**South East Social Enterprise Network (SESEN)**

**(Working Group to SELEP)**

**17th June 2020**

|  |  |
| --- | --- |
| Welcome & Apologies | Attendees: Penny Shimmin (Chair), Alex Riley, Billy Masters, Eric Hodges, Emily Vermont, Mark Kass, Rebecca Smith, Caroline Reynolds, Dave Hinton, Paul Rideout, Jane Thompson, Graham Marley.  Minutes of the previous meeting were approved. |
| SELEP Update | Alex provided an update to the group on recent activity that SELEP has been undertaking, as well as providing information on recent funding decisions made by the SELEP Strategic Board.  This included information about a £1m extension to the Sector Support Fund.  **The presentation slides will be shared with working group members.** |
| Covid-19 Recovery Phase | Chair noted that work was paused on the actions from this group given the onset of the pandemic. This agenda item is focussed on understanding the key challenges in the sector and how it might be able to support the economic recovery phase.  Jane Thompson noted that in East of England our social enterprises are mainly saying they are trying to navigate what funding is best for them - they seem to know what's around nationally and regionally but trying to determine what is best for them. Big Society Capital delivered a webinar for us last week and I've put webinar and resources online today 'Is taking on a loan during the current crisis a good idea?' <https://seee.co.uk/2020/06/16/resources-from-bsc-webinar/>  Billy Masters noted that many Social Enterprises in Thurrock are classed as start-ups and have simply paused trading as opposed to closing down at this stage.  Eric Hodges noted that social enterprises not engaged in networks are finding it difficult to access support and they are not advance as other sectors in accessing VC funding.  There is also an upswing in debt financing which is concerning as this may be delaying inevitable business failures when the debt cannot be serviced.  Chair emphasised that there could the current situation could be postponing issues which will hit the sector like a wave in the next few months. There needs to be a focus on resources to maintain essential services.  Emily Vermont noted that some start-ups have fallen through the net of support thus far – apart from potentially the recently opened discretionary funds. Alex Riley stated that this is an issue that has been brought up a number of times, but it has been difficult to build a support package for this issue. Eric Hodges emphasised that start-ups and seed capital needs to be a key focus during times of recession.  Mark Kass noted that business rates grants have been assessed on £51,000 threshold, consequently a lot of incubator hubs and flexible workspaces fall out of the qualification for this, including the discretionary funds. It is annoying that the operator of these hubs cannot apply for grants, but their clients can. £51,000 is also a tiny amount of money in the South of England and has created a discrepancy with other parts of the UK. Chair agreed with this point and noted this should continue to be raised.  Rebecca Smith informed the group that recent survey results indicate the 10-15% of social enterprises will be going out of business in the next few months.  Caroline Reynolds noted that there are businesses that have fallen through the gaps. Particularly those with no premises or sit above the £51,000 – and those businesses feel particularly aggrieved with the current situation. Also informing the group that the care sector is particularly struggling as staffing costs have increased.  There has also been an issue with furlough for businesses looking to bring staff back but not on full time. This is changing, but it has meant businesses have not been able to restart as they would have liked to.  Rebecca noted that it is difficult to manage elements of staff returning, particularly as individual health assessments need to be undertaken and some key staff members may continue to be shielding.  Mark noted the concern around job losses once the furlough system is phased out – particularly for social enterprise. There needs to be a focus on something like equity investment to ensure that these businesses continue to operate.  Chair informed the group that any further issues should be logged via Alex Riley and will be cascaded to key partners.  **Action: Alex will draw together key trends and messages from this conversation and surveys.** |
| Prospectus Action Plan | Alex Riley noted that the actions outlined in the Action Plan were formulated before the Covid-19 pandemic and that group needs to reassess these given the significantly altered circumstances.  Also, given the extension of the Sector Support Fund, it is an opportunity for this group to formulate a bid into this as an extension of the wider work on the Social Enterprise Prospectus Action Plan.  Emily noted that identifying how social investment could work more effectively in the SELEP area – particularly how we could keep social enterprises afloat – would be a pertinent project.  Chair stated that support for start-ups could, equally, link to this point. Not just about keeping social enterprises afloat but also supporting start-ups that will be key to the recovery.  Eric informed the group that money wasn’t the issue, it was the lack of quality in terms of social enterprises lacking investment readiness. A useful project would be supporting enterprises to improve their pitches to investors. Rebecca supported this point, noting that most support that has been provided was application for finance and grants.  Mark noted that an accelerator-type programme, not just one-day or half-day courses, would be more effective. Mentorship and coaching, introductions to industry specialists, would be more effective.  Paul Rideout noted that mapping major infrastructure projects action should be removed. It is more about how we influence and feed into this through supply chains.  **Action: Eric and Paul to look at creating a script for how social enterprises can engage with major infrastructure projects.**  Eric noted that the SSF is an opportunity to evidence a pilot to support businesses and enable them to drawdown funding.  Chair agreed and noted a project could help model what works.  Rebecca stated that there are guides in existence but social entrepreneurs and great and using these. They would like someone to take this through and guide them through the process.  Chair also emphasised the importance of social enterprises to the vibrancy of the local economy and this needs to be mentioned in the local area recovery strategies.  **Action: Eric to create a form of words to put forward to the area recovery strategies.**  Chair noted that this group could work on a pan-LEP proposal to the sector support fund which focuses on supporting social enterprises and social entrepreneurs to access funding.  Mark Kass stated that it needs to be light touch to support not just riskier pre-launch start-ups, but early stage survival and growth as well. The fund could support a demonstrator project as mentioned.  **Action: Alex Riley to send an invite out to the group to meet following the Accountability Board for a sub-group of this working group to start work on an SSF bid.** |
| AOB | Future meetings will be one-hour long and monthly – and will be reviewed on an ongoing basis.  **Action: Alex Riley to schedule monthly meetings.**  Caroline Reynolds noted an organisation ‘Generosity Bank’ which is about business professionals supporting other smaller businesses with Generosity Bank acting as a broker: [www.generositybank.com](http://www.generositybank.com) |

**Actions (All to be completed in advance of the next Social Enterprise Working Group meeting):**

|  |  |  |
| --- | --- | --- |
| **What** | **Who** | **Outcome** |
| Paul Rideout will get a list of who the procurement public sector partners are and who has been contacted. | Paul Rideout |  |
| Kate to feed information on engagement with large infrastructure projects to Paul. | Kate Bull |  |
| Eric will feed this information on supply chain engagement to Paul. | Eric Hodges |  |
| Emily and Paul will re-draft the social investment fund paper, taking on board the comments from the working group, and will recirculate this. | Emily Vermont, Paul Rideout |  |
| SELEP to engage with the London LEP and Growth Hub to understand best practice in terms of engaging with social enterprises/socially led businesses. | Alex Riley | Discussions ongoing and will be reflected back at the next meeting. |
| For the group to signpost to any research that focuses on existing work linked to social impact measures. | ALL |  |
| Alex to write up Action Plan reflecting the points made above. | Alex Riley | Draft Action Plan to be amended per comments above. |
| For ALL to feedback any key points/information you would like to see on a Social Enterprise page which is planned for the new Growth Hub website. | ALL |  |
| Eric and Paul to look at creating a script for how social enterprises can engage with major infrastructure projects. | Eric Hodges, Paul Rideout |  |
| Eric to create a form of words to put forward to the area recovery strategies. | Eric Hodges |  |
| Alex will draw together key trends and messages from Covid-19 Recovery Phase conversation and surveys. | Alex Riley |  |
| Alex Riley to send an invite out to the group to meet following the Accountability Board for a sub-group of this working group to start work on an SSF bid. | Alex Riley |  |
| Alex Riley to schedule monthly meetings. | Alex Riley |  |