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**Sent:** Wednesday 31 January 2024 16:34  
**To:** DRCDC SE Consultation  
**Subject:** Social Enterprise Policy 2023/2024

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Hello,

Please find below IRD Duhallow's response to the Public Consultation for a new National Social Enterprise Policy for Ireland.

To begin with, we are delighted to see the formation of Ireland's second social enterprise policy. We believe the whole of Ireland experienced the important impact of social enterprises during the Covid 19 lockdowns. We have received vast amounts of positive feedback and reviews on our social enterprises - IRD Duhallow Community Laundry, IRD Duhallow Furniture Revamp and IRD Duhallow Warmer Homes - and the vital service they provided to the people of Duhallow during such challenging times. Along with our first-ever social enterprise, Duhallow Community Food Services which has expanded beyond our umbrella to become its own Company Limited by Guarantee since xxx, the beneficiaries stressed the importance of the service to them in their everyday lives. The challenging times are often the birthing ground for impactful social enterprise ideas which is why we must continue to grow the sector and raise awareness across Ireland of the crucial role they play in our society. Social enterprises have gathered fantastic momentum after Covid and along with the first National Social Enterprises strategy and it is vitally important to build upon this momentum.

#### Social Enterprise: Key Information and Data

The definition of social enterprises would be suitable but the line, "*independent of the public sector*" is not exclusive to all social enterprises. Many social enterprises are only surviving due to government-funded staff through community employment programmes or CSP contracts. As this situation is so prominent we believe the definition is misleading to include in the definition that Social Enterprises are independent from the public sector as so many rely on public sector funding. Of course, they are independent in their decision-making and their ownership but we feel that the number of social enterprises reliant on public funding should be presented to give a clearer picture of the sector. From the Baseline Data Collection, we know that "*60% of social enterprises with paid staff employ people through active labour market policies*" so it would be interesting to know how many social enterprises could survive without this aid. This is all to give a clearer picture of the realities of starting a social enterprise and running one.

We must look deeper into why 88% of social enterprises are registered as a charity. From speaking with other social enterprises many make the application for charitable status just so they can avail of certain funds. This again confuses those outside the sector on what social enterprises are and prevents them from having their unique status. Currently, there is the perception that social enterprises are *like* a charity, *like* a Co-op or *like* a CLG. More needs to be done to formulate a status that is independent of all these other forms so the public can clearly understand what a social enterprise is.

From the baseline Data Collection exercise, we know that 68% of social enterprises are concentrated in four sectors: Childcare, Community Infrastructure & Local Development, Health, Youth Services & Social Care and Heritage Festivals, Arts & Creative Industry. We recognise that each of these four sectors is a prominent feature of a Local Development Companies (LDC) everyday work. There is a clear link between LDCs and the work of social enterprises which is why we feel it is necessary to invest in LDCs and their Social Enterprise Development Officers due to the proven track record and vast experience of LDCs in the aforementioned sectors and beyond. The ability of the SE Development Officer to draw on funds such as SICAP and LEADER could help the SE sector grow and streamline the process for SE looking for help both financially and in other business and operational aspects. This point is affirmed by the list of activities on page 3 which are again all commonly carried out by LDCs. In our case,

IRD Duhallow would carry out all of the listed activities and have experienced professionals in positions to do so. Using LDCs as an incubator for budding social enterprises would make practical sense and provide the best possible start for these enterprises.

#### Policy Objective One - Building Awareness of Social Enterprises

Great work has been done on building awareness of social enterprises since the inception of the first policy. The next step we feel is having a social enterprise mark that consumers can look for and other businesses can be assured that the social enterprise is indeed a genuine social enterprise and that their operation is above board and safe to do business with. To further the awareness around social enterprises we would like to see a programme either linked to Foróige or the Gaisce awards that focuses on the formation of social enterprise ideas or through volunteering within social enterprises. Another option is to incorporate social enterprise ideas into the Young Social Innovators which is often partaken by Transition Year students. This would sew the seed of social entrepreneurial thinking in teenagers and hopefully grow into impactful social enterprises in years to come.

#### Policy Objective Two - Growing Social Enterprise

In this objective, there is much focus on public and private procurement and the issue in the sector as we see it relates to procurement and the fact that most social enterprises cannot carry out a substantial procurement contract. The majority of social enterprises (57%) in Ireland are microenterprises and therefore only have 1-9 staff. Couple this with the finding that 47% of the workforce is part-time it greatly limits the sector on its capacity to carry out public and private contracts. Knowing this, for a private business to award a tender to a micro-enterprise with nine or fewer staff would seem quite unlikely. This is based on the type and size of procurement contracts that are found on eTenders. We propose the idea of using the network to group similar social enterprises to create a consortium in which they could carry out procurement contracts. We see this as a far more realistic method of winning tenders, bringing private money into the sector and being able to carry out procurement contracts to a suitable standard.

There must be consistent funding streams for social enterprises as currently, it seems to be a battle amongst them all for grants and funding. Some SEs will just apply for a particular grant down to necessity and not because the outline of the particular grant suits them. Relying on once-off grants and funding instils much uncertainty and inhibits long-term vision for social enterprises. The use of CSP contracts can create more certainty and allow managers and leaders of SEs to plan for the long term.

#### Policy Objective Three - Climate Action Contribution

The promotion and support of social enterprises involved in the circular economy should continue and funding should be made available to purchase capital items to further the positive impact. Our flagship social enterprise in the Circular Economy space would be IRD Duhallow Furniture Revamp which has done fantastic work around diverting furniture and other material waste from landfills, to date 242.5 tons diverted from landfills and redistributed 220 tons. Our reuse paint project, Relove Paint, has progressed consistently and since May 2022 5,820kg of paint has been collected from three civic amenity sites. This has then been remixed and repackaged and to date, we have sold/donated 2,777 litres. A point I must raise again is around the experience of LDCs who are already involved in the circular economy and can act as an example to budding social enterprises. Strong consideration should be given to LDC's role in helping grow the sector.

We believe the idea of community-based energy is an exciting one. IRD Duhallow strives every day to create community wealth and autonomy across Duhallow so we are excited to see where this policy takes this idea.

#### Policy Objective Four - National and International Engagement

We would like to see specific training and networking opportunities for the Social Enterprise Development Officers in LDCs and also in the LEOs. Training these individuals will be cost-effective as they will then use these acquired skills and knowledge to help the social enterprises in their area. As particular challenges may be geographical the SE Development Officer will be best placed to help the SEs in their area.

We do believe that there must be clarity around who is the representative voice for social enterprises in Ireland. Currently, there are SERI, SEI, ILDN, the Wheel and ISEN. For managers and leaders of social enterprises, this can be confusing and begs the question if each organisation is trying to move the sector in the same direction. Having one, clear representative voice would in some ways stabilise the sector and give SEs a direct communication line to the organisation that represents them and the sector.

#### Policy Objective Five - Data Collection & Social

The National Baseline Data Collection was a brilliant first step towards quantifying the impact of social enterprises. We would like to see this data recollected during this policy's time.

Kind Regards,

[Redacted]

# IRD Duhallow



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