence access to major markets and resources such as capital funding, support programs and training and skills development.

I spent the last decade as a leader in the UK Social Enterprise Movement, until last December as CEO of the Social Enterprise Coalition (SEC) and before that as Executive Director of Social Enterprise London (SEL). During this time I led a process that put social enterprise on the Government's agenda and won cross-party support for social enterprise. Under Prime Ministers Blair and Brown we worked with government to develop a cross-government social enterprise strategy, and a series of significant policies and actions flowed from this.

I believe that this has had a significant impact on improving the environment for social enterprise in the UK. A few of the things I think have made a difference are:

- A policy-driven official government definition of social enterprise.
- Championing by the PM and other senior politicians.
- Backing for awareness raising activities such as awards, a social enterprise day and inclusion in the school curriculum.
- Inclusion in public sector commissioning and procurement frameworks, opening opportunities for social enterprises in public sector markets.
- A £100m social enterprise investment fund for social enterprises in health and care.
- The "Right to Request"-programme for staff delivering community health care in the National Health Service to move in new social enterprise delivery models.
- The creation of a first new kind of company form for 100 years dedicated to social enterprise the Community Interest Company (CIC).
- £100m of employment funds (Future Job Fund) ring-fenced for social enterprises to use to help young people get jobs.
- Promotion of social investment to channel finance into social enterprises, through government support for community finance institutions and community finance tax relief.
- Backing SEC for the UK movement's representative apex body.

Other measures linked to the support for the voluntary sector, have benefited social enterprises, especially opportunities for public service delivery and the transfer of underused public assets into community ownership.

Not everything was perfect, of course. Progress felt painfully slow. So often national government rhetoric is way ahead of practice on the ground and the implementation of policies can get distorted. Muddling social enterprise within the concept of third sector didn't help people to understand social enterprises as businesses.

Nevertheless, the landscape has changed enormously, and the UK is now seen as a leading model for other countries. I have just produced a report about social enterprise in the UK for the Finnish Government, who are seriously looking at how they can promote this form of business.

It is very important that the concept of social enterprise belongs to the people and communities that benefit from them, not politicians, and especially not one political party. During my time at SEC I did my best to ensure that social enterprise had cross-party support. Every year for the last decade I spent time at the political party conferences (Labour, Conservative and Liberal Democrat), organised events in Westminster and had countless meetings with ministers, MP's and policy advisors. After David Cameron was elected leader in 2005, I took him and his Shadow Cabinet on a tour of social enterprises in London and subsequently spent considerable time and effort in working with the Conservatives, inputting ideas on social enterprise into their policy development. David Cameron addressed the Voice conference in 2009 and made a number of visits to social enterprises with his team in opposition.

David Cameron is now the Prime Minister in the UK's Liberal Democrat-Conservative Coalition Government. In the context of massive cuts in public expenditure, the challenge for the social enterprise movement in the UK is to build on what the previous Government did and ensure the new one takes things forward in a positive way. There are initial signs of significant support for social enterprises playing a much bigger role in the UK in areas where the state has influence, especially public service delivery. There is also support for new investment through a new "Big Society Bank". However, it is still too early to tell what will really happen.

What can other countries, particularly Australia, take from the UK experience in the run up to this year's general election? I would advise you to engage across the political spectrum. Make sure politicians understand what social enterprise is and what it can bring. Develop a campaign that is solution-driven and sets out what needs to be done.

Also from my perspective, here are seven things that any national Government should do for social enterprise (many of these work at the State or regional levels too):

- Social enterprises are businesses that trade for a social purpose. Understanding them as businesses is critical. The Business Ministry should take its responsibility to ensure they are at the heart of the business agenda and have the right legal, fiscal and regulatory regime in place. There should be a cross government strategy for social enterprise.
- Social enterprises create jobs and wealth with a focus on people and communities – they need to be recognised and included in employment and economic growth programs.
- Social enterprises are powerful tools for improving public services. They can empower staff and service users with a holistic focus on needs and can reduce costs. However, they are often designed-out or ignored in commissioning and procurement. Bundling contracts to save money doesn't always do this and often stops social enterprise and other small and medium sized enterprises from competing for contracts. Public markets should be open to social enterprises and commissioners should understand them, and if necessary, build the capacity of potential social enterprise suppliers to enter these markets.

- Social enterprise is a very simple idea when you get it, but it needs still awareness raising and championing. Governments should back initiatives like awards, major events and awareness raising campaigns.
- Traditional approaches to business support are not suited to growing social enterprises; clusters, networks and peer-to-peer learning are more important. Government can support this.
- Social enterprises can operate at considerable scale but often face barriers to access capital on the right terms. Different ways round this benefit from government support. There is a place for grants, loans and equity type instruments, and for funds targeted at social enterprises that complement what the conventional finance market provide. However, these should not distort the existing market. Governments can use the tax system as a lever or make its own funds available to invest in social enterprise.
- There is a real need to spread the know-how to build the capacity of new social enterprises, especially those spinning out of the public sector. Governments can make sure their training and skills development programs support social enterprises.

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