

From: Norman Thompson [REDACTED]
Sent: 14 May 2019 14:20
To: DRCD SEConsultation
Cc: Mary MacSweeney
Subject: Public Consultation on Draft National Social Enterprise Policy for Ireland 2019-2022 (Submission from Dublin City Social Enterprise Committee)
Attachments: Dublin City Social Enterprise Committee Submission re Draft National Soc....docx; Dublin City Social Enterprise Awards - Impact Report.pdf

Dear Minister Ring,

In regard to the public consultation on the draft National Social Enterprise Policy - please find attached the submission from the Dublin City Social Enterprise Committee.

On behalf of the committee: Thank you for the opportunity to consider the draft and make a submission.

PS – please also find attached a copy of the: Dublin City Social Enterprise Awards – Impact Report, as this is referenced within the submission.

Kind regards,

Norman Thompson

Economic Development Researcher

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From: Dublin City Social Enterprise Committee

The Dublin City Social Enterprise Committee is a subcommittee of the Economic Development and Enterprise Strategic Policy Committee (SPC) – Dublin City Council. This subcommittee has been operating for a number of years and is chaired by Dublin City Council and comprised of representatives of key stakeholders and relevant organisations regarding social enterprise development locally and nationally. The remit of the committee includes identifying areas of need and opportunity for social enterprise development, contributing to oversight and policy development and supporting the start-up and scaling of social enterprises in Dublin city.

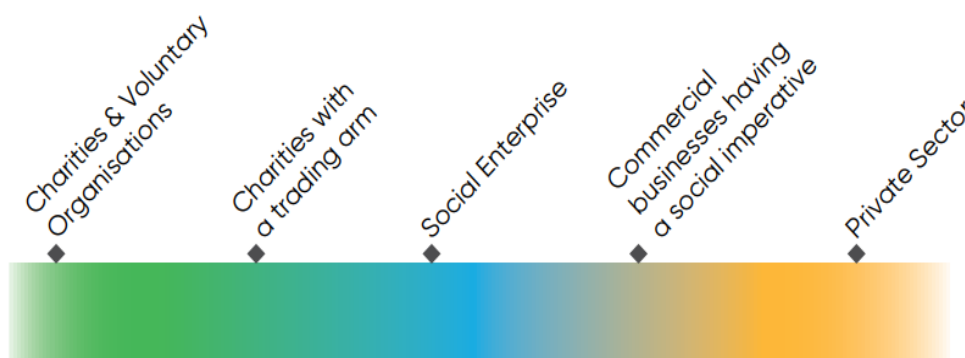
The committee supports the formulation of a national social enterprise policy and acknowledges the positive efforts and work to create this draft policy so far and also welcomes the opportunity to comment on the draft policy document. Stemming from the committee's experience since it was created in 2016, and from the individual members' experience in their respective organisations – the committee wishes to make a number of observations and suggestions regarding the draft policy. These are made in order of the sections within the draft policy document as set out below:

- **1 Introduction (p. 2-5)**

Background:

The introduction firmly positions the draft policy and social enterprise within the community and voluntary and the not for profit sector and policy area. The committee is of the view that social enterprise should be seen as a separate sector, which would better position it in gaining the recognition and support required from the public and support organisations in assisting its future development.

From experience in supporting social enterprises on the ground and in line with national and international policy and reports - The committee subscribes that social enterprises are more accurately and in reality positioned between the community and voluntary / not for profit sector and the private / for profit sector as demonstrated in the diagram below. For example: in a recently completed: Impact Report on the Dublin City Social Enterprise Awards (co-funded by the Department of Rural and Community Development) – very few (3 of 17) of the previous awardees had charity status.



The Social Enterprise Spectrum

We believe that positioning social enterprises in the community and voluntary sector risks alienating existing social enterprises which do not see themselves in and/or are not in this sector and alienating them from relevant and potential supports, links and opportunities within the private sector. Doing so may also fail to reach potential customers for these social enterprises.

Why we are publishing this Policy:

The committee strongly agrees with the reasoning to develop a policy and welcomes that the Department of Rural and Community Development is centrally and strategically overseeing national social enterprise development.

However as social enterprises typically occupy a space in between the charity / voluntary sector and the private sector and exhibit characteristics of both sectors as a type of hybrid organisation – the committee suggests that the Department of Business, Enterprise and Innovation should also be involved in formulating and implementing policy regarding social enterprise.

We suggest that in addition to ‘policy on social enterprise being developed in a coordinated and integrated way alongside policies for the wider non-profit sector, including the Strategy to Support the Community and Voluntary Sectors in Ireland, and the forthcoming National Volunteering Strategy’ that social enterprise policy would be developed in an integrated way with existing and future economic development and enterprise policy formulated by the Department of Business, Enterprise and Innovation.

This would help ensure that social enterprise is positioned in a balanced way between the community / voluntary sector and the private sector and would help ensure that social enterprises can avail of a wider range of enterprises supports, opportunities and networks.

Regarding the policy implementation group, we suggest that actual social enterprise practitioners/founders/managers are included in the group as they have unique insight into how policy intervention support actions on the ground.

- **2 Understanding Social Enterprises**

Defining Social Enterprise:

Although the proposed definition may create additional clarity in some ways regarding social enterprise, we are concerned that if this definition is not broadened, in line with national and international definitions, it will damage the social enterprise sector. The committee does not agree with the draft policy definition as we believe it is too narrow, exclusive and focused on one type of social enterprise: the social enterprise model which has managed to obtain charity status.

While charity status is not explicitly stated in the draft definition, the requirement that a social enterprise should have a voluntary board and an asset lock implies that they should have charity status, which in our experience is beyond the desire, focus or remit of many of the social enterprises that are successfully operating, some of which have been directly supported by the committee or other award schemes in the past.

We believe this definition if agreed, will likely reduce the amount of new entrants / social enterprises and has the potential to stifle innovation in the sector and starve some of the existing social enterprise

of the supports, recognition and opportunities they deserve. As well – as raised by one of the committee members who has tried to obtain charity status for their successful and well established social enterprise on a number of occasions – applying for charity status is a difficult, time consuming process for which in their case has not resulted in their social enterprise receiving charity status.

The committee to date has actively used the definition proposed within the Forfás 2013 Report:

‘A social enterprise is an enterprise: (i.) that trades for a social/societal purpose; (ii.) where at least part of its income is earned from its trading activity; (iii.) is separate from government; and (iv.) where the surplus is primarily re-invested in the social objective’. Forfás (2013, p. 10)

We also note another definition from an international perspective and in line with relevant academia, from the OECD / European Union (2017, p. 22) which define social enterprise as:

“an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities”

In a recent Impact Report on the Dublin City Social Enterprise Awards – a key support and initiative that the committee operates to support social enterprise development – 17 of the 19 previous awardees participated in a survey which provides key insights from the sector. Only 3 of the 17 had charity status and 4 stated that they were for profit social enterprises. As well many of the social enterprises supported do not have voluntary boards in place. The vast majority are companies limited by guarantee.

(Please find these Impact Report attached separately)

Synergy with the community and voluntary tradition:

The draft highlights the synergy of social enterprise with the community and voluntary sector and references relevant policy. We wish to highlight that there is also an equal synergy with the enterprise and private sector. Social enterprise is referenced in enterprise policy such as:

Action Plan for Jobs 2018 (Department of Business, Innovation and Enterprise)

And in the context of Dublin City, within the Dublin City Local Economic and Community Plan within Goal 9: Develop the eco-system of start-ups, social enterprise, micro-business and small business in the city economy

Local Level Support:

In regard to Local Authorities, the draft references Dublin City Council’s support for social enterprise development. We wish to highlight that within Dublin City Council, this support and the tangible initiatives such as training, mentoring, awards and promotion of social enterprises has been primarily led and conducted by the Economic Development Office. A major implication of positioning social enterprise in the community sector as per the draft policy - is that social enterprise development would then fall under the remit of the community department etc within local authorities. The relevance of

economic development being intrinsically involved would diminish which would mean social enterprises would be also less linked to entrepreneurial ecosystems, networks, opportunities and supports. In our experience, social enterprises often need support to become more entrepreneurial in regard to their operations, sales, marketing etc. Therefore positioning them so deeply within the community and voluntary sector risks reducing their entrepreneurial drive and sustainability.

As well the draft highlights Local Enterprise Offices as a support for social enterprises.

In the context of Local Enterprise Office – Dublin City, some supports have been altered slightly or added to, in order to make them relevant to social enterprises as well. Dedicated social enterprise training programmes and events have been delivered through the LEO and existing mentors on the LEO panel have provided mentoring to various social enterprises. Mainstreaming social enterprise within the LEO has worked well with social enterprises increasingly networking with and learning from conventional enterprises and vice versa.

The main remit of LEO's is to support for profit / businesses however. Using the proposed definition and positioning of social enterprises in the community and voluntary sector within the draft however risks shifting social enterprises away from potential LEO supports.

This may stifle the potential growth of social enterprises as LEO supports are part of a national, well-established, extensive and dynamic resource and network from which social enterprises can potentially draw from.

An example of a social enterprise which has availed of LEO Dublin City Supports is:

Change Donations. This social enterprise is a Private Company Ltd by shares which operates as a for profit social enterprise. On account of their for profit status, they were eligible to apply for a feasibility grant from the LEO – Dublin City. This social enterprise is growing quickly while winning various awards including the inaugural Business Spirit Award in the Best Idea category at Responsible Innovation Summit 2018; won the 'One to watch' award at Future Scope 2019 and won the 'Best Idea' award – at the Dublin City final of Irelands Best Young Entrepreneur.

<https://www.changedonations.com/about>

- **3 Establishing Policy Objectives**

The committee supports the proposed policy objections.

- **4 Policy Objective 1 – Creating Awareness of Social Enterprise**

(1) Working closely with social enterprise stakeholders to develop an Awareness Strategy to raise the profile of social enterprise in Ireland.

(2) Identifying, with social enterprise stakeholders, best practice examples of social enterprises to improve public understanding of such enterprises and to highlight their contribution to society and the economy.

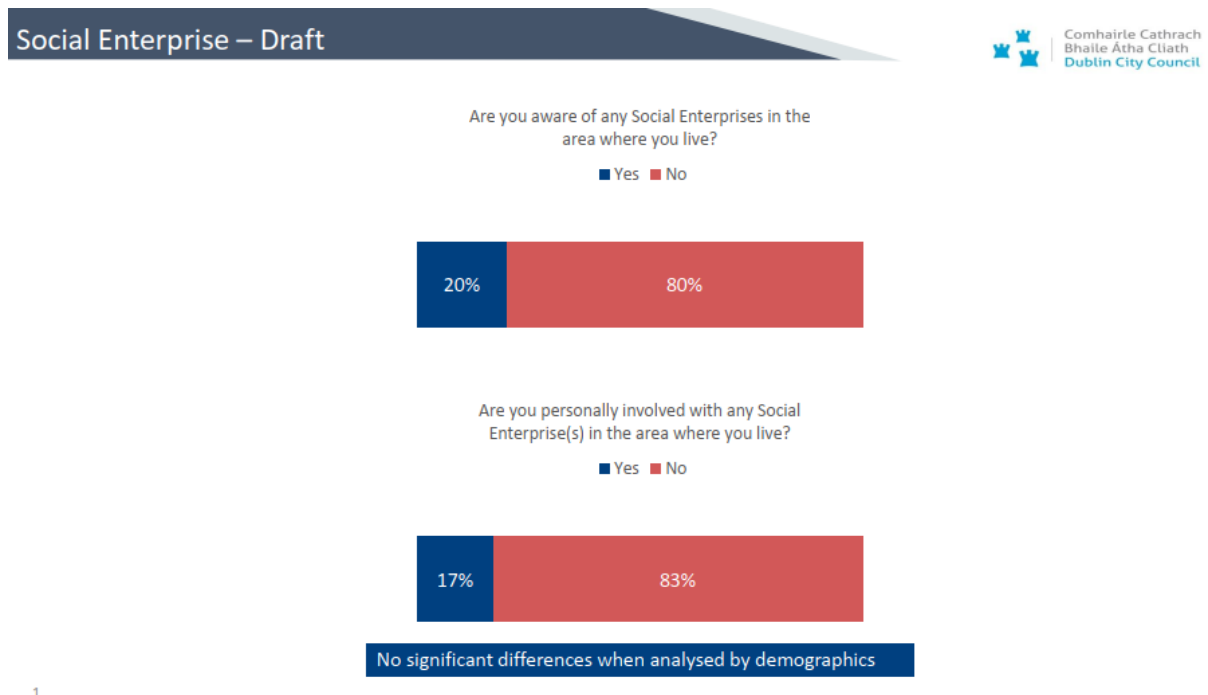
(3) Holding an annual Social Enterprise Forum for all stakeholders to participate in shaping policy, building understanding of social enterprise, disseminating information, and sharing best practice.

Some comments / suggested additional actions are:

(1) In regard to awareness, the lack of awareness concerning social enterprise in Dublin City was highlighted in the findings of the latest survey of the: Your Dublin, Your Voice – citizen engagement and opinion panel.

(The opinion panel consists of over 3,500 members which are representative of diverse backgrounds <http://www.dublincity.ie/main-menu-services-business-economic-development-local-enterprise-office/your-dublin-your-voice>)

Preliminary results from the latest Your Dublin, Your Voice conducted on the theme of “Community & Involvement” in March 2019 showed that only 20% of those surveyed were aware of any Social Enterprises in the area in which they live. Of those that stated that they were aware, 17% were personally involved in Social Enterprise. There were no significant differences in responses when analysed by demographics. (For reference there were 917 respondents to the survey)



(2) Ensure that social enterprise stakeholders include social enterprise practitioners.

(3) As part of the forum - a national social enterprise conference/day could be hosted to celebrate and highlight local social enterprise. In addition or alternatively – the day could integrate with the international social enterprise day that takes place annually. This day should also support leadership and capacity building among social enterprise practitioners.

(4) Supporting social innovation and social enterprise start-ups through targeted programmes and initiatives.

(5) Exploring the scope for further inclusion of social enterprise and social entrepreneurship modules in the education and training system.

(6) Working with education and research bodies to further support the development of social innovation

Some suggested additional actions are:

- (4) Targeted programmes and initiatives could potentially be conducted through the extensive and national LEO network or existing courses such as Start Your Own Business courses could be altered to include a section on social enterprise.

A specific social enterprise grant could be introduced as one of the grant options which Local Enterprise Office's provide or the grant eligibility criteria of existing LEO grants could be altered to allow social enterprises to apply. In addition to this or instead - stemming from the success of the Dublin City Social Enterprise Awards, perhaps other Local Authorities could also host a local social enterprise award scheme or could operate it on a regional basis with other neighbouring local authorities. This could be a means to provide seed funding to early stage social enterprises as has been the case in Dublin and would also serve to highlight social enterprises operating locally.

- (5) The schools enterprise programme which LEO's conduct in local schools - could be adapted to include social enterprise as a potential model for students to use.
- (6) Perhaps social enterprise research scholarships could be created in partnership with research bodies / universities and practitioners.

- **5. Policy Objective Two - Growing and Strengthening Social Enterprise**

Enabling Market Opportunities:

15. Supporting capacity-building for social enterprises in relation to procurement processes through workshops and training.

16. Working with stakeholders to identify how to improve opportunities for social enterprises in the business-to-business supply-chain.

17. Helping policy makers to better understand how procurement can be used to facilitate the advancement of social policy objectives within appropriate and structured public procurement guidelines.

Some suggested additional actions are:

In addition to the proposed actions regarding procurement we suggest that there is an exploration of how public bodies could be further encouraged to include social impact / benefit clauses within tender calls. As well we suggest initiatives to encourage or set targets for public bodies to procure directly from local social enterprises. This could be a key enabler for local social enterprises to grow.

Buying / procuring from local social enterprises can also be conducted via small purchases that are below the tender threshold.

For example: Dublin City Council has procured from local social enterprises including for event catering from a local social enterprise café; meeting and event space in a social enterprise; videography work by a social enterprise – media producer; and trophy awards – made by a social enterprise workshop.

These purchases although small (ranging from €100 - €1000) can greatly help local social enterprises in developing sales expertise, new or bespoke services / products, networks and also credibility.

- 6. Policy Objective Three - Achieving Better Policy Alignment

18. *Developing a better understanding of the interaction between social enterprises and relevant policy areas across Government to ensure closer alignment with social enterprise and enabling social enterprises to increase their contribution to delivering on policy objectives.*

19. *Ensuring that Ireland engages closely on social enterprise policy developments at international level so that Ireland can influence international Social Enterprise policy development and, where relevant, social enterprises can benefit from international supports*

Interaction with national and international policies: We suggest that the regional spatial and economic strategies of the regional authorities and the local economic and community plans within Local Authorities are aligned to social enterprise policy and used as conduits to highlight and encourage local social enterprise development throughout Ireland. Local Economic and Community Plans (LECP's) in each Local Authority seek to encourage and promote integrated economic and community development. LECPs could be further used to champion local social enterprise development as a means to achieve integrated development and a range of local economic and community benefits.

As well, Local Authority development plans could be used as conduits to highlight and encourage social enterprise development. In the case of the Dublin City Development Plan 2016-2021 the following references are made to social enterprise:

Dublin City Development Plan 2016-2022

Social entrepreneurs and social enterprise have a major role to play in improving the economy and quality of life in the city.

It is the Policy of Dublin City Council:

CEE21: (vi) To promote and facilitate Dublin City as a hub for social enterprise in order to help address some of the critical needs within the city.

(Dublin City Development Plan 2016-2021, 2016, p. 96 & 98)

References

CPA Ireland. (2018). *Social Enterprise - The Irish and International Landscape*. Dublin: The Institute of Certified Public Accountants in Ireland.

Dublin City Council. (2016). *Dublin City Development Plan 2016-2021*. Dublin: Dublin City Council.

Forfás. (2013). *Social Enterprise in Ireland, Sectoral Opportunities and Policy Issues*. Dublin: Forfás.

OECD/EU. (2017). *Boosting Social Enterprise Development: Good Practice Compendium*. Paris: OECD Publishing.