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Submission re: National Social Enterprise Policy for Ireland 2024-2027 – Public Consultation Document

From: Dublin City Social Enterprise Committee

The Dublin City Social Enterprise Committee is managed and supported by the Economic Development Office of Dublin City Council. It is comprised of representatives of key stakeholders and relevant organisations regarding social enterprise development locally and nationally and is chaired by the Head of Economic Development, Dublin City Council. 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 new national social enterprise policy and acknowledges the positive efforts and work to date under the previous policy. The committee welcomes the opportunity to comment on the draft policy document. Stemming from the committees 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.

The committee looks forward to supporting the implementation of the new policy and would be happy to engage further on any of the points made in the submission.

- o **General Comment**: Awareness of social enterprise is still a big issue and requires a multi-faceted and consistent approach to reach the different target audiences. There needs to be more celebration of the success stories and the social impact of social enterprises to encourage the establishment of more social enterprises, to get more people interested in working in, going on boards of social enterprises and in providing supports to social enterprises. Lack of awareness in the public and private sector and among the general public is a challenge that will have to be overcome if we are to see tangible progress in strengthening and expanding social enterprise. It has improved in recent years but still has a long way to go to.

  A key task is to create awareness of social enterprises and to differentiate them from charities which they can be perceived to be. The committee holds the view that social enterprises should 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. Similar to a charity, social enterprises should have a social mission that they seek to address and similar to private sector enterprises, social enterprises should sell goods and services in the open market to generate a

profit or surplus. However dissimilar to a charity, social enterprises should seek to raise funds primarily through trading, not through donations and dissimilar to private sector enterprises, social enterprises should primarily reinvest profits / surplus to further address their social mission, not to maximise profit.

Establishing and sustaining a social enterprise is very challenging. Social enterprises are very often trying to address needs that are underserved or deemed uneconomic by private enterprise. Therefore, they need additional nurturing, support and guidance and currently many of these supports are not available or difficult to access. Social enterprises thus need to be mainstreamed into the state support structures available to private enterprises such as LEO grants, Enterprise Ireland, Skillnet etc.

Policy Objective One – Building Awareness of Social Enterprise

What specific actions could be taken to address the issues identified in this theme?

- Awareness raising measures for social enterprises

  o The committee advocates for a national public awareness campaign(s) championed by the Department of Rural and Community Development. This campaign could communicate simply the what, why, where, how to support regarding social enterprise. It could be led by the Department and collaboratively supported by the many stakeholders and social enterprise support organisations who could then amplify. In addition there could be a designated social enterprise month / week during the year to launch the campaign.

  o The committee advocates for an internal Government Department and Stage Agency awareness campaign(s) championed by the Department of Rural and Community Development. This campaign could communicate to government stakeholders what social enterprises are and how they can support policy implementation and interventions. Furthermore, the committee suggests that communications are issued to all Local Enterprise Offices in regard to the role to support social enterprises through LEO measure 1 and measure 2 supports as appropriate.

  o The Social Enterprise directory should be enhanced to improve functionality and relevance. The committee wishes to highlight the importance of one main directory instead of various fragmented directories.

  o A similar model to the Dublin City Social Awards could be replicated in other local authority / regional areas in Ireland. In order to support the creation and development of social enterprises in Dublin City, the Dublin City Social Enterprise Awards (DCSEA) were established in 2015 by Dublin City Council (DCC), Inner City Enterprise (ICE) and the Local Enterprise Office (LEO) Dublin City. These partner organisations recognised that there was a need for specific funding and support to help social enterprises start and grow in the city. The awards programme aims to

help social enterprises develop in Dublin City, promote social enterprises and increase awareness of the important contribution that they make to local communities and economies. Each year, typically a fund of €60,000 is distributed among the social enterprise awardees. The funding is provided by Dublin City Council along with the Department of Rural and Community Development. Awardees receive funding, mentoring, promotion and other wrap around supports. Further info: https://www.localenterprise.ie/!CZV6Q8

- Youth engagement on social enterprise

  o The Student Enterprise Programme which LEO and other enterprise development organisations support could be adapted to include social enterprise as a potential model for students to use as their enterprise type. The Department could potentially become a support stakeholder. A specific social enterprise award category could be created or an existing category could include social enterprise as an enterprise model and / or social impact could be an additional score category in the marking scheme. https://www.studententerprise.ie/

  o A potential way to encourage more young professionals towards careers in / or starting their own social enterprises would be enable social enterprise to avail of LEO enterprise and employment grants even though they may operate on a 'non-profit' basis. If social enterprise could offset part of the cost of employing talent via the regular and well-structured LEO grant process, they could then offer more competitive salaries to young professionals.

- Other policy areas / actions not referred to above?

Policy Objective Two – Growing Social Enterprise

What specific actions could be taken to address the issues identified in this theme?

- Business support and training measures for social enterprise

  o The committee advocates that LEO supports in particular are promoted to social enterprises so as to encourage them to engage in regular enterprise support and also networking opportunities. The committee highlights the importance of integrating social enterprises among the regular innovation, entrepreneurship and enterprise ecosystem and supports as much as possible so that they are not segregated and missing networking, business development and social capital development opportunities. Skills and capacity development supports within the ecosystem and available to regular enterprises should be expanded and made fully available to social enterprises. In addition governance training and supports for the boards of social enterprises needs to be developed and expanded.

- Increasing private sector / social enterprise engagement

- A potential action to encourage private organisation's use of procurement to buy goods and services from social enterprise is via meet the buyer / expo events. The committee was a key stakeholder in the delivery of SoCircular which is a model that could be replicated.

  The inaugural SoCircular event took place on the 5th October, 2022 in the Round Room at the Mansion House, Dublin. The aim of SoCircular was to help transform Dublin by: celebrating the social and circular economy ecosystem, encouraging stakeholders to buy from and support local social and circular enterprises, promoting supports for enterprises to adopt circular / sustainability approaches, and through providing a forum for conversation on developing the social and circular economies in Dublin. Further info:

  https://www.localenterprise.ie/DublinCity/Documents/SoCircular-Brochure.pdf

- Dublin City Council has recently initiated a community wealth building approach which is a people centred approach to developing local economies and retaining local wealth and opportunity in local economies. This approach strongly advocates for social enterprise development as a key part of implementation. This approach could be replicated in other local authority / regional areas. Further information is available here:
  https://councilmeetings.dublincity.ie/mgConvert2PDF.aspx?ID=40271

- Access to finance for social enterprises

  - A broad and key need for the sector is access to finance, particularly early stage development capital and general capital expenditure. Regular enterprises can access a tiered and consistent structure of grants through the LEO network. The vast majority of social enterprises are currently not eligible to apply to the main LEO grants and do not have access to an alternative consistent and tiered structure of grants. The committee advocated that social enterprises are deemed eligible to apply to LEO grants even if they operate on a non-profit basis.

  - The committee recommends that a review takes places of the various opportunities for social enterprises to access finance in comparison to regular enterprises. This review will likely reveal gaps and opportunities for social enterprise to gain access to other sources of finance.

  - The committee recommends that a review takes place of the application forms for social enterprise grants / funds etc from the local and national support organistions with attention paid to accessibility, efficiency and readability. Some applications can be overly complex and may require the commissioning of consultants by social enterprises which should not be the case as this dilutes social enterprise spending away from their core mission.

- o The committee supports efforts to increase access to finance and notes points made such as:

  'under the new policy, opportunities which may leverage funding from philanthropic and / or corporate social responsibility should be pursued to support social enterprise'

  However, the committee cautions against too great a push towards donation type sources of funding (philanthropy / CSR) for the following reasons:

    - as per the recent censes 'labour market programmes are an important feature of the sector with 60% of those with paid staff employing people in this way', '88% of social enterprise are also registered as charities', 'Grants' represents the highest % of the income by source among social enterprises (p.36 https://www.gov.ie/pdf/?file=https://assets.gov.ie/258465/1cb50b94-6a17-450e-bca7-dea5ff6d2864.pdf#page=null).

  Thus, social enterprises are somewhat vulnerable and already overly dependent on donation / grant type sources, concentrated in the charity domain. Furthermore, encouraging social enterprises towards philanthropy / CSR type sources of funding will position them more so in the charity domain and may contribute to them be less differentiated from charities.

- o The committee advocates for a greater push for increased sales / procurement opportunities for social enterprises to private and public sector organisations which creates value, pride - skills development and capacity in the social enterprise, revenue streams, trading experience and processes for social enterprises to operate like enterprises with a social mission etc rather than being too like charities dependent on CSR / donations / philanthropy.

- o The committee support efforts to encourage procurement on a large scale but also on small / pilot basis. Buying / procuring from local social enterprises can also be conducted via small purchases that are below tender thresholds / nominal amounts. 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.

- Legal status for social enterprise
- Voluntary(non-legal) accreditation for social enterprise

  - o The committee strongly support an action to create a type of quality mark / voluntary accreditation as a means to create awareness, credibility and to protect the sector. A key consideration is that there should be one main quality mark championed by the Department rather multiple quality marks operated by different stakeholders.

- Other policy areas / actions not referred to above?

Policy Objective Three – Climate Action Contribution

What specific actions could be taken to address the issues identified in this theme?

- Measures to support the contribution of social enterprise to Government's climate action goals
- Social enterprise engagement in the circular economy
- Social enterprise potential in the bioeconomy
- Social enterprise potential in renewable and community energy
- Other policy areas / actions not referred to above?

- o A potential action to encourage social enterprise toward circular economy adoption is via events and initiatives. The committee was a key stakeholder in the delivery of SoCircular which is a model, concept and initiative that could be replicated.

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  https://www.localenterprise.ie/DublinCity/Documents/SoCircular-Brochure.pdf

  Since running the first SoCircular event and initiative, the SoCircular momentum has continued in various ways:

  - a SoCircular Brochure to further encourage stakeholders to buy from and support social and circular enterprises. It features each enterprise that exhibited at SoCircular, along with contact details and an overview of their core products and services. In addition, a subsequent section of the brochure features key support organisations relevant to social and circular enterprise development.
  - an Outcomes Report to inform policy makers and stakeholders about the key insights and ideas shared as part of the panel discussions and fireside chats.
  - SoCircular mini event as part of Local Enterprise Week 2023 which focused on innovation and collaboration
  - Circular Economy Hotspot – Dublin 2023 Deep Dive Workshop on Social Enterprise was hosted in alignment with SoCircular.
  - SoCircular mini event will be hosted as part of Local Enterprise Week 2024.

Policy Objective Four – National and International Engagement

What specific actions could be taken to address the issues identified in this theme?

- Cross-Government co-ordination

  o On account of the experience gained in supporting social enterprise development through the Dublin City Social Enterprise Awards, the committee and Dublin City Council can share knowledge etc with interested parties seeking to replicate initiatives that the committee has overseen

- Regional and local co-ordination

  o The committee proposes that key local authority policy documents could be encouraged / obliged to reference social enterprise support / development. Relevant policy documents include: Local Economic and Community Plans, Corporate Policies, Development Plans and Local Area Plans

- North-south cooperation
- European and international engagement

  o Dublin and Dublin City Council is a long standing and original member of the European Commission - European Social Economy Regions Project and Network. The objective of the ESER project is to build networks of Social Economy actors, encourage collaboration and to raise awareness about the social economy at regional and local level. An action in the new policy could be that Local / Regional Authorities and other relevant stakeholders consider joining the ESER network.

  Dublin City Council has also engaged with the (Policy Document) Transition Pathway for Proximity and Social Economy using it to inform and inspire initiatives. An action in the new policy could be that relevant actors engage with the Transition Pathway and consider making a pledge towards its implementation. Further information: https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/transition-pathway_en

- Representative voices for the sector
- Networking

  o The committee suggests that as well as specific social enterprise networking activities and events being promoted to social enterprises, that social enterprises are supported, encouraged and potentially sponsored to attend regular enterprise events and initiatives so as to avail of networking, business development and social capital development opportunities.

- Other policy areas / actions not referred to above?

Policy Objective Five – Data Collection & Social Impact Measurement

What specific actions could be taken to address the issues identified in this theme?

- Improving baseline data on social enterprises
- Improving social impact measurement for social enterprises
- Sharing best practices in social impact measurement
- Other policy areas / actions not referred to above?