**Input for Louth LEADER Partnership Submission in relation to the draft National Social Enterprise Policy for Ireland 2019-2022**

**Definition**

The definition of a social enterprise needs further work.

Profit is an important word to include in the definition of a social enterprise. In order to be sustainable, social enterprises need to be **profit making but not profit taking - i.e. they reinvest it back into the business for instance for the purposes of the development of new services and products or for the purchase of equipment or buildings.**

The Forfas 'Social Enterprise in Ireland, Sectoral Opportunities and Policy Issues' defines social enterprise as "*an enterprise that trades for a social/societal purpose, where at least part of its income is earned from its trading activity, is separate from government and where the surplus is primarily re-invested in the social objective*". This was the draft definition used in the Louth social enterprise strategy survey.

Governance should be transparent.

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**Policy Objective One - Creating Awareness of Social Enterprise policy measures:**

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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.

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**Questions for consideration:**

- Are these suggested policy measures sufficient to achieve the objective of raising greater awareness of social enterprise?
- Are there other actions the Government could consider to raise awareness of social enterprise, and if so, what are those actions?

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**Some clarification's/additions are needed as follows**:

Re Policy Measure 1

- Awareness strategy is a good idea. Need to ensure it cuts across all parts of Ireland - rural and urban.
- Various references are made within the draft Strategy to social enterprise stakeholders, but no definition is provided. This omission needs to be addressed, ensuring the key stakeholders are clearly identified from the outset making policy measure 1 more effective.
- There is a need to raise public awareness of social enterprise - creating a national movement and recognition for its value and benefits to society
- Greater clarity in needed regarding with whom the awareness raising work will be undertaken. Ideally it would be undertaken with relevant a) Government Departments, funders and state agencies - with a focus on procurement and alternative service delivery models b) local organisations c) existing and emerging social enterprises, d) private business community - with a focus on the value that social enterprises can bring to the field of innovation and in developing partnerships with private / social enterprises and e) the general public - social enterprises are driving forward the development of ethical and socially responsible businesses in Ireland - but need to be more visible and recognised
- Sufficient dedicated resources need to be provided for this awareness raising strategy.

Re: Policy Measure 2

- Need a continuum diagram that demonstrates the difference between a charity/ voluntary organisation and a social enterprise and a private sector business
- Need to go beyond identification of good practice, to analysis, synthesis and publication of good practice case studies (again this needs to be resourced).
- Awareness raising with the public is key to giving social enterprise its rightful place within the business sector in Ireland
- Social enterprises need good leaders - need to ensure leadership and transparent governance skills for social enterprises are supported
- Need something in the report about the different legal structures that social enterprises can take - suggest that further research is required on this.

Re: Policy Measure 3

- Need clarification in relation to how an annual Social Enterprise Forum will be used to shape policy - who would be the membership of this?.
- Ideally the Forum would be held in different geographical locations annually to ensure social enterprises outside of the capital have an opportunity to participate - outline how they would feed into the wider forum.
- The Annual National Forum could be mirrored and supported by An Annual County/City Forum, designed to facilitate local networking.
- Hosting international gatherings / symposiums about social enterprise can also help to raise the profile of Ireland as a place with an enabling and supportive social enterprise ecosystem

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

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**Questions for consideration:**

- Are these suggested policy measures sufficient to achieve the objective of increasing social enterprise initiation?
- Are there other actions the Government could consider to achieve this objective, and if so, what are those actions?

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**Some clarification's/additions are needed as follows**:

**Re Policy Measure 4**

- Social innovation should be further defined to demonstrate the game changing potential it has to reshape public services further up the food chain. "*Social innovation is the process of developing and deploying effective solutions to challenging and often systemic social and environmental issues in support of social progress". "Social innovation is not the prerogative or privilege of any organizational form or legal structure. Solutions often require the active collaboration of constituents across government, business, and the non-profit world."* (Stanford Business School)
- It would important that these programmes and initiatives have specific and dedicated resources (including support staff and financial resources to support enterprises and international learning opportunities).
- A glossary of terms would be useful

**Re: Policy Measure 5**

- It would be useful to first map the social enterprise and social entrepreneurship modules currently available in the education and training system (including the IT's and specifically Dundalk IT) as well as in schools at all levels and within the youth work sector etc. Social Enterprise language and thinking becoming the norm at a young age is important
- Need to clarify at what level within the education and training system. (targeted at children, young people, adults).
- 'Exploring the scope' is vague- need more specific in terms of what this entails
- Explore the idea of a School for Social Entrepreneurs within existing ITs or a School for Social Entrepreneurs, Social Innovation and Social Enterprise. There is an existing School for Social Entrepreneurs in Ireland based at the Ulster University and the Flax Trust designed to promote sustainable community enterprise and economic development in Ireland which could complement the work of the Young Social Innovators programme, supported by the Department of Rural and Community Development.
- Peer to Peer support was also identified as part of our consultation as a way of supporting each other

- Include greater awareness of social enterprise in CPD courses for solicitors, accountants, bankers/ lenders etc who could then mentor emerging social enterprises in their local areas

**Re: Policy Measure 6**

- This work needs to be done in association with key social enterprise stakeholders including Universities and the ITs. There is much that can be learned from other parts of the world in regard of social innovation practice, much of which would complement the work and activities of the active social enterprise Sector in Ireland

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

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7. Compiling and making available information on the various business supports available to social enterprises, along with details of the providers of those supports.

8. Identifying any gaps which may exist in business supports available to social enterprises and working to address those gaps.

9. Providing access to advice and supports to assist social enterprises and social entrepreneurs to develop their business proposals.

10. Providing tailored training for social enterprises to help them to improve their business potential as well as leadership and governance skills.

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**Questions for consideration:**

- Are these suggested policy measures sufficient to achieve the objective?
- Are there other actions the Government could consider to achieve this objective, and if so, what are those actions?

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**Some clarification's/additions are needed as follows**:

**Re: Policy Measure 7:**

- This is a useful action that needs to be done at national and local level. Responsibility for this area of work needs to be allocated to a specific organisation in each county/city area and they would be resourced accordingly
- Recognising the plethora of support organisations that are already in existence in Ireland and being clear on their role
- Our consultation process identified the idea of building local partnerships of like-minded social enterprises who together can create a greater reach and who have a greater strength both in their buying power and in the creation of new opportunities for procurement and in the development of collaborative models for innovative service development and delivery. This should also recognise the value of public/ social enterprise partnerships and private/ social enterprise partnerships
- The information needs to identify supports available for social enterprise, social entrepreneurship and social innovation

- There needs to be clarity on the key differences in this type of support and that of private sector businesses e.g. social mission, triple bottom line, Social Return on Investment, transparent governance, asset lock etc. but also recognising that there are significant similarities
- Our consultation recognised the importance of better communication and less competition among the sector - how to build trust and mutual support was important
- Examining career progression for social entrepreneurs and those working in social enterprises is important with CPD courses in core aspects of innovative social enterprise supported

**Re: Policy Measure 8, 9 and 10**:

- Need clarification on who is going to manage this work and how it will be resourced on an ongoing basis. Ideally responsibility for this work would be allocated to a specific organisation in each county/city area and they would be resourced accordingly.
- Where gaps exist, it will be important to identify how these will be met and how they will be resourced - e.g. innovative procurement practices, collaboration and partnership building, marketing, scaling, exporting etc.
- Review what else is offered on the island of Ireland as well and see how this can be tailored locally

*Access to Finance and Funding*

*11. Cataloguing and disseminating information on financing/funding schemes available to social enterprises at national and EU levels.*

*12. Identifying gaps in financing/funding schemes and working to address those gaps.*

*13. Exploring the potential for new innovative funding schemes for social enterprise.*

*14. Seeking to improve alignment of funding schemes to support the objectives of social enterprises, whilst avoiding any displacement of existing supports for Community and Voluntary organisations.*

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**Questions for consideration:**

• Are these suggested policy measures sufficient to achieve the objective of improving access to finance and funding for social enterprises?

• How could current government funding streams be improved to support social enterprises?

• Are there other actions the Government could consider to achieve this objective, and if so, what are those actions?

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**Some clarification's/additions are needed as follows**:

**Policy Measure 11-14**:

- Need clarification in relation to who is going to undertake and manage this work and how it will be resourced on an ongoing basis. Ideally responsibility for this work would be allocated to a specific organisation at national level and in each county/city area and they would be resourced accordingly.

**In addition:**

- Our research has found that many community enterprises are highly risk averse and few have actually taken a loan to upscale their social enterprise. Many are also of the view that if they build up reserves from trading that this can negatively affect their ability to apply for grants. The Strategy needs to include a measure that addresses these fears and concerns and address issues around the appetite for risk.
- Examining how different models have worked in other places, such as Scotland, could help to identify the potential for new innovative funding schemes for social enterprise in Ireland, recognising the different cultures that exist in every country and how these shapes the nature of that support. This needs to outline and recognise the risks and the varying appetite for these schemes - e.g. small-scale lending and blended capital (mixing grants and loans), patient recoverable capital (over longer timeframes), and repayable grants.
- There should be some discussion / collaboration with other funders to help social enterprises to test new ideas, services and products and to develop a track record and a confidence to then think more seriously about debt finance - thus slowly moving away from grant income
- There needs to be a section on funding for market research/ feasibility of ideas, start-ups, scaling up, growth etc.

*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.*

***Questions for consideration:***

• Are these suggested policy measures sufficient to achieve the objective of improving market opportunities for social enterprises?

• Are there other actions the Government could consider to achieve this objective, and if so, what are those actions?

• What should the Government's priority be in working towards achieving this objective?

**Some clarification's/additions are needed as follows**:

**Policy Measures 15-17**

- The spirit of policy measures 15-17 is positive, but sufficiency can only be judged when details are provided in relation to who will undertake this work both at national and local level and how it will be resourced.
- This requires specialised support to and encouragement of social enterprises to learn the skills involved in public procurement, to build up materials relating to these opportunities and to encourage those that publicly procure to elongate their procurement process so that those interested have more time to build collaborative partnerships. Sometimes being time poor is a barrier in pursuing this for many social enterprises.
- Engage with the private sector to increase the level of social purchasing by private companies. This requires raising awareness of opportunities to buy from social enterprises, and to understand the business, environmental, social and community benefits

**Policy Measure 17**

- Should align with EU guidance on the promotion of strategic public procurement, such as the "Buying social: a Guide to taking account of social considerations in public procurement" and with the Office of Government Procurement "Information Note on Incorporating Social Considerations into Public Procurement. (See Buy Social in Northern Ireland https://buysocialni.org/)
- Ideally should include some practical piloting of social clauses within procurement processes
- This requires specialised support to and encouragement of public sector partners, nationally and locally to develop a deeper understanding of social enterprise and a commitment to new and innovative collaborative commissioning practices
- There needs to be a discussion here on different types of procurement / public tendering procedures - e.g. competitive dialogue, innovation partnership, collaborative commissioning practices like public social partnerships

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**Policy Objective Three - Achieving Better Policy Alignment**

*Interaction with national and international policies*

*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.*

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**Questions for consideration**

• Are these suggested policy measures sufficient to achieve the objective of achieving better policy alignment for social enterprises?

• Are there other actions the Government could consider to achieve this objective, and if so, what are those actions?

• *Are there specific areas of Government policy which are causing difficulty for social enterprises, or which could be improved?*

• *What should the Government's priority be in working towards achieving this objective?*

*Data and impact*

*20. Improving data collection relating to the extent of social enterprise and the areas in which social enterprises operate.*

*21. Developing mechanisms to measure the social and economic impact of social enterprises across the full spectrum of social enterprise.*

**Questions for consideration:**

• Are there other actions could the Government consider to establish a reliable evidence base for social enterprises?

• What should the Government's priority be in working towards achieving this objective?

**Some clarification's/additions are needed as follows**:

**Policy Measures 18-21**

- The spirit of policy measures 18-21 is positive, but sufficiency can only be judged when details are provided in relation to who will undertake this work both at national and local level and how it will be resourced.
- Social enterprises should be measured on both their social and commercial performance and should be able to produce evidence that demonstrates how well they deliver, their impacts/ evidence (social, economic and environmental), and how well they live their values. A pan Irish approach could be developed that measures impact across the Country. This could help coordinate and create consistency in data gathering but can also be flexible enough to take account of the differences that exist across the Country. The skills to implement any model will need to be developed as part of a social enterprise training programme or on its own as a separate module. Any model should be proportionate.

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