

## **FOR INFORMATION ITEM B**

**Date:** 24 September 2019

**Subject:** 2050 Kent and Medway Enterprise and Productivity Strategy

**Report author:** Johanna Howarth, Deputy Director, Economic Development, Kent County Council

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### **Summary:**

The purpose of this note is to provide members of KMEP with a progress update on the 2050 Kent and Medway Enterprise and Productivity Strategy, and to share for information the emerging vision and priority areas for the strategy. If board members would like to provide any comments, we would be happy to receive those. We intend to discuss the strategy in detail at the November KMEP board meeting. In the meantime, we are working with business representatives, local authorities and wider local partners iteratively over the next 3 months to gather views and input on the ambition and the detail of the strategy. We are also working closely with the LEP to ensure the two strategies complement one another, and that we are presenting a united front to Government. We are teasing out what makes sense for us to take action on within our federated area through our strategy, and what makes sense for SELEP to focus on at a SELEP wide level.

As we have set out previously, the strategy takes its lead from the Government's National Industrial Strategy. Whilst there has been a change in Prime Minister, and most Cabinet Ministers, which will undoubtedly have some impact on this agenda, it is clear from early speeches that the priority areas within the Industrial Strategy continue to be priorities, which places will be expected to respond to. As we leave the European Union, irrespective of what scenario, it is prudent that we locally have a coherent view, backed by other local authorities, and other key business and public sector partners on what our priorities are now and in the future, and what we are doing in response. The narrative and evidence we prepare through this strategy should form the building blocks of any future discussion with Government over funding and support.

### **Recommendation:**

The KMEP Board is asked to note progress to date and the emerging vision for the strategy.

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## **1. Progress update**

1.1 Since we last updated KMEP, Arup (who we commissioned to support the delivery of an evidence base) have prepared a report, which we are in the final stages of

amending and agreeing. That report will underpin the strategy and is consistent with the findings in the emerging draft LEP evidence report which will in turn inform the Local Industrial Strategy for the SELEP area.

- 1.2 Since January, we have engaged widely with the business, local authority, and wider local partner audience through a series of 1:1 discussions, interviews and a workshop which has provided us with a bottom up picture on the themes and priorities the strategy should focus on, our challenges and opportunity areas, the impact of national policy and local action the strategy should take in response.

## **2. Vision for Kent and Medway**

- 2.1 Attached at annex A is an emerging draft vision for the 2050 Enterprise and Productivity Strategy based on evidence gathered and engagement to date. This is at an early stage still, with plenty of scope for comment and change.
- 2.2 Kent has always been known as the 'Garden of England' but this was not an identity that business or investors particularly identified with from an economic perspective, though it may resonate more with residents who enjoy the attractive living environment that we offer. Developing a forward looking USP/ vision which unifies the Kent and Medway area, encourages investment, whilst telling a compelling story around sustainable, clean growth which helps business and residents understand the benefits it can offer is crucial. That vision needs to be relevant now, but also speak to a medium- and longer-term agenda. Balancing these different considerations is not easy. If KMEP board members have views they would like to share at this stage, please get in touch with [Johanna.howarth@kent.gov.uk](mailto:Johanna.howarth@kent.gov.uk)

## **3. Next Steps**

- 3.1 During September, we are be gathering input from local authorities, business, and public sector partners on the draft strategy and vision. We will update the strategy (including the vision) in early October, for discussion at and the various Local Authority boards (clusters, Kent chiefs/ Kent Leaders), and KMEP during October and November. The strategy will be updated again in December, with a view to going out to public consultation in the New Year, and then final sign off (by KMEP and individual local authority committees), by March 2020, to time with the SELEP Local Industrial Strategy. KMEP will be engaged on the draft as its differing stages of development.

## Annex A: Kent and Medway 2050 Enterprise and Productivity ambition

**Our ambition for 2050 is to fully realise our economic potential, generating [x additional GVA] by making more of our strategic geographic location and maintaining, and enhancing our attractive living and business environment, ensuring a more reciprocal relationship with London. We will do this by taking action across a number of priority themes:**

**Priority Area 1: Skills and Employability:** *Delivering a step change in our future skills base – moving from a level 2-3 economy to a level 3-4 economy – Improving the distribution and number of high-quality education institutions and leading universities – influencing skilled employees and higher value businesses to locate in Kent and Medway*

We will do this by:

- Enabling better links between schools, FE providers and employers, ensuring every young person receives a rounded education, is motivated and supported to make the right post 16 education choices for them, making the transition into employment seamless
- Fostering a culture of lifelong learning, supporting SMEs to deliver continuous professional develop to upskill and reskill delivering a more resilient and agile future workforce
- Strengthening the voice and capacity of industry ensuring their voice is representative and informed to better influence provision
- Supporting vulnerable people to access opportunities including through the voluntary sector and become more economically active

**Priority 2: Creating places people want to live work and visit:** *Embracing our diversity – supporting the different types of places that make up Kent & Medway to make the most of our distinctive culture and heritage, and their natural assets and talents to fully realise their potential*

We will do this by:

- Driving a more sustainable approach to growth through greater, timely investment in our infrastructure and achieving a more appropriate balance between housing and employment growth
- Delivering our clean growth agenda, with zero carbon emissions by 2050, to protect the attractive living environment which is one of our top economic assets
- Local and central government working together to support a long-term shared ambition for Kent and Medway, using our combined resources and powers to mutual better effect
- Creating well designed places that people want to live, work and visit. This would see local government taking an active stake in places, using combined land and building assets, to leverage better quality/ designed developments and delivering on a shared urban regeneration agenda, bringing our town centres back to life and supporting our coastal area realise its potential

**Priority 3: Supporting business of all sizes to grow and innovate** - *embracing technological advances and improved R&D investment and collaboration from Kent & Medway's educational institutions to realise productivity gains, supported by trade arrangements that allow frictionless movement of goods*

We will do this by:

- Supporting the development of clusters and sector specific networks to enable business growth and innovation, making more of agglomeration effects, supply chain efficiencies and sharing knowledge on exports and routes to market
- Scaling up our existing efforts to support the market deliver high quality commercial spaces in the right locations to fulfil the needs of all firms, from SMEs to HQs at all stages of their journey from incubation to scale-up.
- Delivering an improved business support offer for all industries and sectors, returning to more hands-on support focused on leadership and better business planning
- Strengthening the voice of business through a coordinated, genuine and more reciprocal relationship with the public sector – informing provision of skills, business support and access to finance.

# Social Enterprise

A PROSPECTUS



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

# Foreword

I am delighted to introduce this prospectus and accompanying case studies to illustrate the major contribution and impact of the work of the social enterprise sector in our region. With our collaboration, the priorities that have been identified seek to further strengthen this impact, through improved coordination and access to support, better engagement and promotion of the sector.

The South East LEP (SELEP) is committed to ensure that Social Enterprise is given due prominence in the development of the Local Industrial Strategy and Shared Prosperity Fund and by working collaboratively we can align our working to realise a greater social value whilst driving inclusive growth. I call on our partners to endorse this prospectus and support the priorities presented. **Chris Brodie, Chair, SELEP**

As SELEP Board Champion for Social Enterprise I very much welcome this prospectus. Social Enterprises must not be underestimated – they are a major provider of local employment for local people, a deliverer of key local and strategic services, and an important sector to leverage in additional external resources. We must recognise the huge scope they offer to support our aspirations for inclusive economic growth across our region and respond to the particular challenges this prospectus outlines in order to maximise our potential. **Penny Shimmin, SELEP Social Enterprise Board Champion & Sussex Community Development Association**

This is a pivotal time for the SELEP. We have recently launched our new Economic Strategy Statement which sets us on a pathway towards a robust Local Industrial Strategy for the south east. The contribution of this prospectus will assist us in further defining particular scope and opportunities of this important sector in defining our ambitions for an inclusive economy. **Adam Bryan, Chief Executive, SELEP**



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# Introduction

The South East of England is a thriving economic centre and its scale and economic output presents a significant contribution to the national economy. There is huge scope and opportunities for growing the economy of the South East and social enterprise has a role to play in blending innovation and business drive with social goals that benefit the local community and strengthen our social fabric.

Social Enterprise does not just present social value, it is a significant business sector in its own right, employing up to 62,000 people and contributing a minimum of £2.3 billion to the local economy. It has a substantial contribution to make in supporting the South East Local Enterprise Partnership's aspirations for a more productive and more prosperous economy and with the right support and opportunities there is potential for social enterprises to grow and achieve even greater impact.

It is our aspiration that the South East is recognised as the capital of social enterprise. This prospectus:

- Sets out the scope and opportunities of the sector in our area
- Presents case studies to illustrate its range and value
- Presents consultation findings and reviews provision to assess what is required to strengthen and support Social Enterprises to flourish. And based on this;
- Presents the following practical priorities for action that are required to build a stronger, more impactful social enterprise sector in the South East:

- Providing a wide range of business support
- Coordinating information on the sector
- Promoting networking opportunities
- Engaging the procurement and commissioning agendas
- Encouraging access to suitable finance
- Improving promotion of the sector
- Measuring social impact



# Our Call to Action

Social enterprises have a significant impact on the economy and in the wider community. Our ambition is for social enterprises to be able to do more by working with strategic partners to build a stronger and more impactful social enterprise sector in the South East.

## Our Calls to Action

### A wide range of Business Support

- Community-based pre-start support to high level strategic planning for growth.
- A fully integrated and consistent brokerage and referral system.
- Better understanding of the unique aspects of social enterprises amongst mainstream business support providers.
- Support social enterprises to access appropriate mainstream business support.

### Coordinated information of what is available

- Ensure this is relevant to all stakeholders including; social enterprises, customers, policy makers and strategic planners.
- More effectively quantify the sector based on in-depth knowledge of what social enterprises offer and are trading.
- Ensure wide knowledge of the business support offer and finance opportunities.

### Networking

- Communicate effectively to share information and good practice.
- Use networks to influence the sector and policy.

### Engagement with the procurement and commissioning agenda

- Engage both the public and private sector.
- Influence the procurement agenda, using the Social Value Act.

### Finance

- Improved information exchange about what forms of finance are available to help social enterprises.
- Understanding the value and impact of grant funding on commercial sustainability and trading income.
- Engage with developing methods on how grant funding can be accessed and distributed most effectively.

### Celebrating success

- Celebrate both the individual and collective successes of social enterprises.
- Ensure that there is comprehensive evidence and data to support success stories.

### Social impact

- Increased support to understand the social impacts that social enterprises deliver.
- Explore a bespoke programme or integrated offer with existing business support providers to better understand social value and impact measures.
- Evidence the social impacts that social enterprises provide and use this information to promote and support future delivery.

1

# What are Social Enterprises and what do they contribute to our area?

**Social Enterprises are businesses that trade for a social purpose.**

**There is no specific legal definition of a social enterprise but they have most of the following characteristics:**

- They earn a significant amount of their income through **trading**
- They have a **social purpose** which is written into their governing document
- Their **surpluses** are used to support their social purpose
- They frequently have an '**asset lock**' which means that the assets cannot be distributed for private gain

**In addition:**

- They are often owned by the **community** they are set up to support
- They frequently **provide employment** for people who could not work in the mainstream labour market
- They may be owned by or grown out of existing **charities**
- They can be commissioned to deliver **public services**

## Social Enterprises in the SELEP area

**It is calculated that:**

- There are between **4,500 and 6,300** social enterprises trading in the SELEP area
- They employ between **44,000–62,000** people

They contribute a minimum of **£2.3 billion** to the local economy.

Social enterprises are a significant business sector that have economic impact in the South East. With the right support and opportunities there is potential for social enterprises to grow and achieve greater impact.

### Social Enterprises in the SELEP area:



**Social Enterprises**

**4,500–6,300**



**Employing**

**44,000–62,000**



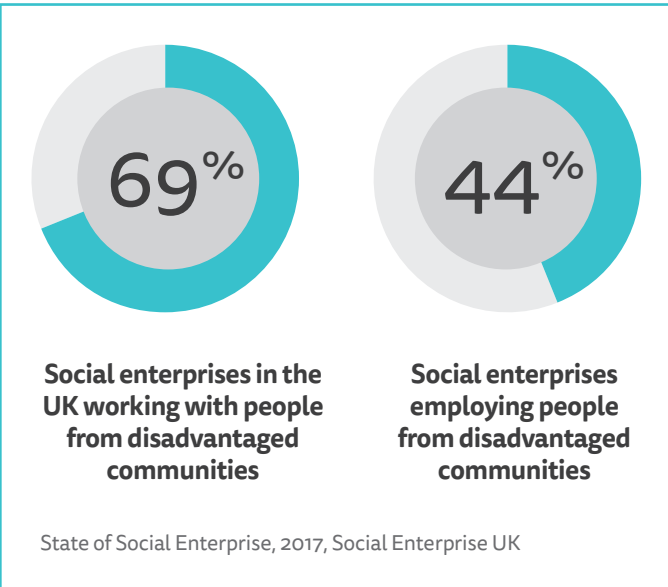
**Contributing to the economy**

**£2.3 billion**

Figures are extrapolated from Social Enterprise UK, 2018, The Hidden Revolution – size and scale of social enterprise in 2018, Social Enterprise UK

Social enterprises seek to create jobs and inclusive growth. They deliver social and public benefit.

They can be constituted in a number of ways; charities, co-operatives, community interest companies.



**A range of business activities including:**

- Create jobs for people with disabilities – including veterans
- Run apprenticeships for ex-offenders
- Run community shops and pubs
- Run community centres and support local regeneration
- Provide nursing and domiciliary care
- Organise community events and run leisure facilities
- Provide out of hours GP services and run practices in disadvantaged communities
- Provide school meals and educate children about healthy eating
- Enable people in receipt of care funding to manage their own care support
- Run local energy co-ops
- Provide housing and housing support
- Provide community transport

**Spectrum of social value**



## Case study

# Britain's Bravest Manufacturing Company

**Sector: Manufacturing**  
**Location: Kent**



The Royal British Legion was founded in 1919 after the end of the First World War, to support wounded ex-service personnel. In 1925 we set up our first factory to provide work for veterans and today we trade as Britain's Bravest Manufacturing Company, which comprises about a third of Royal British Legion Industries' (RBLI) work.

Today we employ 102 people in RBLI – of whom 73% are disabled. We make signs, make and repair wooden products such as pallets, assemble components from factories to sell in shops, such as plumbing parts and run a print and mailing business.

Our sign-making goes back to the 1950s when we started producing signs for British Rail. This continued under Network Rail and its sub-contractors until the contract was put out to tender in 2017 – which we won. It is a £3 million pound contract that lasts for 5 years. Although it was a fully competitive process Network Rail wrote into the specification that only sheltered factories were allowed to bid, which is allowed under EU commissioning rules. The tenders were assessed on the basis of price (60%) and technical capability and capacity (40% – of which 20% was based on social value)

Since 2012 we have also been making road traffic signs for Highways England and Local Authority contracts for the whole of the UK. In the Kent County Council tender for their Term Maintenance Contract, it was specified that there must be a social enterprise in the supply chain.

The product we make is the best in the market – that's why people buy from us. When people buy road signs to erect over a motorway they are buying a giant jigsaw puzzle that has to be assembled 20 feet in the air – it has to fit together perfectly. If there is a problem putting it together and the road has to be closed for a second night, it costs the

construction company a fortune. The veterans who work for us love this work, they love being the best, making the best signs. They like the challenge of getting it right. 90% of the staff working on the signs are ex-military.

We invest in specialist equipment and use technology to help us to create more jobs, rather than cut jobs like most businesses. The printer we use to make the signs enables us to make lots more and we have been able to recruit more people to assemble them. We don't buy in metal work, we buy in materials and make it all ourselves. The printer is the first of its kind in England, we had to have engineers come from the manufacturers in Japan to install it.

In recent years we have started to work with people who have disabilities who are not from the military. We believe we have something to offer them and it enables us to maintain the size of our workforce to deliver these contracts. We are working with the Social Enterprise Mark CIC and the DWP to develop a Social Enterprise Disability Employment Mark. This will help social enterprises evaluate how they work with disabled people.

Our staff are all on permanent contracts and many of them stay a long time. The veterans like working here because we maintain a military culture and they feel comfortable, the civilians like it because they feel valued and that they are making a difference.



**“RBLI is a living, breathing example of social enterprise”**

Leader of Kent County Council



2

## SELEP Social Enterprise Working Group

### Social Enterprise Working Group

#### It will:

- Ensure **social enterprises have a voice** in strategic development and planning activities.
- Promote **LEP sponsored support** to social enterprises.
- **Identify opportunities for social enterprises to contribute to LEP activities.**
- **Work with the Growth Hubs** to influence the way business support is delivered to social enterprises
- **Maximise procurement opportunities** through social enterprise.

### Social Enterprise Working Group – five key themes

The following themes have been identified.

#### 1 Championing Social Enterprise

- Elevate status of Social Enterprise in LEP strategies and action plans e.g. Local Industrial Strategy
- Influence and lobby Government bodies and national stakeholders
- SELEP Strategic Board Champion to promote and channel key messages

#### 2 Finance

- Maximise accessibility of economic growth funding streams
- Maximise uptake of finance opportunities e.g. Access Foundation

#### 3 Capacity Building

- Influence mainstream support for Social Enterprise

#### 4 Market Building

- Replicate best practice in promoting social enterprise in the supply chain
- Mapping opportunities within supply chains
- Social Enterprise business to business events
- Convening consortia
- Influence procurement models to promote social value in purchasing goods and services
- Encourage people to become social enterprise entrepreneurs

#### 5 Impact

- Measuring the impact of the social value of social enterprises
- Establishing a baseline and mapping activity

“ **We need more of a structured framework for smaller and medium-sized organisations and help with business support such as finance and marketing.**

**Claudia Sykes, Social Enterprise Kent Medway and Working Group member**

“ **What does social enterprise mean to SELEP? If we're not mainstream with them, we're not mainstream with anyone.**

**Geoff Streetley, Britain's Bravest Manufacturing Company and Working Group member**

# Case study | Invicta Healthcare CIC

## Sector: Health & Care Location: Kent



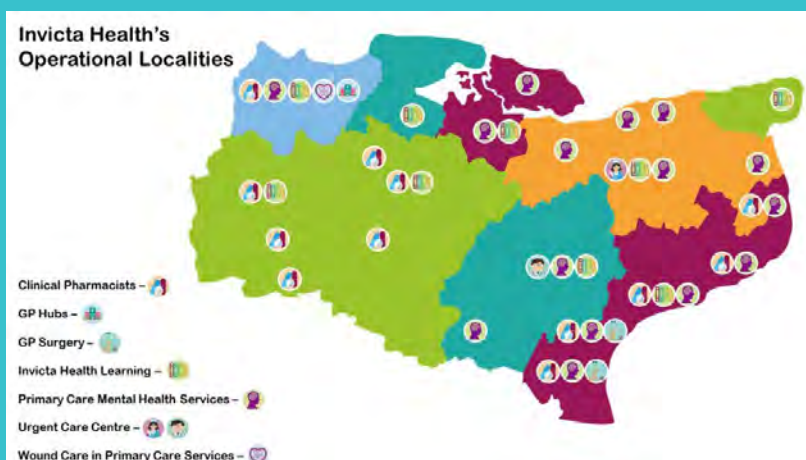
We were set up by a group of GPs to help improve people's access to health services in East Kent. We support the whole community however we provide targeted support to specific patients where their health care needs are not being met. We are commissioned by Clinical Commissioning Groups (CCG), NHS England, other GP Federations and the Local Medical Committee (LMC) to provide services in East Kent / Kent and Medway. We also work with individual GP practices providing back office support as well as particular clinical programmes such as flu injections for homeless people.

We have 96 salaried staff, including doctors, nurses and other healthcare professionals. We are able to invest in our staff and we believe it is important to develop people because of the shortages in the primary care workforce.

The GPs are our shareholders and have invested their money in the business – but the primary purpose when we were set up was to provide good patient care, not to maximise the profits. We reinvest our surpluses in providing healthcare in difficult areas. We turned around two failing practices in a rural area where the previous doctors had retired or left and it was costing the CCG a lot of money to keep the practices running using locum services.

We'd like to network with other health social enterprises so that we can enhance what we do and share our knowledge with others.

We hold the Social Enterprise Mark and this has helped us because people acknowledge that we are here for the greater good.



3

# Impact of Social Enterprise in our region

Social enterprises have a significant economic impact as trading businesses, creators of jobs, and through social benefits.

Number of social enterprises:

Area	Minimum	Maximum
East Sussex	643	836
Essex, Southend and Thurrock	1,798	2,756
Kent and Medway	2,135	2,774
<b>Total</b>	<b>4,567</b>	<b>6,366</b>

These figures have been calculated based on national social enterprise population data and local statistics to estimate the numbers of social enterprises in the SELEP area. In each instance we have shown higher and lower figures based on different calculations.

(This equates to between **2.64% and 3.70% of businesses** in the SELEP area<sup>1</sup>.)



Number of social enterprises:



**2.64–3.7%**

Of businesses in the SELEP area



**£2million**

Mean average turnover



**£2.25billion–  
£3.15 billion**

Annual total turnover in the SELEP area for social enterprises



**44,000–  
62,000**

Employed in social enterprises in the SELEP area

Figures are extrapolated from Social Enterprise UK, 2018, The Hidden Revolution – size and scale of social enterprise in 2018, Social Enterprise UK

This data illustrates that social enterprises are significant contributors to the economy of the south east. To maximise their impact more effectively, and to measure their social value, more funded support is needed.



**We’ve got fantastic managers and carers – that’s what makes us different.**

Amanda Cherry SPDNS

1. Smarter, Faster, Together 2018, The South East LEP’s Economic Strategy

# Case study | United Living

## Sector: Construction Location: UK-wide



United Living is a national contractor providing new build and planned maintenance services for a wide range of clients across the UK. They work primarily with social landlords, planning and managing contracts to build and maintain housing.

Providing added social value to their work is a key driver and 'a reputational part of our business.'

Their social value is defined by the client and depends on local needs and priorities. The most frequently requested action is to provide training and employment opportunities, but they also:

- Link with partners to provide a range of learning opportunities such as job search skills and CV writing
- Work with local schools to identify and deliver projects that benefit the community

- Provide work experience for pupils in schools
- Support local enterprise development
- Support community events

Although community and social benefit has always been important to the company, since the introduction of the Public Services (Social Value) Act in 2012, the wider benefits are vital to them winning contracts. Social value can have a weighting of up to 30% in how contracts are assessed so being able to demonstrate the added value United Living can offer is of real commercial worth to the business.

As part of their commitment to social value, all 200 staff on the southern area refurbishment team had to attend a workshop on social value, what it is and how it affects everyone in their various roles. "All staff left with understanding that the delivery of Social Value is embedded in all their roles and everyone has a part to play, as well as it being a contractual commitment and a business winning activity." (Jacquie Noon, Social Value Manager)



<https://unitedliving.co.uk>



## 4

## Conditions required to nurture Social Enterprise

Social Enterprises have unique requirements related to the development of businesses as well as growth and sustainability:

### Key attributes to development of social enterprise

6

Active minority cultures 'expressing non-mainstream values and needs' (e.g. environmentalists, women's groups, ethnic minority interest groups, New Age groups, religious and other ethical organisations)

1

A local authority that supports social enterprises

2

Networking within a local community and extending outside to link with other areas

3

The level of socio-economic deprivation

4

A culture which is open to challenge and seeking to find new ways of doing things, sometimes reflecting the interests of minority groups

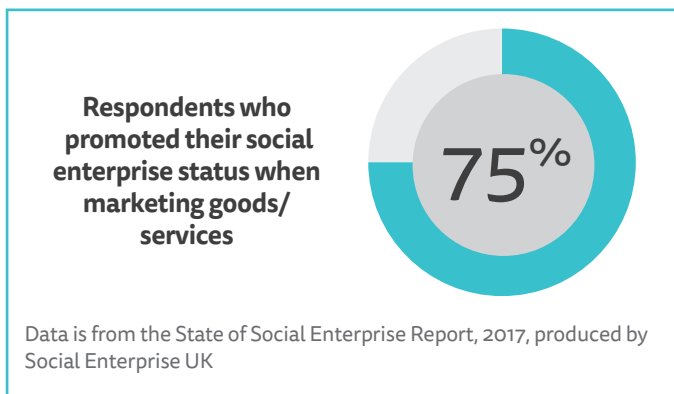
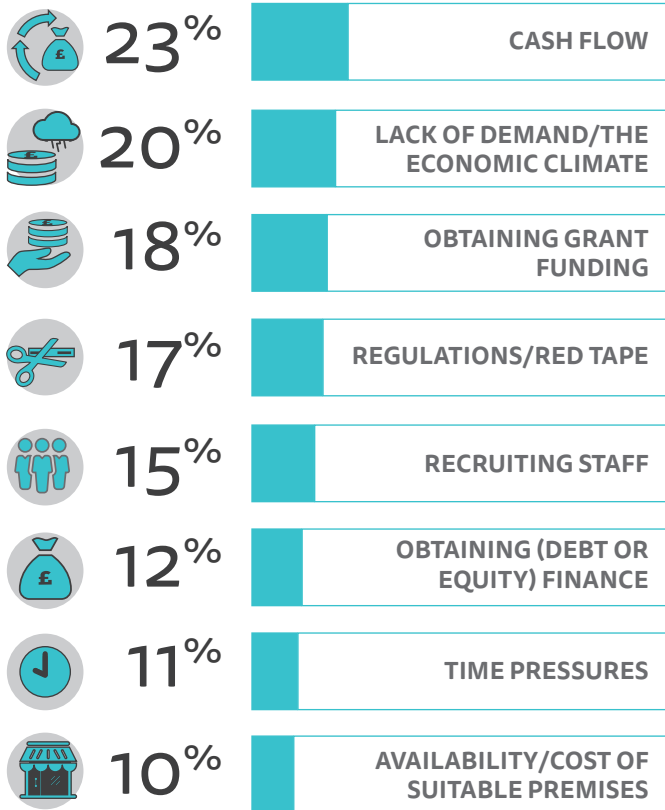
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The presence of organisations and infrastructure bodies that lobby on behalf of local social enterprises

**The study lists six attributes of areas that contribute to the development of social enterprise:**



**The most significant barriers to social enterprise sustainability and/or growth were given as:**



Social enterprises have a number of barriers to sustainability and growth. Many of these barriers will be similar to mainstream small and medium-sized businesses, but there are also some more pronounced challenges that social enterprises face.

For example, nearly a fifth of social enterprises stated that the difficulty of obtaining grant fund was the most significant barrier to sustainability and growth. This is likely a far more pronounced problem for social enterprises than other small and medium-sized businesses, as most businesses have little to no reliance on grant funding.

**Investment takeup**

A study of social enterprises in Essex was published in 2017, commissioned by Essex Partnership and carried out by Social Enterprise East of England. This was focused on the uptake of social investment finance and included a questionnaire, to which 122 social enterprises responded and in depth telephone interviews with 20 social enterprises.

**The findings were:**

- There is an appetite for growth but not always the available capacity to achieve this
- 27% of respondents had plans to expand their organisation
- A further 30% had ideas about expansion but little time to develop them
- Organisations identified a need for tailored support, including to develop trading activity
- More than half of respondents identified a need for funding support in the future
- Around a third identified a need for support with developing goods or services, marketing and measuring impact
- Organisations that had sought advice were using a range of sources; the qualitative research found the most positive feedback was for support from peers and networks
- Respondents thought it was beneficial if support organisations had specific expertise in social enterprise or supporting value-led organisations

“ **I used to run a [PLC], now I run a business employing 70% disabled people and it’s a bigger challenge, but it’s incredibly rewarding.**  
**Geoff Streetley, Britain’s Bravest Manufacturing Company**

# Case study | Trinity Fencing CIC

**Sector: Construction**

**Location: Kent**



We provide employment through apprenticeships to three young people at a time, who are ex-offenders or have been homeless. As well as work, we also help them with accommodation.

We offer commercial fencing services to businesses and domestic garden design to individual customers. We sub-contract from some of the biggest contractors in the country. They buy from us because we provide the right service at the right price. Our commercial success means that we can support the people we work with. Although some big building companies have Corporate Social Responsibility departments, they don't think about applying CSR principles in their supply chains. There are some good schemes, such as Wates and Timpsons, but it's patchy. We need a voice to make this case.

We use some of our profits to donate to other charities. We sponsor a child in Addis Ababa and we support Hope for Justice, an anti-slavery and justice charity. It helps motivate our lads – they know if they work hard it will help to make more profits to donate to our causes.



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

# 5 Social Enterprise success story

This section provides separate data for Essex and Kent & East Sussex as the information is unavailable on a LEP area basis.

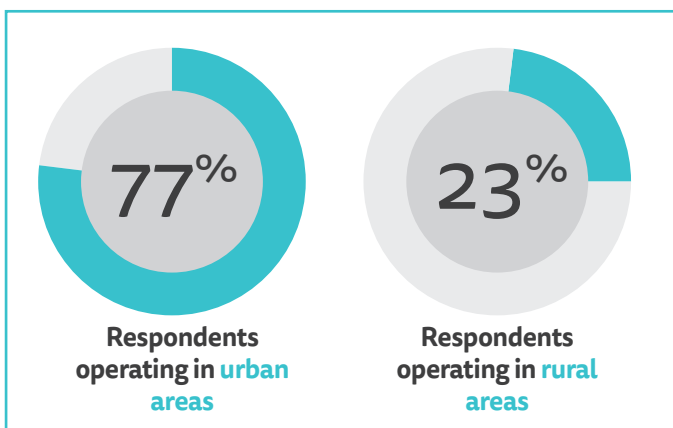
This further highlights the need for improved data and information on social enterprises, particularly in understanding social impact.

## Kent and East Sussex

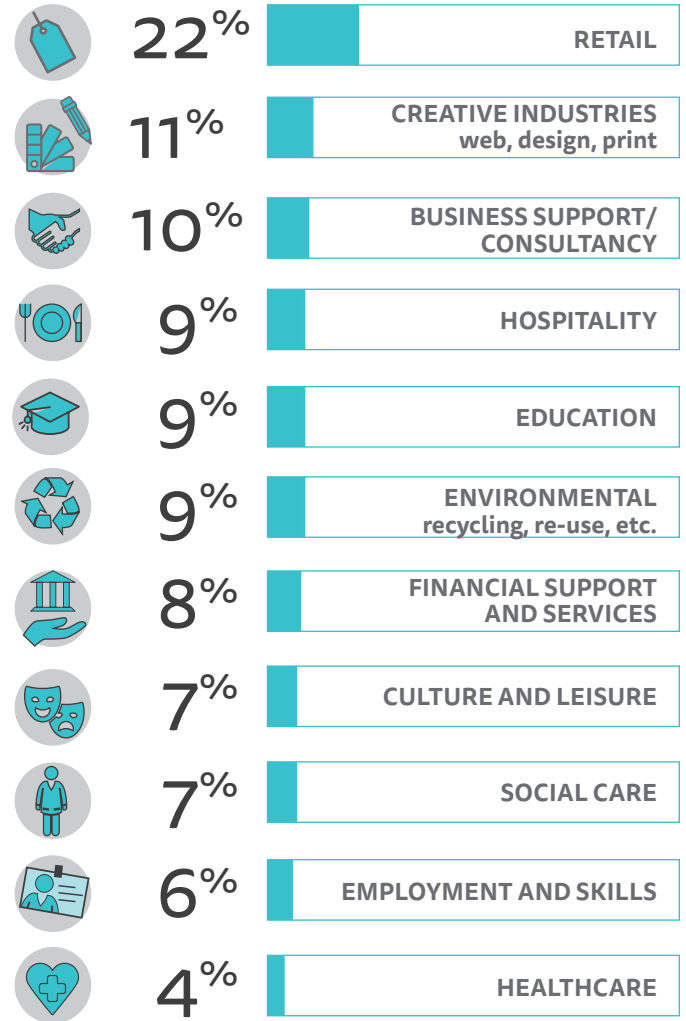
Social Enterprises are not new:



Social Enterprises are urban and rural:



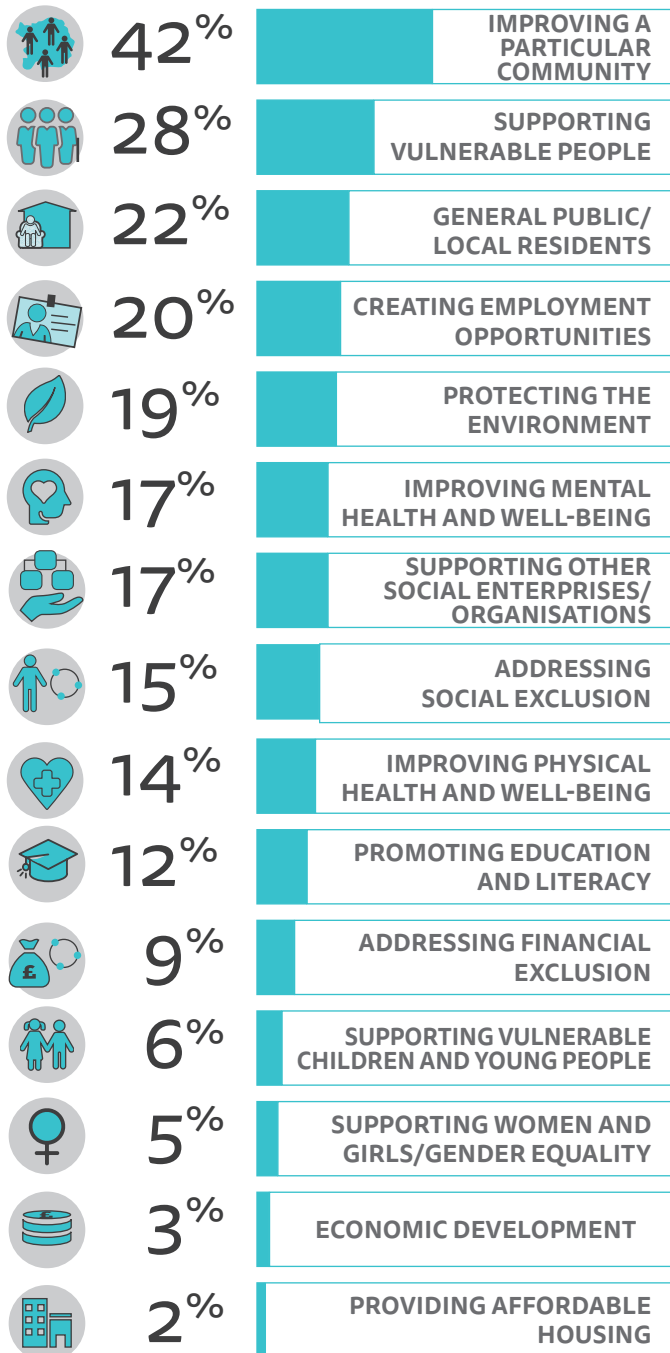
Social Enterprise trading areas are:



Figures have been rounded up so do not add up to 100%  
 Data from State of Social Enterprise, 2017, Social Enterprise UK  
 The data relates to the counties of East Sussex and Kent.  
 (This data excludes Essex which is part of Social Enterprise UK Eastern Region).



## Main social and/or environmental objectives of Social Enterprises:



It is commonly thought that social enterprises mainly trade with the public sector but this evidence shows that is not the case.

However, the public sector remains an important market for many social enterprises and they still report difficulties with aspects of public procurement, even after the introduction of the Public Services (Social Value) Act in 2012, which outlined the ways in which public bodies can make purchasing decisions on the basis of value as well as price.

Influencing this policy remains a priority in the social enterprise sector and one in which the Social Enterprise Working Group and its partners may play a part.

Data from State of Social Enterprise, 2017, Social Enterprise UK (The data relates to the counties of East Sussex and Kent. This data excludes Essex which is part of Social Enterprise UK Eastern Region.)

“ We need to educate people about social enterprise needs – and what ‘not for profit’ means.   
 Social Enterprise



## Essex

This data is from a study carried out by Social Enterprise East of England which focuses on social enterprises in Essex.

MAIN ACTIVITY PROVIDED	%	N
General support	25%	28
Care	19%	22
Education/training	15%	17
Community activity	11%	12
Agriculture/horticulture/ environment	11%	12
Arts	4%	5
Business	4%	4
IAG	3%	3
Housing	2%	2
Criminal justice	2%	2
Other	5%	6
Don't know	1%	1

PRIMARY BENEFICIARY GROUP	%	N
Children/young people	18%	20
Local people/community	15%	17
General disadvantaged	11%	13
Homeless/vulnerable people	10%	11
Families	9%	10
VCOs/businesses	9%	10
People with mental health problems/learning disability	5%	6
Older people	5%	6
People with disabilities/ sensory impairments	4%	5
Carers	3%	3
Other	4%	5
<b>All people (no one group)</b>	<b>7%</b>	<b>8</b>

Base: All respondents answering the question (114)  
Social Investment in Essex, 2017, SEEE

Respondents noted the need to get better at measuring the impact of their work.

In summary, this data demonstrates that social enterprises are delivering social value and impacts that benefit the wider community across the South East.

“ **At a strategic level we need to know what is our social impact and at the operational level we need a gap analysis between where we are and where we need to be.**

### Social Enterprise

(Questionnaire to support organisations from SEEE as part of this commission)



# Case study | Thurrock Lifestyle Solutions CIC (TLS)

## Sector: Health & Care

## Location: Thurrock



Thurrock Lifestyle Solutions CIC (TLS) is a social enterprise that was established in 2007 to take control over former Council Social Care services and is led by disabled people. Run as an efficient business with innovative ideas, by 2019 we supported over 270 people, have saved the Council £400K per year and recently purchased another business – now turning over £3.5M per year and returning its profits to the community.

### Who are we?

TLS puts its users at the heart of its approach – it's that the company is run by the very community it serves.

We're unusual in that 100% of our Board are people who identify as Disabled. We are committed to helping disabled people to have the lifestyle they want and with the awareness of innovative social care commissioners giving individuals budget we can support them to do this.

We provide a range of interventions; from the provision of personal assistants, the use of day opportunities, internships into employment, school transition links and specific support for people with Autism; to name but a few.

### Empowerment

Our methods are working in Thurrock. The company is founded on the concept of 'Asset Based Community Development' (ABCD), which focuses on the strengths within a community and mobilising individuals, rather than identifying deficits and needs.

### But what does this actually mean for the way the organisation is run?

Like any good business, we have been able to diversify our income, taking opportunities where we saw them – but not led by merely seeking profit only.

TLS's success seems to be two pronged.

**(i) Leaving the local authority** to pursue our aspirations and run services how we believe they ought to be run has

given us the freedom to cut fat and red tape, act agilely and nurture entrepreneurial attitudes.

**(ii) being driven by the community** – in the way we deliver everything from personal assistants, interdependent living, learning tools, employment opportunities and other experiences – means we know exactly where to channel funds for the deepest impact. It absolutely makes sense we'd now be thriving and financially growing: empowered communities collectively are able to achieve more, for themselves and each other.

### Turnover is Vanity, Social Impact is Sanity

Data from 2016-17 (NHS Digital) shows females with disabilities can expect, on average, to live a life 18 years shorter than those without a disability, and males, 16 years shorter.

We are trying to address this in Thurrock. We have supported many smaller community groups, run health days, paid for individual health checks, paid for gym membership, looked at the impact of hate crime and run specific training for people to keep safe as well as enabling communities to develop mentors in understanding finance and how to individually budget.

We saw immense untapped potential in our community and acted on it. There's a huge chasm for disabled people after school. For us, they're equal value partners, and we help them contribute meaningfully and we want them to have the choice to do what matters most to them.



📺 Watch this film about Thurrock Lifestyle Solutions. <https://vimeo.com/223060525>

🌐 Visit their website at [www.choiceandcontrol.co.uk](http://www.choiceandcontrol.co.uk)



## 6

## Support for Social Enterprises in SELEP

### What support is available?

Social enterprises can access support from a range of organisations, including mainstream business advisers, voluntary sector support organisations and through peer to peer networks. However there are some limitations to most of these sources:

	Advantages	Challenges
<b>Mainstream business support</b>	<ul style="list-style-type: none"> <li>A wide range of business support skills available that social enterprises can access</li> </ul>	<ul style="list-style-type: none"> <li>A perception that the unique aspect of the social enterprise business model is not as widely considered as it could be</li> <li>A limited understanding of the wide range of social enterprise business models available and what makes them different</li> </ul>
<b>Voluntary sector support organisations</b>	<ul style="list-style-type: none"> <li>Available in every area</li> <li>Used to supporting organisations with a social purpose</li> <li>Good at generic areas such as policies and HR</li> </ul>	<ul style="list-style-type: none"> <li>Can lack understanding of entrepreneurial approaches and default to grant aid rather than trading, business advice</li> </ul>
<b>Business support professionals (accountants, solicitors)</b>	<ul style="list-style-type: none"> <li>Can provide pro bono or reduced fee support</li> <li>Some have in depth expertise of social enterprise models</li> </ul>	<ul style="list-style-type: none"> <li>Start-up businesses often can't afford to pay for support</li> <li>Some providers don't understand the range of social enterprise models and what makes them different</li> </ul>
<b>Peer support</b>	<ul style="list-style-type: none"> <li>Social enterprises are often willing to share their experience and knowledge</li> <li>Value of real experience</li> </ul>	<ul style="list-style-type: none"> <li>Can be a drain on experienced social enterprises and a distraction from their business</li> <li>Can be hard to find people with the right experience</li> </ul>
<b>Trade sector support</b>	<ul style="list-style-type: none"> <li>Established mainstream businesses can support social enterprises as part of their corporate social responsibility</li> <li>Highly valued specific support</li> </ul>	<ul style="list-style-type: none"> <li>Can be difficult to find – often based on personal relationships and the mainstream business sector</li> </ul>



**Support currently available in the South East:**

- **31** organisations are providing support to social enterprises
- **Half** of these are voluntary sector support organisations
- **13** collect data on how many social enterprises they support – for these, the average number of social enterprises supported is 27.
- **26/31** provide support to start up social enterprises; **3/31** provide support for people thinking of starting a social enterprise and **3/31** provide support for social enterprises wanting to grow
- **29** make referrals to other providers

## What are social enterprises in the South East saying about business support?

Social enterprises need good quality support to help them grow their businesses. They need to be made aware of external support that is available to them.

To improve the quality of the current external provision, current business support providers should be trained specifically to support social enterprises. Social enterprises value specialist support the most, working with organisations that have the knowledge and expertise in working with social enterprises.

Mainstream business support in the South East, which includes support for social enterprises, is provided through SELEP's South East Business Hub and its three Growth Hub providers – Business East Sussex, Kent & Medway, and Business Essex, Southend and Thurrock.

Half of the organisations we contacted told us that the type of social enterprise they support is voluntary organisations that want to become social enterprises.

43% of provider organisations have staff who are specialists in supporting social enterprises. 13 organisations record the number of social enterprises they work with, and local agencies are working with an average of 29 social enterprises a year<sup>2</sup>.

“ **Business advisors should understand the fundamental reason social enterprises exist and in turn how this impacts all aspects of our business activities.**

**David Hinton, The Work People**



2. Questionnaire to support organisations from SEEE as part of this commission

## What is different about support for social enterprises?

### Consultation with social enterprises in the SELEP area has identified that:

- Social enterprises are driven by their values and social goals – advice about maximising profits without taking this into consideration is of no use to them
- Social enterprises trade and compete for contracts in the market place – advice about getting grant funds can result in negative impact on their ability to generate income through trading

### The areas in which social enterprises are most likely to need specialist support are:

- Legal structures
- Governance
- Measuring and marketing social impact
- Managing an organisation that is owned by its users
- Public sector commissioning and procurement

### What support do social enterprises want?

- Expertise and experience with social enterprises
- Joined up and easy to access
- Consistent and long term sources of support
- From community based pre-start support, start-up, strategic planning for growth
- Less of a postcode lottery in terms of the quality and level of external support

### Social value

This is about measuring the collective benefit to a community that the work of a social enterprise delivers. Much of this activity is not reflected in market prices. Delivering social value is central to the work of any social enterprise.

### Three types of support were identified:

- 1 **Generic business support** – social enterprise friendly but similar to mainstream businesses
- 2 **Social enterprise specialist support** – from other social enterprises or specialist advisers
- 3 **Trade sector specific** – from other social enterprises or mainstream businesses in the same sector

Social enterprises have many requirements that differ from those of mainstream businesses, they need additional support to:

- assist them in establishing appropriate legal and governance structures
- create a solid and accessible social enterprise network
- measure social impact in a more consistent way
- position themselves more equitably with the wider base of SMEs in the economy

Some social enterprises are not aware of the support that is currently available and could be more successful if they had access to more good quality and appropriate advice. While social enterprises will be eligible for mainstream business support, providers do not currently have a specialist offer for social enterprises.



Many of the common areas in which businesses need support are different for social enterprises – here are some examples:

<b>Finances</b>	<ul style="list-style-type: none"> <li>State aid rules when bidding for contracts</li> <li>Combining grants and trading income</li> <li>Restricted funds</li> <li>Costing social value</li> <li>Using social investment providers</li> </ul>
<b>Marketing</b>	<ul style="list-style-type: none"> <li>Having two sets of customers – those who use the service and those who pay for it</li> <li>Understanding the need to tell the world about the virtues of your business</li> <li>Marketing on a low budget and accessing pro bono support</li> </ul>
<b>HR</b>	<ul style="list-style-type: none"> <li>Evidencing and marketing social impact</li> <li>Working in a democratic structure – when end users are on the board</li> <li>Support and supervision for senior staff – when overseen by voluntary board members</li> </ul>
<b>Market Research</b>	<ul style="list-style-type: none"> <li>Understanding the public policy agenda</li> <li>Knowing who else is providing services</li> </ul>

Social enterprises need a network that understands and responds to the unique aspect of the work that a social enterprise faces compared to mainstream SMEs.

Social enterprises have wider pressures beyond the financial bottom line, it is about delivering for the wider community and having a positive social impact.

To deliver a truly inclusive economy with prosperity for all our social enterprises need truly bespoke support.

“ In the beginning we had a mentor from PWC and had voluntary advice from local businesses ... We had Cabinet Office funding to bring in specialist advice on contracts, other social enterprises gave us advice and we learned as we went along.

**Social Enterprise**

“ We suffer from having no plan for social enterprise, only odd pockets of support for a few months ... we need to decide what we want to do for the next 3–5 years.

**Claudia Sykes, Social Enterprise Kent**

“ There’s a million things we’d like help with – people with specialist skills and time to do things. We know what we want but we often don’t have the skills, knowledge and time to make it happen

**David Hinton, The Work People**

“ The majority of the [social enterprise] County Networks, specialist support providers, and Business Link itself, believe that social enterprises are different and hence require both a different type of delivery and a different type of support.

(Mapping the regional social enterprise sector, Lyon, F. et al, 2008, SEEDA)

# Case study | Benenden Community Shop

**Sector: Retail**  
**Location: Kent**



We took over the village shop in 2015 and now run a general store, post office and café that is the hub of our community, especially for the elderly and lonely. Our customer surveys tell us that we have had a big impact on the social cohesion of this community. We are a Community Benefit Society under the terms of the Co-operative and Community Benefit Societies Act 2014.

We were in danger of losing our shop and a group of residents decided to take it over. We were helped by the Plunkett Foundation, which has a lot of experience of setting up community shops. We are also supported by Benenden Girls School, which bought the building and leases the shop element to us. The flat above the shop is used by school staff and the girls volunteer in the shop – we also run a tuck shop in the school.

When we took over the shop it needed a complete refurbishment and we had to raise some money. We set up a community share issue and raised £86,000 from 350 investors. Shareholders are able to vote for, and stand for election to, a Management Committee that has overall responsibility for the enterprise.

It was very hard work and we had to meet about twice a week for about three months. We toured other community shops before we set up and had advice from them and from Plunkett. We were the first community shop to achieve the Community Shares standard for our share issue prospectus and process.

You need someone who can hold a team together and we have heard of several community ventures which have not got off the ground because of a lack of teamwork. In the end we held a big village meeting and there was such a sense of excitement as people came on board – they were queuing up to pledge that they would buy shares.

We're making a profit now and have six paid staff and about 60 volunteers working with us. We try to help others who are thinking about setting up a community shop.



<http://benendens.co.uk>

## 7

# Social Enterprise Networking

Networks can range from the informal and broadly social to the formal business based organisation with a fixed membership and regular schedule of meetings. Until 2010 there were county networks throughout the South East Region, including Kent and East Sussex. These were linked to the Regional Social Enterprise network SE2 Partnership. Social Enterprises in Essex could join Social Enterprise East of England. In 2017 a new Essex social enterprise network was established and local networks were started in Southend-on-Sea and Thurrock. Some networking activities have been undertaken in Kent and East Sussex by Social Enterprise Kent and The Work People.

The only formal networking taking place amongst social enterprises is the SELEP Working Group and the embryonic networks in Essex, Southend and Thurrock. Local networking is otherwise ad hoc and inconsistent, reliant on small, one-off pockets of funding.

## Current membership of Social Enterprise UK in the area

Area	Number of SEUK members
Essex, Southend-on-Sea and Thurrock	29
Kent and Medway	40
East Sussex	11

Figures supplied by Social Enterprise UK

“ I want good quality networks and training opportunities, with training pitched at the right level.

Social Enterprise

## Why do social enterprises want to network?

Many business networks exist and they are used for:

- Sharing ideas and information
- Identifying opportunities for business to business trading
- Providing mutual support
- The opportunity to hear from speakers – inspiration and practical help
- Raising the profile of the business
- Getting together to campaign about local issues

“ There’s a real need [for networking] – owners of social enterprises are working too many hours and feeling on their own.

Geoff Streetley, Britain’s Bravest Manufacturing Company

“ I find it useful to collaborate with other social entrepreneurs, it helps me develop my own skills and knowledge. It is also a great reminder that there are others swimming upstream facing the challenges of running a business alongside the additional pressures of delivering for beneficiaries. Social entrepreneurs can often suffer, feeling alone and burdened with responsibility. I find spending time with peers can be a great inspiration and a boost for my own wellbeing.

David Hinton, The Work People

**Social enterprises value all these aspects of networking. In addition they use networks for:**

- Promoting a business model that is relatively new and not fully understood
- Developing consortia and supply chains
- Lobbying for support
- Taking control of the social enterprise agenda
- Mentoring and problem solving

**Middlesex University's research<sup>3</sup> concluded that the purpose of good regional social enterprise networks should be:**

- Generating support and development programmes that are responsive to the local needs of the county networks
- Providing training and development services
- Effectively representing the sector in the region and influencing strategy and policy
- Providing an effective brokerage role between local networks and specialist providers.
- Raise awareness of the sector and ensure that Local Authorities and other public sector bodies recognise the contributions of Social Enterprises
- Maintain an overview of and develop the intelligence base for the sector
- Establish and broker support for an agreed "core offer" for local networks and help them develop the capacity, where necessary, to deliver this offer

**Research for the Office of the Third Sector<sup>4</sup> also identified seven characteristics of a "good network, specifically:**

- **Track record** – ability to demonstrate appropriate level of development;
- **Membership** – large proportion of organisations that could be members are members;
- **Activity** – services are well used and sufficient to create momentum;
- **Connections** – directly between members;
- **Direction** – steering group provides direction, co-ordination and organisation;
- **Objectives** – works towards clear objectives; and
- **Resources** – appropriate to deliver level of service expected

**Consultation amongst social enterprises in the South East for this prospectus identified that:**

- Social enterprises are informally networking with other social enterprises where they can
- Networks are valued for information sharing and communication
- Social enterprises are participating in mainstream business networks, such as the Federation of Small Businesses, and voluntary and community sector networks
- Networks for social enterprise leaders are valued
- Social enterprises want networks to be practical, not talking shops
- Some social enterprises are unaware of networking opportunities but would value getting involved
- Networks can help promote what support is available to social enterprises



**I seem to be helping everyone else but not getting help myself.**

**Social Enterprise**

Local leaders and people within social enterprises are best placed to develop and facilitate networking to ensure that the needs of social enterprise practitioners are met and that networks add value to their businesses. **The SELEP Social Enterprise Working Group will oversee the development of networks, building on the experiences in Essex, Southend and Thurrock.**

3. Mapping the regional social enterprise sector, Lyon, F. et al, 2008, SEEDA

4. 'Rocket Science', research for the Office of the Third Sector

# Case study | Whole School Meals CIC

**Sector: Food & Drink**  
**Location: Kent**



Our driving force is to feed our school children well using high-quality, local, fresh ingredients in 'home-made' food. We were set up twelve years ago by a parent governor of a local school who thought that school meals should be better. We are now owned by the schools who buy from us.

In 2006, Kent County Council wanted more small providers to be able to bid to deliver school meals so they set up small clusters of schools and you could tender for one or more of the clusters. We won a

tender and we now feed about 3,000 children per day. Our profits help fund our work to promote good nutrition and healthy eating in schools. We have developed a pack of characters called the Lunchkins that represent the food groups and we will sell them to schools to use in the science curriculum.

In the next tendering round Kent County Council decided to go back to big contracts so we couldn't bid again. You had to have a turnover of £5 million to be able to bid. Fortunately, the 26 schools we work with decided to opt out of the council's contract so that they could continue to buy from us.



<http://wholeschoolmeals.co.uk>

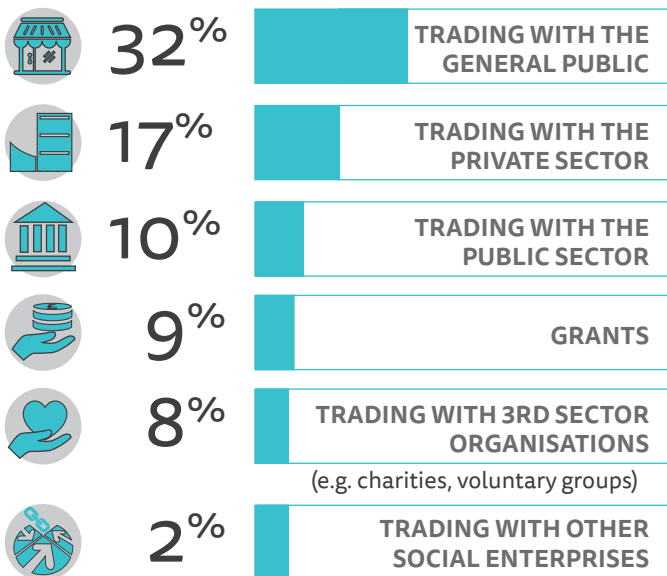
# 8 Social Enterprise Finance

Social enterprises choose to trade in order to be categorised as social enterprises. There is no fixed and agreed percentage although the Social Enterprise Mark eligibility criteria stipulates that at least 50% of income must be earned and this is commonly recognised as an acceptable threshold.

Social enterprises also deliver social objectives and are frequently also in receipt of grant funding from public authorities or charitable trusts. Many social enterprises started life as traditional charities and have developed trading activities, either to free themselves from the constraints of public funding or because it is in increasingly short supply.

When social enterprises are contracted to deliver public services, particularly when they have been awarded contracts following a competitive tendering process, this is considered to be earned income.

### Sources of income:



Data for the South East (whole region), 2017, from Social Enterprise UK survey

% income earned through trading	Total (all UK)	South East
0 to 24%	0%	0%
25% to 49%	12%	12%
50% to 74%	13%	10%
75% to 100%	74%	78%
Don't know	0%	0%
Number of respondents	1,425	140

Extrapolated data for the South East (whole region), 2017, from the State of Social Enterprise survey

### The Social Investment research undertaken in Essex in 2017 showed the following proportion of earned income:

Proportion of income earned through trade					
Proportion of income earned through trade	0%	1-2 5%	26- 50%	51- 75%	76- 100%
Proportion of respondents	28%	15%	9%	11%	36%

Base: All respondents answering the question (89)

This means that the vast majority of social enterprises, over 75% in both surveys, are earning some proportion of income through trade.

### Start-up finance

Social enterprises are eager to improve the access to start-up funding. Individuals setting up an organisation to address social problems in their community often think they will be able to access money to assist them, but there is limited public money available to support start-up social enterprises.

UnLtd runs a national programme to support individual social entrepreneurs (people who want to solve social problems using an entrepreneurial approach). Its flexibility and light touch approach was seen as very helpful by those who responded to the current consultation.



## Social investment

Social investment refers to finance that can be accessed when the investor is looking for social as well as financial returns on their money. A number of financial institutions such as Triodos Bank, Unity Trust Bank and Co-operative and Community Finance, have been in operation for many years, but the introduction of Community Interest Tax Incentives together with the launch of the Community Development Finance Institution model (now called Responsible Finance) in 2002, led to a range of new providers, including Charity Bank, Big Issue Invest and the Key Fund, which all lend money to social enterprises to develop their businesses.

### Other models being used are:

- **Community Share Issues** – where local people buy shares in a community asset
- **Social Impact Bonds** – where a third party investor pays up front for a social service to be delivered and if the activity achieves its social goals, the investor is repaid by the funder of that service
- **Crowd Funding** for social purpose

Government is keen to promote the use of social investment and is sponsoring a number of capacity building activities to help social enterprises take on loan finance.

Government has also set up Big Society Capital to receive income from dormant bank accounts. Big Society Capital acts as a wholesale social investor, supporting some of the agencies referred to above. It also runs awareness raising programmes and is a partner in the Good Finance online guide to social investment.

🔗 <https://www.goodfinance.org.uk>

There are many social investment providers offering finance to social enterprises but they are not widely known about or understood by social enterprises. The existing providers should be better promoted and, in particular, business advice organisations, including Growth Hubs should be aware of the support available and of the Good Finance website.



**People need start up finance, simple loans and grants. UnLtd are good – they provide small amounts which is useful.**

**Social Enterprise**

# Case study | Thanington Neighbourhood Resource Centre

**Sector: Charity**  
**Location: Kent**



Thanington Neighbourhood Resource Centre is a resident-led registered charity, which was built in 2000 in the Wincheap ward of Canterbury. The area once known as 'little Beirut' is still in the 20% most deprived wards in the UK. Crime levels and anti-social behaviour were so high that the area was awarded European regeneration funding to get started and we now earn nearly 90% of our annual income without grants.

We run a very successful and extensive programme of youth activities and leisure facilities for everyone in the community. We also run a meeting room/conference centre which we hire out commercially and a wide range of organisations rent rooms and office space from us.

The turning point for us was when we invested in our building. Our trustees are all local residents and they recognised that to survive we had no choice but to shrink the service or to expand and if we expanded then we could make money. We needed to become more self-sufficient. Paula, our manager, is a trained social worker and she did all the work to develop the business model and find funders who would invest in us. Because our trustees are residents they knew what the problems

were and they took on the risk when we expanded – they were brave to do this because they were personally liable – although we have since set up a Charitable Incorporated Organisation (CIO). We didn't think to ask anyone else for help because we didn't know that there was anyone who could provide the support we needed.

If we hadn't taken the decision to grow, we would have been forced to make cuts and make staff redundant. We didn't want to do that because they were also residents and had previously been unemployed - they are now highly skilled. We took the risk and started earning most of our money so we are not dependent on grants.

We are starting to work with local businesses. One fast food provider had problems with kids, the retail staff didn't know how to deal with them, so problems escalated. We made them an offer to train their staff to de-escalate situations and in return we've asked for vouchers to offer the young people who come to our youth centre. We'd like to offer similar services to other local businesses. We have skills and expertise we can offer the business sector regarding their customers such as for example; anti-social behaviour, disability awareness or dementia, - and we are dealing with many of the same issues, such as Auto-enrolment pension provision and GDPR. There is huge scope for joint working and learning from each other. Our footfall is about 48,000 year. When we opened, crime rates in the area went down by 50% in the first two years – and they've stayed down thanks to our youth work. Thanington is no longer a 'crime hotspot'; it has actually become a desirable place to live.

In future Paula would like to be able to access independent help in developing Thanington Neighbourhood Resource Centre as a social enterprise. Although she is part of a local Third Sector Managers' forum, which she finds helpful, she'd like some help in taking the guesswork out of business planning. But she still says "I've got the best job in the world".



For more information visit:

[www.southeastlep.com](http://www.southeastlep.com)

Email: [hello@southeastlep.com](mailto:hello@southeastlep.com)

SEPTEMBER 2019



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

# Social Enterprise

## APPENDICES



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

# Appendix

1

## National and Local Strategic Priorities and Social Enterprise



### South East LEP

The South East Local Enterprise Partnership (SELEP) is the business-led, public/private body established to drive new economic growth across East Sussex, Essex, Kent, Medway, Southend and Thurrock. Our LEP is one of 37 partnerships set up by the government to be the key body determining strategic economic priorities while making investments and delivering activities to drive growth and create local jobs.

Local Enterprise Partnerships are the key strategic route for Government and its partners to provide support for businesses and to undertake local economic development activities from large infrastructure projects to supporting individual businesses to develop and grow.

Further information on how the SELEP functions, can be found here: [www.southeastlep.com/about\\_us/how-we-work](http://www.southeastlep.com/about_us/how-we-work)

### Inclusive Economy

**Central Government has established an Inclusive Economy team with the Department for Digital, Culture, Media and Sport (DCMS), bringing together a range of activities that support this agenda:**

- Social investment
- Social impact investing
- Social impact bonds
- Public service mutuals
- The role of business with a purpose beyond profit
- Dormant assets
- Online resources and research

**Its overall aim is defined as:**

**The government is committed to delivering an inclusive economy. Some of the ways it's doing this include exploring innovative ways of commissioning and delivering public services, working with the finance sector to increase investment into tackling**

**social problems, and growing the social enterprise and responsible business sectors.”**

It is supporting investment and contract readiness actions and running an impact readiness fund and a social incubator fund. It has established an Inclusive Economy Partnership that is delivering three 'flagship challenges', under the themes:

- 1 Financial inclusion and capability
- 2 Mental health at work
- 3 Transition to work for young people

**18** pilot projects have been funded.

A range of other short-term programmes have been delivered to help social enterprises and voluntary and community organisations to prepare themselves for delivering public sector contracts, taking on social investment finance and improving their impact measurement. The funding has mostly been to pay experts to advise the organisations.

### The National Industrial Strategy

The government's industrial strategy white paper was published in November 2017 and sets out the government's plans for growth. This includes five foundations of productivity:

- **Ideas** – the world's most innovative economy
- **People** – good jobs and greater earning power for all
- **Infrastructure** – a major upgrade to the UK's infrastructure
- **Business environment** – the best place to start and grow a business (including a construction 'Sector Deal') which SELEP will engage with
- **Places** – prosperous communities across the UK

1. <https://www.gov.uk/government/collections/social-investment> -

This white paper does emphasise the social contribution of businesses, and references the Inclusive Economy Partnership which has been formed address some of the biggest challenges that face society. This partnership looks to encourage collaboration between business and civil society to “enhance the UK’s reputation as a global hub for social investment”.

## Local Industrial Strategies and Smarter, Faster, Together – SELEP’s Economic Strategy Statement

LEPs are responsible for developing Local Industrial Strategies and are expected to set out clearly defined priorities for how cities, towns and rural areas will maximise their contribution to UK productivity. Local Industrial Strategies will allow places to make the most of their distinctive strengths.

In March 2019 the SELEP published its Economic Strategy Statement. This is the starting point for a new Local Industrial Strategy for the area: it sets out our broad priorities, aligns them with the national Industrial Strategy and the trends and drivers that underpin it, and provides a guide to our collective actions over the next few years. This document is our plan for a more productive and more prosperous economy in which everyone has the opportunity to succeed. It outlines our shared priorities and how we will work Smarter, Faster and Together to support long-term growth – both for the South East and for the whole of the UK.

Smarter, Faster and Together recognises the importance of supporting businesses’ role within the community.

**“Many businesses in the South East are at the heart of public and community service delivery – for example, in social care, training, environmental services and transport... It will be important that the growth of social enterprises and other public service businesses is supported”**

This is aligned with actions under Priority 1, ‘Creating Ideas & Enterprise’, which looks to create, adapt and adopt new ideas, incorporating innovation and opportunities for growth.

This prospectus shows that social enterprises are also businesses that are seeking to increase their turnover and are creating economic growth. They are providing housing as housing associations and in supporting people into housing; they are also part of the cultural

industries sector and contribute to the re-purposing of town centres; they are part of strategic growth sectors such as: food production, transport, tourism and environmental services; many social enterprises contribute to developing workforce skills, especially for those who are likely to be furthest from the mainstream labour market.

### **The national data for social enterprise activity and prospects<sup>2</sup> identified that:**

Social enterprises are more innovative than the private sector: the number of social enterprises introducing a new product or service in the last 12 months stands at 50%. Among SMEs it has fallen to 33%.

Social enterprises are more commercially resilient: 51% of social enterprises made a profit in the past year, with 20% breaking even. 47% grew their turnover in the last 12 months, compared to 34% of SMEs.

Business optimism: 58% of social enterprises are anticipating an increase in turnover in the next 12 months: This is noticeably higher than their SME equivalents: 40% of whom anticipate an increase.

## Linking the economic strategy to the inclusive economy

Social enterprises are uniquely capable of delivering outcomes for both economic growth and inclusivity. National data shows that:

- 28% of social enterprises are based in the most deprived communities in the UK. It remains the case that the more deprived an area is, the more likely you are to find a social enterprise.
- Almost eight out of ten (79%) social enterprises recruit over half of their staff locally; for 58% this is their entire workforce. 54% involve their wider community in their decision-making.
- Two-thirds of social enterprises (69%) are supporting people from disadvantaged groups, and 44% are employing them.

**SELEP’s Skills Strategy<sup>3</sup> includes as a priority, to: Build an inclusive economy, creating opportunities for all**

### **It also notes that:**

Across the SELEP area there is a growing need to support disadvantaged groups such as; benefit claimants, ex-offenders and homeless people.

There is extensive evidence that social enterprises are successfully creating opportunities for these groups.

<sup>2</sup> The State of Social Enterprise 2017, Social Enterprise UK

<sup>3</sup> South East LEP Skills Strategy 2018 – 2023

## The Public Services (Social Value) Act

This legislation was introduced in 2012 to formalise the priority that public service procurement and commissioning teams could give to awarding contracts on the basis of social value as well as costs. It applies to all contracts over the EU threshold and requires that commissioners consider social value in all contracts for goods or services. The Act is being reviewed and social enterprises have lobbied to have the Act apply to all contracts of whatever value and that it is mandatory to use the act rather than a consideration.

In some areas the application of the Act is making a significant difference to social enterprises' ability to bid successfully for contracts.

**Social Enterprise UK** has produced guidance to implementing the Act

🔗 [www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=2e2c2f33-30d6-4ad5-a08c-e5221821c8d5](http://www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=2e2c2f33-30d6-4ad5-a08c-e5221821c8d5)

Examples of good practice in the South East that were mentioned by social enterprises were:

**Thurrock Council** – the Council's social values framework can be found here:

🔗 [www.thurrock.gov.uk/sites/default/files/assets/documents/social\\_values\\_framework\\_201411.pdf](http://www.thurrock.gov.uk/sites/default/files/assets/documents/social_values_framework_201411.pdf)

**Kent County Council's** commissioning framework can be found here:

🔗 [www.kent.gov.uk/\\_\\_data/assets/pdf\\_file/0012/24150/Commissioning-Framework.pdf](http://www.kent.gov.uk/__data/assets/pdf_file/0012/24150/Commissioning-Framework.pdf)

## Local social enterprise strategies

The only top tier local enterprise strategy that refers specifically to social enterprises is the Thurrock Economic Development Strategy, produced by Thurrock Thames Gateway Development Corporation:

### Growth sectors – opportunity sectors

#### Public services

In addition to growing the public sector from its traditional base, it is increasingly important for partners to consider more innovative means of delivery; in particular, using the voluntary and community sector to deliver key public services. Partners should seek to build the capacity of local social enterprises to play a fuller role in a more responsive public service. Thurrock Lifestyle Solutions, a local Community Interest Company(CIC) is already managing aspects of delivery for Thurrock Social Services and offers an exemplar model of how this could be achieved.

However, in addition to its work on social value commissioning, Kent County Council and Thurrock has set up a social entrepreneurship programme and a social enterprise loan fund, administered by Kent Community Foundation.

Essex County Council has commissioned work on social investment and assisted in setting up the Essex Social Enterprise Network.

In 2015, Social Enterprise East Sussex commissioned Locality to undertake a consultation with social enterprises and other stakeholders in the county and to produce a social enterprise strategy. The consultation identified the following priorities for the sector:

- **Recognising and Sharing Market Intelligence** – to map and share openly the diversity, range and contribution of the local social enterprise sector in the county.
- **Demonstrating Contribution** – to map, measure and demonstrate the social & economic value that social enterprises can bring to the local economy.
- **Increase Financial Resource** – to attract new investment and funding streams into the area to support and fund local social enterprises to deliver their business and social activities.
- **Raising Awareness** – to promote the work of social enterprises to businesses, consumers and the public sector, to boost future market opportunities.
- **Support Needs** – the sector has prioritised support needs in the areas of business planning, social impact measurement and operational infrastructure, alongside other areas.

The strategy document also provided a valuable summary of the types of networks found in the social enterprise sector and recommended options for a network in East Sussex.

## Opportunities to support SELEP priorities

**The following areas are those of SELEP's priorities where social enterprises can add value to existing activities, where social enterprises are already active:**

- Health and social care
- Housing
- Rural areas
- Coastal communities

The Social Enterprise Working Group aims to work with other SELEP Working Groups to pursue these opportunities and provide guidelines on how social enterprises can contribute to addressing these issues and how best to engage social enterprises.

## Ethical business – it's not just social enterprise

**It would be wrong to suggest that there are only two types of business model:**

- Businesses that are only interested in maximising profit for the owners
- Social enterprises that seek to achieve social values through their work

In practice there is a wide spectrum of businesses that seek to do 'good things' through their trading or by using their profits to support socially beneficial activities.

**There is a long history of companies seeking to do good, for example:**

- **Cadbury's** – run by a Quaker family to provide an alternative to sugar grown by slaves, they also had a strong commitment to the workforce, building a model community at their site in Bourneville. Today there is a legacy in the form of a range of family charitable trusts. The same is true for other famous names in chocolate such as Joseph Rowntree.
- **The John Lewis Partnership** – established in 1928 by John Speden Lewis, son of the founder, who wanted to address the inequalities between the dividend he was paid as the owner with what the staff received as payment. Initially a worker's co-op, the employee-owned partnership was set up soon after and the partners receive an annual dividend based on the level of profits. The John Lewis mission is: "the happiness of people through worthwhile and satisfying employment in a successful business".
- **Unilever** – built Port Sunlight in the Wirral in 1888, a model village to house the workers in its soap factory, family trusts also support education and an art gallery.
- **SPAR**, a Dutch company set up in the 1920s to enable small shops to succeed by working together

In the 1970s and 80s businesses with an ethical purpose were set up, often by people who had been part of the counter culture movement in the 1960s. New businesses were set up to reflect their interests, such as:

- The Body Shop
- Ben and Jerry's ice creams
- Green and Black's chocolate

## What makes an ethical business?

**Like social enterprises, mainstream commercial businesses can demonstrate their business ethics or social value in many different ways:**

- **Donating part of their profits to charity** – the Bill and Melinda Gates foundation has an endowment of over \$50 billion from the profits of Microsoft
- **Creating employment for people who would otherwise find it difficult to find a job** – Timpson's shoe repairs actively employ ex-offenders to give them a new start
- **Buying social value in their supply chains** – Wates and Amey are two big construction/infrastructure businesses that seek to buy from people who create social value
- **Sponsoring or working with charities or people in the local community** – Dulux donates paint every year to charities throughout the country
- **Minimising their environmental impact** – Adnam's Brewery build a state of the art underground distribution centre at its premises in Southwold that maintains an optimum temperature and doesn't need heating or cooling. The company has developed lightweight beer bottles that cost less to transport. They also promote regular clean up sessions on the beach at Southwold.



## The social value of small businesses

**Whilst we can recognise the ethical practice of large corporations with a national or international reputation, the impact of small businesses should not be forgotten:**

- The village shop or pub that keeps the community together
- Businesses producing or selling eco products or renewable energy
- Family farms that protect the environment and sell locally
- A nursery providing childcare in a disadvantaged area

## Corporate Social Responsibility

CSR is the term that has been used for the past fifty years to describe how businesses have an impact on their staff, customers, the community or the planet. There is no formal or agreed definition or metric that most people would agree – this is what social responsibility looks like. It is not a quality mark like the Soil Association, Fair Trade or Investor in People.

## B Corporations

B Corps are a relatively new approach to assessing social value created by mainstream commercial businesses. For more information go to

<https://bcorporation.uk/about-b-corps>

There are approximately 165 registered B Corps in the UK, the vast majority of which are in London. Many of them are business to business organisations, providing services such as investment advice, business consultancy and marketing. Only a small number, including Danone and Innocent are nationally known.

**Some social enterprises also have B Corps accreditation:**

- Charity Bank
- The Big Issue Group
- Divine Chocolate

In the SELEP area there are three B Corps in Kent (including Charity Bank) and one in Essex. There are four in the Brighton area.

## The importance of value-based businesses in the future

Tomorrow's workforce is increasingly influenced by value in business and recent research<sup>4</sup> showed that only 20% of millennials would chose to work for a solely profit-driven company for more than five years. Schools and universities increasingly teach students about value based business opportunities.

## Achieving social value

Mainstream commercial businesses can learn how to keep social and financial returns in balance and to increase their social value by working with social enterprises as part of their supply chain and developing mutually beneficial partnerships.

“ **If you have a CSR policy or a CSR officer – you're not doing it properly. Social responsibility should be embedded in every aspect of your business**

**former CEO of Adnams**

“ **Corporate responsibility is at the heart of our business as is our partnering ethos, which is why we can proudly say that 'together we achieve more'**

**United Living**

“ **Why should the citizens of this world keep companies around whose sole purpose is the enrichment of a few people?**

**Paul Polman, CEO Unilever 2009 – 2018**

# National Organisations and links in the South East

**The following is a list of social enterprise support organisations that operate nationally, including any direct activity in the South East.**

## Social Enterprise UK

The national support organisation for social enterprises is Social Enterprise UK. SEUK provides a national voice for social enterprise and conducts a bi-annual survey into the social enterprise sector. The website contains resources for those setting up, running or supporting social enterprises. SEUK promotes Social Enterprise Place, in which local areas can promote themselves as being good places for social enterprises to do business; Buy Social, which promotes the social enterprise business model to potential customers; and hosts annual social enterprise awards. Individual social enterprises can become members of SEUK, which is free to smaller organisations.

<https://www.socialenterprise.org.uk>

## School for Social Entrepreneurs

SSE runs two programmes covering Essex that train and develop individual social entrepreneurs who want to set up socially beneficial activities. Other programmes are run from their London base and are open to people from other areas.

<https://www.the-sse.org>

## UnLtd

UnLtd runs a national endowment programme that supports social entrepreneurship. It provides small scale start-up funding for people setting up as social entrepreneurs. They also offer business support and mentoring through a team of local agents.

<https://www.unltd.org.uk>

## Plunkett Foundation

Plunkett Foundations supports social enterprises in rural areas, in particular setting up community shops and pubs. It offers business support and resources, including setting up community share offers to raise finance for buying out existing businesses.

<https://plunkett.co.uk>

## Co-operatives UK

The UK's network for co-operative businesses, Co-ops UK provides resources for co-operatives and a business registration service for all kinds of social enterprises. It is a membership organisation and runs some local support programmes.

<https://www.uk.coop>

## Locality

Locality is a membership organisation for community based social enterprises and specialises in the acquisition and running of land and buildings as community assets. It also helps with neighbourhood plans.

<https://locality.org.uk>

## Social Enterprise Mark CIC

SEM is a social enterprise brand, that defines what it is to be a genuine social enterprise and accredits social enterprises that meet these requirements – helping to demonstrate their social value to customers.

<https://www.socialenterprisemark.org.uk>

## Good Finance

Good Finance is a collaboration between a number of organisations that helps people navigate the range of social investment products available to social enterprises. The website contains a range of resources and workshops are regularly delivered at local level.

<https://www.goodfinance.org.uk>

## Southend-on-Sea film links

SPDNS

<https://vimeo.com/293725142>

Southend Carnival

<https://vimeo.com/293724195>

the hive enterprise centre

<https://vimeo.com/293724468>

Wellbeing at Garon Park

<https://vimeo.com/293723904>

These short films were commissioned by Southend-on-Sea Borough Council for Social Saturday 2018 and are used with their permission.



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

## Resilient Infrastructure: Strength in Places Fund Bid

### The opportunity:

There is an opportunity to bid for Strength in Places (SIP) Wave 2 funding. Expressions of interest (EOIs) selected at stage 1 (March 2020) will receive £50k to develop full proposals (by September 2020). Projects successful at stage 2 (decisions by March 2021) will receive £25m to £50m covering a 3-5 year project duration. The deadline for EOIs is **9<sup>th</sup> October 2019**.

The aims of SIPF are:

- To support innovation-led economic growth and business productivity within a defined 'economic geography' by identifying R&D strengths that are driving clusters of businesses that have the potential to innovate or adopt new opportunities, in order that those clusters become nationally and internationally competitive; and
- To enhance local collaborations involving research and innovation between businesses and the knowledge base

### Resilient Infrastructure: the idea

To boost innovation and productivity amongst businesses and increase collaboration between stakeholders that are involved in the development of housing and its related critical infrastructure in the Thames Estuary and wider counties of Essex and Kent

The Thames Estuary is the gateway to Europe - critical connectivity to London and rest of UK. It is home to nationally important infrastructure, e.g. the Thames Barrier, Port of Tilbury, rail links to Europe and power, fuel and gas supply lines which all impact housing supply and business growth. It presents particular challenges in terms of flood risk, congestion, air quality, power generation and climate change. It is also a location with significant economic and housing growth potential, with expectations of many hundreds of thousands of new homes by 2050.

Meanwhile, there is a growing gap between housing delivery and projected housing need. Stakeholder networks and collaboration within the housing sector and between housing and other sectors (e.g. insurance, data analytics) are weak. Business productivity and business exports in construction are particularly low. And urgent action is needed to meet the Government's ambition for net zero carbon by 2050.

### The focus for the proposal:

*Building materials and design* – ranging from residential and commercial buildings to flood defences and power stations

*Risk management and insurance* – how these shape investor, producer and consumer decisions

*Behavioural change* - public, consumer and producer acceptance of innovation and the civic and sector leadership needed to promote change

*Use of sensor technology and data* – how data and analysis can be used to optimise the design, life expectancy, resilience, performance-monitoring and whole-life cost of infrastructure

*The Zero Carbon challenge* – Green energy production and innovation in processes and materials to reduce carbon footprint

### How the funding might be used:

*Knowledge transfer and exploration:* forums that bring together public sector, businesses and researchers; Senior stakeholder engagement to explore research and innovation at a systemic level; International R&D delegations; Industry fellowships

*Direct project funding:* Creation of test beds and 'living labs' to test new products/solutions; Funding for projects between universities and business to embed new knowledge and capability; Seed-corn funding to test new ideas, and larger scale funding for collaborative research projects; Funding for commercialisation and export readiness

### An emerging partnership:

*Higher Education Institutions* - Anglia Ruskin University (ARU), University of Essex, **University of Kent**, University of Greenwich

**Thames Gateway Kent Partnership**

*Public sector*

*partners* - Opportunity South Essex, , Southend-on-Sea Borough Council, Thurrock Council, Other County and District Councils and Agencies (tbc)

*Business Partners* – including Swan Housing, Leonardo, Wilmott Dixon, Ascend Broking Group, Others to be confirmed

**We are keen to engage business and other stakeholders in designing, shaping and delivering the project.**

**Please contact: Jenny Young – (01245) 684689 or [jenny.young@aru.ac.uk](mailto:jenny.young@aru.ac.uk)**

## **FOR INFORMATION ITEM F**

**Subject:** Future Meeting Dates for KMEP and SELEP

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### **KMEP Board Meeting Dates**

The next confirmed Kent & Medway Economic Partnership meeting dates are:

- Tuesday 26 November 2019 – Hilton Hotel, Maidstone
- Tuesday 28 January 2020 – Hilton Hotel, Maidstone
- Tuesday 17 March 2020 – Hilton Hotel, Maidstone

Each meeting starts at 5pm and finishes at 7pm.

The proposed future KMEP meeting dates in 20/21 are:

- Wednesday 3 June 2020
- Wednesday 23 September 2020
- Wednesday 2 December 2020 and
- Wednesday 3 February 2021

It is proposed that the meetings in 20/21 will run from 4.30pm to 7pm. Venue TBC.

### **SELEP Strategic Board Meeting Dates**

The SELEP Strategic Board meeting dates are:

- Friday 4 October 2019
- Friday 6 December 2019
- Friday 31 January 2020
- Friday 20 March 2020
- Friday 12 June 2020
- Friday 02 October 2020
- Friday 11 December 2020

All meetings will be held at High House Production Park and start at 10am.

### **SELEP Accountability Board Meeting Dates**

The future SELEP Accountable Board meeting dates are:

- Friday 13 September 2019
- Friday 15 November 2019
- Friday 14 February 2020
- Friday 03 July 2020
- Friday 18 September 2020
- Friday 20 November 2020

All meetings will be held at High House Production Park and start at 10am.

**KMEP AGM**

- A KMEP AGM will be held in mid-2020. Date & location TBC.

**SELEP AGM**

- 24 June 2020 – All day event