

DLDC Submission on the National Social Enterprise Policy for Ireland 2019-2022.

Introduction

Donegal Local Development Company is an LDC who deliver the following programmes in Central Donegal & in the Donegal Gaeltacht: LEADER, SICAP, Rural Social Scheme, Tús, Jobs Clubs, Back to Work Enterprise Allowance and social enterprise. We have a strong history of supporting and developing social enterprises through all of the programmes we deliver and in doing so have a clear understanding of the challenges facing social enterprises in rural Ireland. We are currently in the process of recruiting a dedicated staff member to work with and support social enterprises in Donegal as, through our close working relationships with SE's and their volunteers we have identified a gap in support and a need for additional resources to sustain & develop our local social enterprises. Moreover there is an identifiable need for capacity building, governance support and upskilling and training of committees and volunteers in this sector.

Submission

This submission results from consultation with social enterprises in Donegal and from a strong history of working to develop social enterprises locally.

DLDC welcomes the invitation to submit observations and suggestions as part of the national public consultation process and we outline our views in the following paragraphs.

Creating Awareness of Social Enterprise.

DLDC believes that future policy on Social Enterprise should include a commitment to establish and recognise the sector as separate from other business sectors, as having certain attributes particular to the sector, and as a sector that operates for the benefit of communities and individuals who are at a disadvantage of one sort or another. Community Development ethos must be at the forefront of policy and the policy should clearly expound the advantages of the not for profit attribute which results in surpluses being reinvested in the Social Enterprise and where there is no distribution of any funds to any individuals/

shareholders/ directors. The policy should also celebrate the value of volunteerism combined with a local approach to delivering services.

The branding of the sector would help the sector and individual social enterprises attract corporate support, including expertise and finance. This branding will also create awareness amongst agencies involved with public procurement.

DLDC also recommends that the policy should outline an intent to establish a national celebration of the work that is undertaken on behalf the state and on behalf of communities across the country.

DLDC believes that the national policy should clearly outline the need for the sector to come together in a single entity for the purposes of ensuring that the voice of the sector is cohesive and comprehensive.

DLDC understand the challenges and opportunities for Social Enterprise from directly supporting the establishment, development and growth of social enterprises. In addressing this DLDC provides leadership and governance supports to Social Economy Enterprises.

Initiating Social Enterprises

While Governance is widely recognised as a key attribute in the success of many Social Enterprises, mentoring and advice is lacking and is key to successful projects. We feel the policy should provide for recognised experts to mentor start up social economy projects. Qualified and experienced mentors could advise community groups on marketing, finance and general sustainability.

Social Enterprises are swamped by regulations such as GDPR, Legal and Competition rules, quality standards, governance and insurance issues. Legal and regulatory requirements soon take precedence over the core activity and the volunteers are often quickly faced with the choice of giving up or seeking another organisation to provide governance. A mentoring programme would help to address the fear of responsibility with governance & compliance with regulation.

DLDC is of the view that the exploration/ investigation of new models of working such as umbrella structures, should be a clearly stated policy objective. There is a need to create an ecosystem that supports new initiatives that will allow volunteers to work at their stated core objectives while the governance and regulatory requirements are managed centrally. We

believe that the new policy should encourage and support new structures to allow new and innovative ideas to flourish.

Access to Finance and Funding.

The policy should examine the possibility of providing funding for Social Enterprises. It is essential that some seed finance be made available to the sector to cover items such as insurance and indemnity for volunteers.

There is a trend to provide funding for community initiatives by way of a competitive process. This approach is not appropriate as it skews the assessment process away from the central issues of business viability and social impacts. It also belittles those not funded and militates against new start-up projects.

DLDC believes that the policy should support education and training particularly in the area of finances and the role of debt in the development of new enterprises.

The rate of interest charged to Social Enterprises is high by international standards. While recognising that the market for financing Social Enterprises in Ireland is comparatively small, the policy should have a target of reducing the rates for charities in the sector. This could involve either rates subsidies, underwriting risk or the provision of supports for new players.

Enabling Market Opportunities

DLDC believe that the policy should support the adoption of the new EU directives that provide for beneficial procurement criteria to charities or not for profits when competing with the private sector.

Ireland's national procurement policy should mirror the best international practice on the procurement of social services including services that the private sector deems as not viable.