

Unlocking the Potential of Social Enterprise

Half Day Conference
Arc Healthy Living Centre
Irvinestown
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The Scale & Scope of the Social Economy in NI

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Scale & Scope of the Social Economy

- ▶ Personal experience
- ▶ The emergence of the sector
- ▶ Social economy fundamentals
- ▶ Supporting the social economy
- ▶ Reflections & perspectives



The LEDCOM experience...

- ▶ Economic downturn in 1970's/1980's : community based response to economic decline
- ▶ Formation of LEDCOM 1985 - Larne's first social enterprise - initiated by local authority with support from central government & EU
- ▶ Company Limited by Guarantee (“not for profit corporation”) with a volunteer board of directors
- ▶ Charitable status - fully assessed & registered with NI Charity Commission



LEDCOM Core Values

A sustainable social enterprise with core values :

- ▶ **Integrity & professionalism**
- ▶ **Caring about individuals & customer service**
- ▶ **Unlocking potential & partnership**
- ▶ **Making a difference & social impact**



LEDCOM's Current Strategic Focus

- ▶ Economic development
- ▶ Business start up & growth
- ▶ Social entrepreneurship
- ▶ Community engagement & employability
- ▶ Property & conferencing
- ▶ Business development/R&D



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LEDCOM Group:

Managed workspace, business incubation facilities, & conference facilities

- 3 business sites with 3 social enterprise subsidiaries across Mid & East Antrim :
- **ChainHR** : HR services, accredited mgt. & leadership training (CMI/CIEH) , provision of temporary employees, recruitment of permanent posts (subsidiary) – providing employment opportunities in Mid & East Antrim
- **Business Led NI** : business consultancy, evaluations & appraisals, social enterprises corporate governance & board development
- **Heritage Experience Ltd.** (joint venture subsidiary) ; cultural heritage tourism : product/service development & marketing



LEDCOM's Impact

- ▶ Since 1985 LEDCOM has provided c. 10,000 mentoring/information/ advice/training sessions, helping c. 900 new start up business, supporting c. 1500 jobs
- ▶ 69% increase in self employment in Larne : 1981- 2001
- ▶ Supported over c.90 new social enterprises since 1985 with c.250 jobs
- ▶ Currently over 40 tenants with over 300 employees/trainees within all LEDCOM sites
- ▶ c.£1.5 M of social outputs/public benefit investment of free staff & directors services in local communities since 1985
- ▶ c.£5 million investment attracted to local communities for economic & community development projects



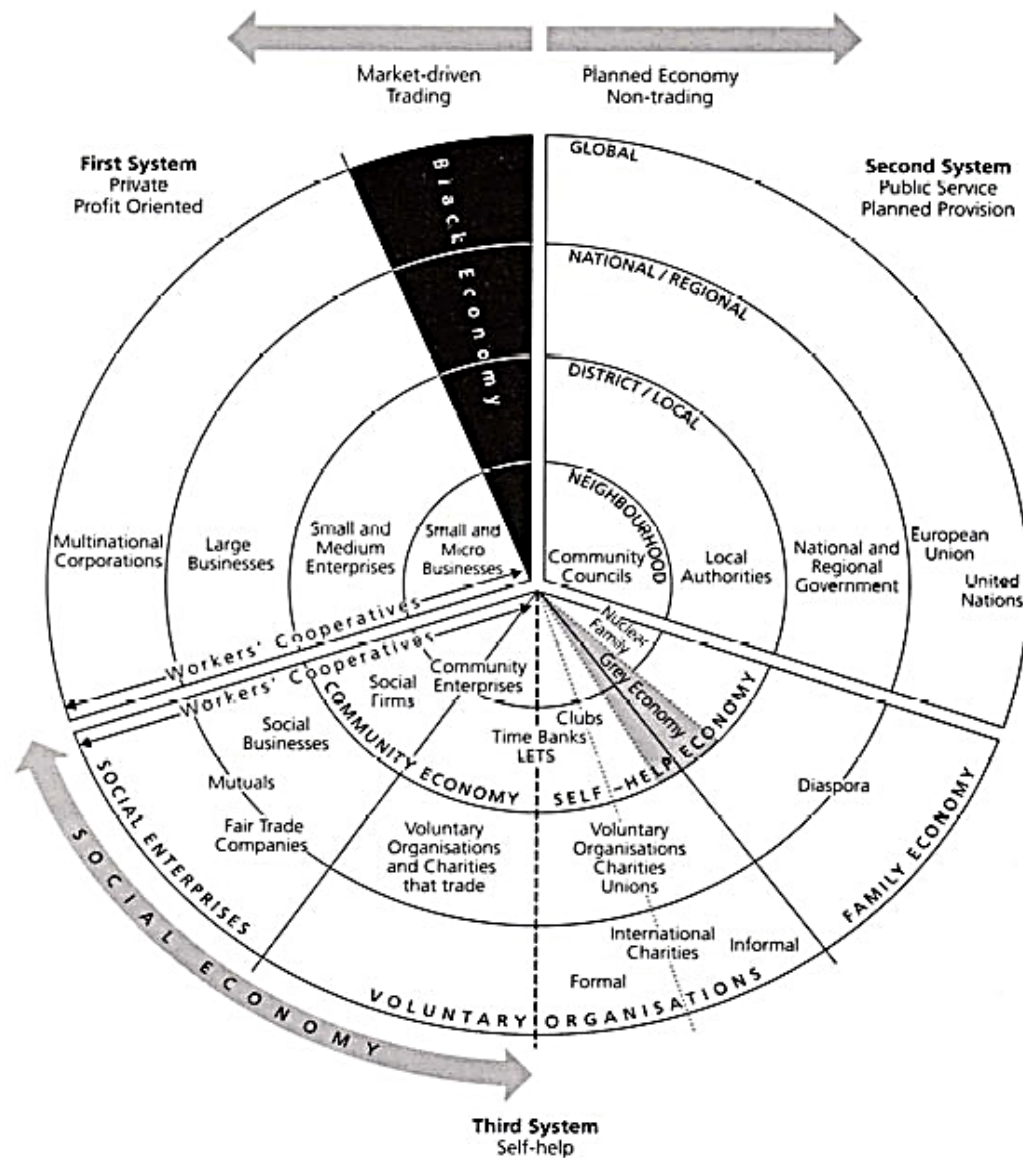
LEDCOM's Approach

- ▶ Emphasis on client needs and quality assurance with regular performance monitoring
- ▶ Account management/ long term customer relationships
- ▶ Ongoing training investment in delivery & support staff
- ▶ Team based approach to problem solving
- ▶ “Wrap round incubation” - providing support for pre-starts/post starts/growth clients
- ▶ VfM/SLA capability & capacity for sub contracting/out sourcing of service delivery from local/central government inc. enterprise support & business support programmes, economic development services



Definition of a social enterprise

- ▶ “Organisations that have a social, community or ethical purpose, operate using a commercial business model and have a legal form appropriate to a not-for personal profit status.”
- ▶ (DETI)





Social economy values : CARE

- ▶ Commercial
- ▶ Assisting others
- ▶ Return on Investment (both social and financial return)
- ▶ Enterprises

Characteristics of social enterprises

- ▶ Motivated by social goals and environmental goals
- ▶ Profit making but not profit taking
- ▶ Close to and understand the needs of the communities they serve
- ▶ Accountable to their stakeholders, customers and their communities
- ▶ Usually owned and controlled by voluntary boards
- ▶ Deliver added social value
- ▶ Provide value for money
- ▶ Make a social impact

Types of Social Enterprise

- ▶ Social Enterprises
- ▶ Community Interest Companies
- ▶ Local Enterprise Agencies
- ▶ Credit Unions
- ▶ Development Trusts
- ▶ Trading Arms of Charities
- ▶ Co-Operatives
- ▶ Social Firms
- ▶ Housing Associations
- ▶ Intermediate Labour Market Organisations

Emergence of the social economy sector

- ▶ It is estimated that there are over 1,000 social enterprises in Northern Ireland and that social economy activity accounts for approximately 5% of economic activity.
- ▶ Across Europe 3.5 million jobs are provided by social enterprises, delivering a broad range of services.

Social economy history

- ▶ Tyrone Crystal 1971
- ▶ Belfast Co Op Society 1888
- ▶ East Belfast Mission 1946
- ▶ Society of St. Vincent de Paul 1850

Social economy brands you might have heard of.....



Northern Ireland Social Enterprises In Action

- ▶ Candle Makers
- ▶ Painting and Decorating
- ▶ Handmade Chocolate
- ▶ Delivery of training from first aid to Level 7 in management and leadership
- ▶ Cleaning services
- ▶ Outside catering service
- ▶ Software and database developer
- ▶ Tourist Accommodation, attractions and events
- ▶ Bespoke training
- ▶ IT Game developers
- ▶ Health care
- ▶ Photographers
- ▶ Media and music production
- ▶ Business services including HR
- ▶ Performing Arts
- ▶ Design print services
- ▶ Radio stations
- ▶ Office and workshop rentals
- ▶ Cafes
- ▶ Environment improvements
- ▶ Book publishing
- ▶ Vegetable production and horticulture
- ▶ Transport services
- ▶ Cinema production
- ▶ Manufactory of mops
- ▶ Restaurants and bars
- ▶ Quality assurance services
- ▶ Wedding stationary handmade
- ▶ Sports training and facilities
- ▶ Arts and craft supplies
- ▶ Genealogy services
- ▶ Recyclers
- ▶ Childcare
- ▶ Teddy bear manufactory
- ▶ Bookkeeping



Support for setting up & running a social enterprise

Social Enterprise Hubs

- ▶ Available to all new or existing social enterprises with an idea for a new product or service. There are 11 hubs located over the 9 Social Investment Fund (SIF) zones in NI. Located in Enniskillen, Strabane, Derry~Londonderry, Ballymena, Lisburn, Downpatrick, Lurgan, North Belfast, South Belfast, East Belfast and West Belfast
- ▶ **Social Enterprise team at Invest NI on 0800 181 4422 or socialenterprisehubs@investni.com.**
- ▶ **Social Entrepreneurship Support:** Local government
- ▶ **Regional Start Initiative :** One2one mentoring, business workshops and business plan development.
- ▶ Social Enterprise NI



Social enterprises & local government

Bryson Charitable Group :

- ▶ Bryson Future Skills - providing employment and training initiatives to young adults and those living with long term employment
- ▶ Bryson Recycling - providing kerbside recycling services
- ▶ 600 staff / 100 volunteers :over 23,000 services per day to families and individuals.



Social enterprises & local government : GLL

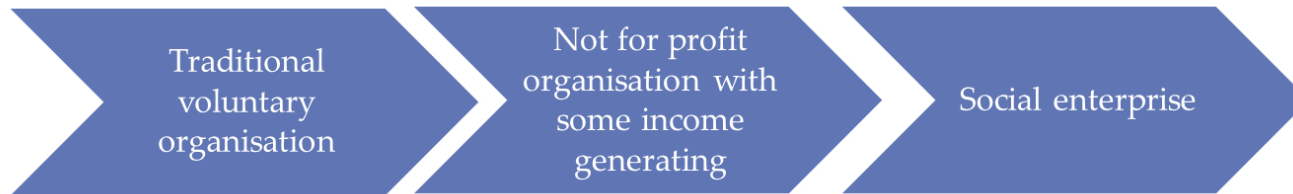
- ▶ **GLL** : charitable social enterprise : operating over 255 leisure facilities (14 for Belfast City Council) : largest operator in the UK
- ▶ Delivering outsourced services for local government in areas such as parks & open spaces through to libraries
- ▶ Employ c.8,000 members of staff
- ▶ Outsourced delivery of services to award winning quality standards

NOW

- ▶ NOW delivers high quality training and delivery of employment services for people with learning difficulties in North and West Belfast and the Greater Shankill area.
- ▶ The company employs 30 staff, and has grown to be a key player in its field of supported employment.
- ▶ NOW operates a social enterprise called Loaf Catering, supplying outside catering to the Greater Belfast area and serving the public in its 2 cafes, whilst also giving adults with Learning Difficulties experience, often for the first time, working in the cafes.
- ▶ NOW also owns a CIC (Community Interest Company) called Gauge NI



Changing organisational culture to unlock potential through the social economy



Social enterprise barriers and pit falls

- ▶ Having the wrong business idea
- ▶ Grant dependency
- ▶ Not willing to charge the right rate for the business services
- ▶ Employing the wrong people
- ▶ Trusting staff too much
- ▶ Expecting a customer to use you because you are a social enterprise
- ▶ Being so socially minded that you are of no earthly/economic use
- ▶ Getting the wrong people on the board/poor governance

Social Enterprise Success Factors



Three key reasons behind the failure of social enterprises

- ▶ Poor governance & risk management
- ▶ Not responding to market changes
- ▶ Lack of financial control

Reflections & perspectives : future challenges & opportunities for social enterprises

- ▶ A re-balancing economy
- ▶ Business credibility & recognition/ charities registration
- ▶ Out- sourcing from local & central government
- ▶ Competing effectively & fairly with the private sector
- ▶ Partnering with private & public sectors
- ▶ Driving continuous improvement & change management
- ▶ Effective corporate governance & risk management
- ▶ Keeping the vision & passion alive
- ▶ Succession planning
- ▶ Championing & advocating the sector



