

PAUL Partnership
Limerick CLG



Submission on the Draft
National Social Enterprise Policy for
Ireland 2019 – 2022

Date: May 14th 2019

PAUL Partnership

PAUL Partnership is the Local Development Company (LDC) for Limerick City. Since our establishment in 1989, we have engaged with individuals and organisations based in communities classified as disadvantaged in Limerick City. We have a long tradition of working with organisations to support the start up and scaling of social enterprise, initially through our community development work in the 1990's and 2000's and most recently under the Social Inclusion and Community Activation (SICAP) programme. We have engaged at a local, regional and national level in advocating the development of the social economy in Ireland. We have worked as part of the ILDN Social Economy Working Group to develop the 'Creating an Enabling Supportive Environment for the Social Enterprise Sector in Ireland' document in conjunction with the Kemmy Business School in UL. PAUL Partnership is one of 49 LDCs nationwide, 40 of whom have designated Social Enterprise support staff. Appendix 1 sets out the direct supports provided by PAUL Partnership to Social Enterprises in Limerick City.

PAUL Partnership welcomes the development of a National Policy on Social Enterprise and the assignment of the responsibility for Social Enterprise to the Department of Rural and Community Development. We recognise the unprecedented opportunity for policy on social enterprise to be developed in a coordinated and integrated way alongside policies for the wider non-profit sector and other related policies, all of which will have a direct positive impact on the communities we support.

General Observations

Some **definition of Displacement** in a Social Economy context would be useful. It needs to be clear that only having a direct negative impact on the economic viability of another business should be regarded as 'displacement'. The policy should also encourage Social Enterprises to collaborate and complement each other's business rather than to 'compete' or displace other businesses.

The policy should emphasise the potential of **ethical procurement** policy to the Social Enterprise sector. This should be based on international best practice in the area.

We welcome the proposed establishment of an **'Implementation Group'** and a single entity to represent the needs of the Social Enterprise sector at a national level. The make up and role of the 'Implementation Group' will be critical to the success of the sector generally. As the representative organisation for 40 LDCs with Social Enterprise Support personnel on the ground, the ILDN should play a leading role in the implementation of this aspect of the policy.

We also make 13 recommendations specific to the three stated policy objectives outlined in the draft policy:

Policy Objective One – Creating Awareness of Social Enterprises

1. There is a need for a clearer definition and **'branding'** of the 'Social Enterprise' sector. There are many businesses and organisations who are operating with a 'Social Remit' or who claim to be a 'Social Enterprise' but do not have the appropriate structures in place to ensure their

compliance with established best practice in the sector. Some kind of **a quality mark scheme** should be given strong consideration. This would require administrative support and a review process and would be best administered by the DRCD

2. The need for an annual **'Social Enterprise Forum'** has been included in the draft policy and is to be welcomed. This has already been initiated by the ILDN Social Enterprise Working Group with the first 'National Social Enterprise Forum & Expo' being run in Limerick on November 15th 2018, with the next one planned for Sligo in November 2019. We would **recommend collaboration between the ILDN SEWG and the Department** to deliver all future National SE Forums to meet the National SE Policy objectives
3. The ILDN Social Enterprise Working Group is currently assembling up to **40 Case Studies** (one from each area with a dedicated SE support person). These case studies provide a profile of the range of Social Enterprises operating across the country and if used in conjunction with the international best practice case studies available from the OECD, would **provide encouragement and guidance** for existing and new Social Enterprise as well as to those supporting them
4. An **up-to-date profile of the sector**, its size, impact, Social Return On Investment (SROI) etc. would be a critical tool for the promotion of the sector in future. The Forfás Report, for example, needs to be updated. The tools and framework for an ongoing review of the sector should be established without delay
5. There is a need for the inclusion of **'community benefit clauses'** in public procurement
6. The **focus on 'Social Innovation' is not representative** of the majority of Social Enterprises on the ground. The inclusion of 'Social Innovation' in the policy may act as a pretext for the withdrawal or undermining of supports and services to 'conventional' social enterprises and the opportunity to replicate best practice and proven models of social enterprise in other areas.. Social Enterprises need to be encouraged to respond to market failures and provide a range of goods and services that utilise established 'best practice' leading to more reliable and sustainable results and impacts. 'Innovation', while desirable, should not be a requirement for funding and/or support.

Policy Objective Two – Growing and Strengthening Social Enterprise

7. A specific **focus on Business Planning** would be recommended here. A SE Business Plan will act as a road map for social enterprise operators and it should be policy to encourage their use. The LDCs have a proven capacity in the Business Planning area and are, in many cases, already providing supports to SEs in this area
8. **Improve the links** between Corporate Social Responsibility (**CSR**) and existing and potential **Social Enterprises**. ILDN and the LDCs can act as a link on both a national and local level.
9. There has been an up-surge in the trend for **funds** to be provided on a **competitive basis**. This is not a welcome development. Those providing funds to the sector should be resourced to provide more direct support to SEs and **to simplify or facilitate the application process**.
10. There should be a system of **'in service' training** provided to registered Social Enterprise and those supporting them, to help them to up-skill staff and management on a range of topics, for example marketing and sales, customer service, finances, HR, governance etc.
11. While the definition of a Social Enterprise rightly states that a social enterprise should be governed by a **'voluntary board'**, this also generates a large number of challenges for many

SEs. Some specific focus on the need to provide **targeted support** to SEs on managing and optimising the effectiveness of their board would be welcome.

Policy Objective Three – Achieving Better Policy Alignment

12. We would suggest that the policies of other relevant government departments should be **'Social Enterprise Proofed'** to ensure that different departments are not operating in variance from this policy.
13. Again, the **Forfás report would need to be updated** to provide a clearer picture of the scale, impact and therefore, importance of the sector. This should be benchmarked against best practice in Europe/Internationally

Conclusion

PAUL Partnership welcomes the many recent initiatives taken by the Department of Rural and Community Development to regularise and prioritise the Social Enterprise Sector in Ireland and to facilitate it in reaching its full potential. The recommendations included in this document seek to build on this good start and are informed by the organisations direct on the ground experience working with and supporting Social Enterprises in Limerick City.

PAUL Partnership and the 49 other LDCs nationwide are best placed to implement many of the actions arising from this strategy. As a member of the ILDN Social Economy Working Group, PAUL Partnership also supports the recent submission made by the ILDN.

SOCIAL ENTERPRISE DEVELOPMENT

“A social enterprise is 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”*

We are here to help!

- SUPPORT THE DEVELOPMENT OF NEW SOCIAL ENTERPRISES
- SUPPORT AND ADVICE TO EXISTING SOCIAL ENTERPRISES
- BUSINESS PLANNING AND PROJECT FEASIBILITY
- IDENTIFYING SOCIAL ENTERPRISE SUPPORTS AND FUNDING OPPORTUNITIES
- SUPPORTING THE DEVELOPMENT OF SOCIAL ENTERPRISE FORUMS AND NETWORKS
- TO PROVIDE INFORMATION AND SUPPORT TO COMMUNITY GROUPS CONSIDERING A SOCIAL ENTERPRISE

PAUL
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Teaching the skills of entrepreneurship
to those who are often excluded
PÁIRTÍOCHT
PAUL
LUMINEACH

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* EU Definition of a Social Enterprise 18/05/18: http://ec.europa.eu/growth/sectors/social-economy/enterprises_en



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