



**Submission to the Public Consultation on
The National Social Enterprise Policy for Ireland 2019-2022**

May 2019

Waterford Social Enterprise Network (WSEN) – Our Story

Waterford Social Enterprise Network was formed in 2015 as a result of work by Senan Cooke, Dunhill Rural Enterprises Ltd (DREL) and Liz Riches, Waterford Area Partnership CLG, to bring together organisations in Waterford City & County that identify as Social Enterprises, community/voluntary organisations that aspire to trading as a Social Enterprise and individuals interested in Social Entrepreneurship. Following dialogue at regular meetings and workshops over the intervening years a mission statement and strategic action plan have been agreed.

Mission Statement

The Waterford Social Enterprise Network (WSEN) will provide a participative and collaborative space that supports the development of Social Enterprises in Waterford City & County.

Steering Committee

A Steering Committee drives the agenda for the meetings and actions and selects a Chairperson annually. Membership of the Steering Committee is open to all of those interested in furthering the mission of the network.

Administrative Support to the network is currently provided by Waterford Area Partnership through the Social Inclusion & Community Activation Programme (SICAP) social enterprise function until such time as the Steering Committee agrees otherwise.

Wider Membership

Contact with a wide network of interested individuals and groups for training and events is undertaken by WAP through its Social Enterprise Co-ordinator, and through Communities Creating Jobs which holds the master-list for those contacted under the 2016/17 Social Enterprise Mapping Project (Waterford). A wide range of these organisations have been involved in the activities detailed on p3.

Objectives of WSEN

1. To encourage and support the development of social and community businesses within Waterford.
2. To engage collectively in identifying the common development needs of the sector in Waterford, and to seek supports to meet those needs.
3. To lobby on behalf of the WSEN membership with regard to local, national, European and international social and community enterprise policy developments, strategies, structures and inclusion mechanisms.
4. To maintain and share information resources within the Network regarding sectoral developments, strategies, funding opportunities, research, innovation, practise and policy.
5. To profile and promote the sector, by showcasing successes, in particular with regard to the impact of the sector locally, regionally and nationally
6. To capture and share best practise and encourage learning and collaboration for sectoral and business development.

WSEN – Our Activities

Over the last 4 years a range of actions have been undertaken to benefit the development of the organisation, its members and the wider sector in Waterford. These include;

1. **Participation in the initial Pilot Mapping Survey 2016/2018** undertaken with the Social Finance Foundation, the Department of Rural and Community Development, UCC, DREL, Breffni Integrated Development Company and Ballyhoura Development Company.

By utilising a snowball methodology with intensive on the ground contact the Waterford Mapping Survey achieved a survey response of 51% which represented 168 self identifying social enterprises or aspiring social enterprises.

The results of this survey are due to be published and launched with a series of Waterford focused social enterprise case studies in June 2019.

The high level of participation and subsequent survey results have provided a baseline for the WSEN strategic action plan based on identified concerns, common needs and the potential development of the sector in Waterford

2. **Participation in training events on;** social impact measurements, making funding applications, social media and idea generation.
3. **The delivery of a 6 month pilot mentoring programme** in partnership with Waterford Local Enterprise Office to 4 social enterprises at different stages of development. A report on the very positive outcomes of the 6 month mentoring programme with LEO industry mentors and a planned progression programme is due to be completed in June 2019.
4. **Co-delivery of the Shakti Programme** for female migrants with Waterford Integration Services, SICAP & WWETB . This programme includes; accredited training in IT, English language classes, social enterprise idea generation and feasibility study production.
5. **The delivery, in partnership with An Cosan, of a Special Purpose Module on Social Enterprise Development (L6)** to 20 individuals representing existing or aspiring social enterprises and social entrepreneurs from Waterford
6. **Participation in national events** and dialogues with regard to the social enterprise sector
7. **The organisation of Social Saturday** in collaboration with the EU Suzy Programme
8. **Collaboration seminar with Waterford City Childcare Committee** on the potential of enterprise development within community childcare services
9. **The delivery of an idea generation seminar on the potential of the circular economy** to social enterprise development
10. **Collaborations with the Waterford Micro Business Network** on sales events to highlight goods and services offered and produced by the sector.
11. **Engagement with Waterford Institute of Technology (WIT)** and Waterford Chamber Skillsnet with regard to the development and delivery of a L7 Award in Social Enterprise Development and Management which is currently at validation stage.
12. **The sharing of resources,** information and sectoral updates
13. **Connections with other social enterprise organisations** in the wider South East to explore the development of a South East Regional Social Enterprise Network.

WSEN Steering Committee Members;

Dunhill Rural Enterprises Ltd (DREL)
Dunhill, Fenor, Boatstrand & Annestown Community Coalition (DFBA)
Renew Enterprises
Ballybeg Greens
Waterford Local Economic Development Company & Cill Barra Sport Centre
Waterford & Suir Valley Railway
Integration Services
Waterford Childcare Committee
Tory Services
Access IT
Litter Free Waterford
Communities Creating Jobs
Waterford Area Partnership Social Enterprise Co-ordinator

Chairperson 2019 – Ray Power, Ballybeg Greens



Waterford Social Enterprise Network

c/o Waterford Area Partnership

Westgate Business Park

Tramore Rd

Waterford

WSEN welcomes the opportunity to present its considerations of the draft National Social Enterprise Policy and recommendations for changes/alterations to the document based on our collective experiences. This submission is informed by its membership and is in addition to submissions made by WSEN member organisations and individuals directly to the public consultation.

Social Enterprise Definition

WSEN welcomes the broad definition of Social Enterprises included in the draft policy, particularly the inclusion of those having “an ambition to trade”.

The results of the Waterford Social Enterprise Mapping Survey indicate that there are a large number of small, community based and volunteer led organisations that are considering trading as an opportunity to ensure the sustainability of the provision of services and goods within their communities or to achieve their stated social objectives. They are actively exploring the different legal structures to best facilitate their objectives; limited company, charity, etc

WSEN supports the European recognition of a social economy “family” that includes, at one end, socially conscious or ethical businesses, and at the other social & community organisations and NGOs. Social Enterprises are within the centre of the family having both a trading imperative and a social objective imperative.

It is important to recognise this “family” as they can benefit and support each other, but it also enables the recognition of the “double bottom line” which exists for social enterprise; achieving a trading impact which enables business growth, and having an impact on their specific social objective.

It is this double bottom line imperative that emphasises the need for very specific and inter-connected supports to the social enterprise sector; support for achieving business growth and support for achieving social impact.

However, social enterprises must not be isolated from the wider commercial sector. WSEN believes there are, as yet, unexplored opportunities for working in collaboration with for profit companies beyond a simple donation model. By combining expertise and access to skills and resources, the partnering of social enterprises and for-profit organisations may leverage benefits to our communities which cannot be achieved in isolation.

Recommendation 1

- 1.1 The National Social Enterprise Policy and subsequent strategy should provide for a range of supports that recognise the unique place of the sector within the national economy and that understands the need for the support of dual growth expertise.
- 1.2 Whilst 4 WSEN affiliated social enterprises have accessed excellent business mentoring supports in the pilot collaborative programme with the Waterford Local Enterprise Office, it is recognised that the cost of meeting social objectives can be hampered by a range of challenges that in turn can impede economic growth.
- 1.3 If Social Enterprises are to achieve dual growth then funding to support their social objective and social impact, in consultation with the sector, is a necessary support cost; renovation & maintenance of heritage or community buildings, professional services costs such as HR, insurance costs etc.

Social Enterprise Governance Structures

Social Enterprises are fuelled by a huge level of voluntary activity from committed local activists who sit as voluntary legal directors on Boards of Management. These structures often include those to whose needs the enterprise is responding; individuals in recovery, those with specific social and health needs, people with a past criminal conviction, the homeless, members of the Traveller community, new communities etc.. Their participation is an essential element of community development.

The challenge to Social Enterprises is how to support this essential element as well as community volunteers within a highly demanding governance structure and with extremely limited resources. The skills required to manage a voluntary based organisation exceed those required for organisations staffed purely by employees on remunerated contracts. Training in these specialised management skills is extremely difficult to source.

Recommendation 2

- 2.1 The National Social Enterprise Policy should provide a commitment to a period of intensive work with all stakeholders, to assess the needs of the Social Enterprise Sector with regard to governance, required supports to voluntary Boards of Directors and/or to propose a new governance structure specific to the sector as exists in other European countries.
- 2.2 The National Social Enterprise Policy should commit to the development of a social impact measurement that enables the recognition and build of the value proposition of social enterprises.

Local Level Support

WSEN and its members' experiences of local level support is varied, and dependent, in the main, on individuals within organisations rather than comprehensive structural support. We have found significant inconsistencies within agencies regarding an understanding of the sector and willingness to learn about and engage with the sector. Whilst local authorities, through the Local Community Development Committee, have local responsibility for the oversight of Leader & SICAP, both programmes having a social enterprise remit, there is a no local level collaborative strategy specific to the social enterprise sector.

In Waterford we have consistently requested that the Local Authority becomes a member of the European Reves¹ network to enable learning and cross-country knowledge sharing for strategy development. We understand that there are currently no Irish Local Authorities aligned to the Reves network.

Recommendation 3

- 3.1 The National Social Enterprise Policy should provide an imperative, through the local authorities governing Department, for local authorities to actively align themselves with the

¹ REVES is the unique European organisation based on partnership between local and regional authorities and territorial social economy organisations.

Reves members are those local authorities or social economy organisation that are presently developing or are willing to develop policies to promote social and solidarity based economy, for a most fair, inclusive, participative and responsible society; a network of social innovation in terms both of methods and procedures based on co-construction and shared capacities of the members and their territories. (www.revesnetwork.eu)

national policy and to develop a local social enterprise support strategy that is built on nationally agreed mechanisms for collaboration and meaningful consultation at local level.

Local Development Companies

The Social Inclusion & Community Activation Programme (SICAP) provides for some support to social enterprises under its Goal 1 objectives. Whilst in Waterford this has supported the establishment of WSEN, its small level of grant support (up to €2,500 per annum) does not enable meaningful development of the sector within this programme. The provision of training, mentoring, networking, information sharing and activation of other agencies support is welcome but not realistic with regard to expected outcomes such as; “number of jobs developed as a result of SICAP support”². SICAP grant aid precludes funding for travel which removes the opportunity to support social enterprises to engage in local, regional and national networking.

In addition, those social enterprises that are urban based cannot access larger Leader funding.

Those that can access Leader support have reported to WSEN that the prohibitive application procedures and requirement for matched funding preclude many small, voluntary led organisations from having the capacity to apply. In many cases the voluntary element of the skills relied upon within social enterprises are viewed with suspicion irrespective of the level of proven social and economic success demonstrated to date.

Recommendation 4

4.1 That the National Policy recommends an alignment between available SICAP / Leader funding to urban and rural communities for social enterprise development and the provision of a beneficiary focused application process developed collaboratively by the Local Authority with in-built and realistic supports to voluntary governance structures. All social enterprise funding to be based on a participative and agreed local social enterprise strategy, removal of the matched funding imperative and inclusion of an agreed social impact metric.

4.2 SICAP should enable grant aid to social enterprises to support travel costs for networking.

Local Enterprise Offices (LEO)

WSEN have found individuals within Waterford LEO to be extremely supportive of the social enterprise sector locally and have a willingness to collaborate and share resources. We are currently completing the first 6 months of a pilot mentoring process with LEO which supported 4 social enterprises (3 currently trading and 1 pre-development) by surveying their business support needs and providing 1:1 mentoring support utilising their experienced industry mentors. This has proved to be a very fruitful intervention in delivering business planning, marketing, financial growth support and leadership management results for each social enterprise. A report on this activity and the proposed progression programme will be produced in June 2019.

² Performance Monitoring output on the SICAP IRIS CRM system

Recommendation 5

- 5.1 A collaborative approach to programme development and learning with the social enterprise sector is embedded nationally with regard to LEO objectives and performance indicators and is aligned with each proposed locally developed social enterprise strategy.

Dormant Accounts Funding through Pobal and the Social Innovation Fund Ireland (SIFI)

Pobal provides for dormant accounts funding to the Social Enterprise Sector. Despite submitted applications or attempts to submit applications there has been little success with this funding stream in Waterford. In part this is similar to the difficulties encountered with Leader funding and SIFI in that the amount of time needed to prepare for an application, the short time process given for submission and the call on already stretched volunteer time precludes most under-resourced social enterprises from applying. In the case of SIFI a theory of change model is required that is not familiar to social enterprises and in which they do not have the time or resources to undertake training.

Our experience would conclude that funding streams favour already established and large, high profile organisations that already have significant resource backing or have a volunteer profile that do not come from the most marginalised groups. Too often social enterprises are seen as being not main stream and therefore too high a risk.

Recommendation 6

- 6.1 The National Policy seeks to align funding streams aimed at social enterprises within a locally agreed and consulted strategy that involves the local social enterprise network in its development and implementation. This would enable supports to be delivered in a meaningful way based on an ongoing relationship and would change the current culture of divisive competition and antipathy towards local social enterprises.
- 6.2 A local funding strategy should focus on a spread of supports from pre-development through start up and growth and should include application support that is focused on positive outcomes.
- 6.3 Innovation support to the social enterprise sector should mirror innovation support to the for-profit sector and provide for engagement with enterprise innovation in third level institutions.

Policy Objective 1; Building Awareness of Social Enterprise

The importance of building awareness of social enterprise is understood by WSEN members in order to build on and develop businesses that respond to local need and that are driven by an agenda for socially responsible economic growth that considers people and the planet above the profits accrued by a few.

WSEN members also understand the importance of a mixed economy that can respond to different needs but within a mixed economy social enterprises need to be supported by a clear government strategy and strategic local state and community action.

The importance of an awareness of what a social enterprise is and what it isn't is underlined by the content of the Deloitte 2018 Global Human Capital Trends Report which, worryingly, states;

“organisations today are increasingly judged on the basis of their relationships with their worker, their customers, and their communities, as well as their impact on society at large-transforming them from *business* enterprises into *social* enterprises (sic)”.

The report goes on to define a social enterprise as;

“...an organisation whose mission combines revenue growth and profit making with the need to respect and support its environment and stakeholder network...”³

Unless DRCD seeks a clear stakeholder agreement on social enterprise the current confusion will see this space absorbed by others.

Care must be taken, however, to ensure that those who claim to speak for the sector do not drown out those organisations on the ground developed and maintained by significant voluntary effort. The Implementation Group itself must have significant performance indicators that include horizontal themes of participation and community development in order to ensure the engagement of those that currently have no voice.

Recommendation 7

- 7.1 WSEN recommends that the Implementation Group maintains a majority representation from actual social enterprises by the development of, and strategic support to, a local and regional social enterprise network structure that feeds into the Implementation Group.
- 7.2 We also recommend the involvement of the ILDN, the representative body for the Local Development Companies, with respect to its significant function in supporting social enterprises through Leader and SICAP.
- 7.3 WSEN recommends that the local, regional and national network structure is engaged in the development of a national awareness strategy in order to raise the profile of social enterprise in Ireland.
- 7.4 WSEN recommends that all stakeholders such as local authorities, Chambers of Commerce, LEOs, Enterprise Ireland, national heritage & culture organisations and other relevant government departments and state agencies are also targeted as part of the awareness strategy to ensure a cross government understanding of and commitment to the policy and strategy. These organisations should be set a requirement to demonstrate that they are delivering supports to social enterprises within their annual reports.
- 7.5 WSEN recommends a national roll out of the pilot social enterprise mapping survey, utilising the intensive methodology adopted in Waterford which enables a county by county profiling of the sector and subsequent publication of case studies in order to highlight the sector in each locality.
- 7.6 WSEN welcomes the suggestion of an annual Social Enterprise Forum but recommends that this is built into the development of a local, regional and national network structure. Social enterprises must be enabled and allowed to speak for themselves.

³ Deloitte Insights. The rise of the social enterprise. 2018 Deloitte Global Human Capital Trends

Initiating Social Enterprises

The Community Services Programme (CSP) has supported social enterprise development in Waterford but the programme itself is seen to have significant challenges. The programme is currently being reviewed. We understand that there is a particular issue within the programme regarding perceived displacement that has had an unfair negative impact on local organisations.

The development of social enterprises provides an important place for marginalised communities and those most distant from the labour market. It offers specific opportunities for migrant integration, skills development and independence. The utilisation and promotion of a design thinking methodological approach by the state to enabling social enterprises to access a range of support from scientists to mathematicians to artist within third level institutions would indicate an understanding and commitment to the potential that innovation in the sector can bring.

Recommendation 8

- 8.1 It is suggested that the Community Services Programme is re-invigorated and a period of expansion through the National Strategy is undertaken once the review is completed and that the significant concerns expressed by local organisations are addressed.
- 8.2 The development of the CSP should be based on its potential to be tailored to the specific needs of the organisation's social objective, be consulted through the local social enterprise network and be developed only as a part of each local social enterprise strategy.
- 8.3 WSEN recommends that the issue of social enterprise and displacement is given deep consideration and that a clear policy on the issue is agreed by all parties engaged in the National Strategy.
- 8.4 WSEN supports the exploration and delivery of a pilot Cumasu 22 project as proposed by DFBA (Dunhill, Fenor, Boatstrand & Annestown) which targets the creation of 10 jobs in participating communities following the completion of a community assets audit.

Business start-up demands significant investment and risk. It should not be expected that social enterprises are any different. In fact the investment required may need to be more significant as a result of the dual growth imperative.

Social Enterprises need to offer proper well paid employment in order to grow the business and to achieve social impact. Without human resources social enterprises cannot compete in the market and cannot network or develop.

In most instances some engagement with state funded Labour Market Activation Programmes are necessary (TUS, CE). There is not a clear fit with the needs of the social enterprise and the needs of the individual however, and the short term nature of the LMAPs do not benefit the business, for obvious reasons.

Under WAP SICAP social enterprise funding we are developing a start up model that takes groups from; awareness, building knowledge, idea generation to feasibility study and prototype. The costs are generally small and can be supported by collaborative funding. Once we move beyond the prototype/iteration stage costs will become greater and organisations will become stagnant unless start-up/incubation support for the sector is enabled.

It must be recognised that the presumption of the speed of growth applied to purely commercial organisations cannot be applied to social enterprises. Their primary goal to deliver reliable services and benefits to their communities demand they adopt a more risk averse approach. Where volunteers are enabled to participate, the speed of growth is often further reduced given the limited availability and unevenness of resource availability throughout the year. This should not be viewed by supporting agencies as a limitation but rather as an inherent difference in the nature of the service delivery model which can be equally as successful in the long term.

Social Enterprise hubs that provide on site support to developing social enterprises and traditional S/MEs need to be considered within local areas. In Waterford this need is evidenced by areas such as Dunhill and the work of DREL, and in Ballybeg where an organic growth of social enterprises has taken place on the community campus.

Recommendation 9

- 9.1 The policy must ensure a provision of seed capital funding to enable the start up of small social enterprises that are evidenced by the Waterford Mapping Survey.
- 9.2 Social Enterprises require full time paid employees to grow and develop. A programme that provides graded support for the employment of staff is essential in order to support start up and growth. It is not realistic to expect LMAPs to fill this need due to the likely contradictions between the needs of the individual and the needs of the enterprise.
- 9.3 There needs to be an understanding that like all businesses social enterprises require contextualisation and that supports may need to be tailored. The utilisation of design thinking methodologies for social enterprise ideation and development will demand that resources from multiple disciplines are available to organisations on the ground.
- 9.4 Support for governance structures with regard to good employment practise and access to HR expertise is also needed at different stages of business development.

Policy Objective 2; Growing and Strengthening Social Enterprise

WSEN welcomes the draft National Policy focus on the need for specific support and learning programmes for social enterprises that address; business expertise, governance, compliance and community development/social impact.

It is important to ally this with an understanding of the current barriers to board directors, volunteers and Managers developing this capacity. These are multiple and specific but our experience would show that the governance and management pressures on a volunteer board are significant and growing. Without full time, paid staff to manage and develop the day to day operations of the business and its social objective Boards are overwhelmed with addressing governance and operations. Enabling Boards to concentrate on oversight and compliance will support business growth and development.

Many social enterprises work out of community buildings which demand significant management with very few resources. Building maintenance and upgrade grants are essential to support the operation of such enterprises.

The complex needs of supporting the state to provide LMAPs is also a key factor. In most instances such programmes do not provide support to the organisation with regard to rent, utilities, HR support etc.

Recommendation 10

- 10.1 Addressing the gaps in finance and support with regard to direct costs to the business on an ongoing basis will, in turn, support the Board to focus on governance, compliance and business oversight and to undertake training to address gaps in their expertise.
- 10.2 Consideration should be given to the role of credit unions in providing support to social enterprise at a local level.
- 10.3 The policy should remove a “matched funding” imperative that exists within some currently available supports to social enterprises, replacing this with an agreed social impact metric.
- 10.4 Business supports need to come from those experienced in the dual growth imperative of the social enterprise and must be based on the identified needs of the organisation. Utilising a local network to gather this information and to identify appropriate responses is the best way to ensure that real needs are met and barriers to development are addressed.
- 10.5 Considerations to be given to the governance structure of social enterprises following a period of national research into operational models in other jurisdictions.
- 10.6 The delivery of outputs with regard to individuals on LMAPs must be aligned with the needs of the accommodating social enterprise.

Enabling Market Opportunities

Marketing expertise is a key feature of business development. This includes both traditional marketing and digital marketing. As with other business requirements this demands expert staff to capitalise on marketing opportunities and build a social enterprise brand.

Creating awareness and understanding of social enterprises would be supported by a national social enterprise brand identity or kite mark which can immediately identify to consumers that goods are produced or a service delivered with a social impact.

Recommendation 11

- 11.1 Graded funding for the employment of staff within a social enterprise that can build brand recognition, brand loyalty and utilise marketing expertise to grow markets and sustain customer relationships.
- 11.2 The development of a national social enterprise kitemark in consultation with the sector.
- 11.3 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.

Policy Objective 3; Achieving Better Policy Alignment

Recommendation 12

- 12.1 An inclusive Implementation Group, as outlined previously, should provide an expert advocacy role with other state agencies on issues that impact on social enterprise growth and align the National Social Enterprise Policy with relevant policies regarding the community & voluntary sector, the business sector and all Government Departments.

12.2 The development of learning opportunities, knowledge sharing and networking with other European and International organisations and networks to enable Irish social enterprises to access wider supports, build markets and increase their understanding of opportunities and new innovations should be co-ordinated by the Implementation Group through local and regional networking structures.

The stated core principles of the National Social Enterprise Policy lack clear reference to Participation and Community Development.

In order for the policy to effect real change and development within the sector it must place social enterprises at the centre of its strategic application and must understand and address the complexities of business growth that is also dependent on community growth. In doing so it must listen to and enable the voice of the smaller, community based social enterprises.

Recommendation 13

13.1 The core principles of the policy are altered to include Participation & Community Development.

13.2 The make-up of the Implementation Group supports the participation of social enterprises through a local and regional networking structure to ensure inclusion and to enable social enterprises to represent themselves not be represented by others.

ENDS