

HERE TO STAY – SOCIAL ENTERPRISE IN THE EAST MIDLANDS OF ENGLAND

SEEM (Social Enterprise East Midlands) brought together the region's key stakeholders to create a sustainable support system for social enterprises. To attain the variety of services required to reach diverse target groups, it has piloted a new signposting system called IDB – information, diagnosis and brokerage.

The East Midlands of England, a substantial area with a population of 4 million whose main urban centres are Nottingham, Derby, Leicester and Lincoln, has a thriving small business culture based on the engineering and textile sectors, stimulated by a large population of south Asian extraction. It has a healthy population of co-operatives and voluntary organisations, but support organisations have come and gone.

EQUAL has changed that. The Social Enterprise East Midlands (SEEM) development partnership was set up by the social enterprise sector and key partners in the region to make sure that social enterprise in the region flourishes and grows. SEEM has for the first time brought together the key stakeholders and given them a collective mission – 'to create an environment in the East Midlands where social enterprise is encouraged to develop and enabled to grow' – and the means to achieve it.

ENTERPRISES THAT CAN CHANGE THE WORLD

SEEM's goal is to realise the potential social enterprises have to contribute to local economic renewal and regeneration and a more equitable and inclusive regional economy. It has done this by working on a wide range of initiatives including in business support, with a speciality in the sport and leisure sector. It has helped 540 individual to develop their ideas for social enterprises, thereby helping to establish 260 businesses. Among them is Sherwood Energy Village, winner of the Enterprising Britain award in 2004. This is a co-operative set up in the former coal-mining community of Ollerton, under the guidance of one of the SEEM members, Leicester Housing Association.¹ It has also worked on opening up the sizeable public procurement market to social enterprises, especially in areas such as education and training, recycling, personal development through the arts, health and social care. It is this element of the partnership's work, under the title of *BEST Procurement*,² that is the focus of its work in EQUAL's second round.

Much of the partnership's work was carried out by a score of specialist partner organisations such as Social Firms East Midlands (which promotes labour market integration enterprises), Voice East Midlands (on behalf of ethnic minorities), East Midlands Co-operative Council, the East Midlands Chapter of Credit Unions and East Midlands Development Trusts. Its broad and active partnership also includes local authorities, public sector business support agencies, charities such as the Coalfield Regeneration Trust, community groups and trade sector bodies such as the Food and Drink Forum.

The partnership has produced a large number of useful publications, which are available on a CD, including:

- a study on business support for social enterprises
- diversity and equal opportunities toolkits
- a social firms toolkit for business advisers
- a handbook on how to write a business plan

¹ see www.sev.org.uk

² UKgb-110

- a report on barriers to the transfer of assets to social enterprises
- a quarterly newsletter

One of its most useful outputs has been its website, which acts as a single contact point for information on the sector. It includes a searchable database of social enterprises in the region as well as one of business advisers. However an online discussion forum has not been so well used.

The fact that SEEM is here to stay is shown by its permanent corporate structure – it was legally established as a company limited by guarantee in 2002. Its decision-making structure combines democratic accountability with business efficiency. And it has achieved a broad base of acceptance: SEEM now has about 100 members, both organisations and supportive individuals. These elect a 12-member board, which takes strategic decisions. Operational decisions are delegated to the steering committee, made up of a combination of board members and managers of projects within the development partnership. The organisation employs 12 staff, including specialists such as the people responsible for business support, the development fund and the sports sector. EQUAL's pump-priming support has allowed SEEM to grow to the point where now the EQUAL partnership accounts for less than half its activity.

This success of SEEM in securing its own survival as a promotional body for social enterprises at regional level has changed the institutional landscape and increased the capacity of the support system. It has also broadened the horizons of local business advisers, according to SEEM programmes manager Jennifer Inglis. "The problem we had to overcome was that the pre-existing business support agencies – Business Link – had a blind spot about social enterprises. They had a bad reputation. Only 17% of social enterprises had even approached Business Link for help."

INFORMATION, DIAGNOSIS AND BROKERAGE

The partnership has made innovation work in the provision of business support. It is piloting the system of 'IDB' – information, diagnosis and brokerage – which is a way of advising new businesses whose key advantage is that funding and the delivery of advice are separated. "This approach keeps quality up by guaranteeing a place for specialist advisers," says Ms Inglis. "The purchaser-provider split means that we do not have one large organisation that keeps everything 'in the family' by referring all users to its own advisers, whether or not they have the appropriate skills or cultural attitudes. We have a central pot of money which we use to signpost users to the advisers who can serve them best." This does not work in all circumstances, however. "Where there is a gap in the existing provision, for instance in a particular town, we do work directly with client," she says. The result is a more accessible and diverse business advice offer: "The climate has definitely changed over the three years of the EQUAL project," affirms Ms Inglis.

Thematic specialisation is alive and well with a specific support worker for social firms, as part of the regional initiative Social Firms East Midlands. SEEM says: "Business support for social enterprises is effective when brokered and delivered by agencies that understand the unique incorporation, governance and cultural drivers of social enterprises. The business support needs of social enterprises are broadly similar to those of commercial businesses in terms of content. The difference is the distinctive ways in which social enterprises operate, their value led nature and the need for a balance of economic, social and environmental outputs – the 'triple bottom line'."

In general SEEM tries to avoid target-group-specific services, and has developed a standard diagnosis procedure. However there is specific provision for ethnic minority entrepreneurs in the form of Minority Enterprises East Midlands (MEEM). The EQUAL partnership carried out a study of black and minority ethnic (BME) social enterprise in the region and has appointed an adviser to work in this field as part of Voice East Midlands. "We found for instance that the Somali community take particularly favourably to social enterprise, and we have supported initiatives in areas like childcare and extra-curricular education," says Ms Inglis.

Empowerment has been an active principle too. An example is the Peak District Rural Deprivation Forum, which is active in the scenic strip of hill country that sits in the centre of England between the heavy industrial areas to its east and west. "They noted that local women

made ends meet by doing a number of different jobs, mostly tourism-related,” continues Ms Inglis. “They also observed that they had a lot of ‘social capital’ – that is they had a strong sense of community and good networks. So these were fertile conditions for the creation of social enterprise – if only the women could be persuaded to overcome their aversion to risk. Client involvement was the key that enabled the real problems to be identified. EQUAL has seen the Forum grow in stature and independence and it is now free-standing.

CAPTURING THE ‘SO WHAT?’ FACTOR

SEEM also runs a grants programme, and manages a £2m (€3m) loan fund for social enterprises, which will lend sums of up to £50,000 (€75,000) for start-up, capacity building, growth or capital investment. In the way it manages the fund, SEEM wanted to encourage long-term thinking and non-financial results. It therefore drew up new fund management guidelines, drawing on the work on quality and impact measurement being done by the Social Enterprise Partnership as part of a national EQUAL project. “The new model uses criteria that go beyond the simple measure of jobs created in the short term: they look at the theory of change that underlies the project,” Ms Inglis explains. “This helps us to weed out applicants whose products and services have no durable market, and makes our support more effective.” The new screening method apparently works well, as the results of SEEM’s financial support have exceeded all its targets so far. By the autumn of 2005 the fund had supported 56 new enterprises and 140 new jobs.

CREATING A PARTNERSHIP ATMOSPHERE

It was the government-backed Regional Development Agency (EMDA) that took the lead in creating the EQUAL partnership in 2000. “Initiatives in the social economy area have come and gone over the years here. The opportunity of EQUAL had a catalytic effect in bringing the partners together to create something longer-lasting,” says Ms Inglis.

The big difference that SEEM makes is that it has created a partnership dynamic among the organisations in the region. “When we started, we found that there were a good number of organisations in the social enterprise sector, but they did not work together,” says Ms Inglis. “And some important families of organisations like Development Trusts were present, but with no one to represent their particular style of asset-based community development. So we filled that gap. We created a forum within which people with similar ideas to understand each other. In fact we probably underestimated how hard it would be for a new organisation to lead such a high number of partners.” It took an immense amount of effort to persuade people to adopt a coherent approach. “We found the most successful meetings were where one partner explained what they did to the others, and it was then discussed.”

The partnership’s regional focus fitted well with the trends in local government systems, and has enabled it to overcome some previously frustrating local government boundary divisions of responsibility – for instance agencies that work only within one specific city but not in its suburbs. “Regionalism is the new orthodoxy,” Ms Inglis says. “The enterprise agenda is in the hands of the Department of Trade and Industry (DTI), and they work through the Regional Development Agencies (RDAs). So we have intervened at the right level; our work in changing the RDA’s perceptions of social enterprise and building the sector’s recognition has paid dividends. This is especially true for the more enterprising people, who can now raise investment capital much more easily.”

CONTACT

DP name: SEEM – Social Enterprise East Midlands

DP ID: [UKgb-51](#)

National partners: 42 organisations including local authorities, local social economy federal bodies, finance institutions (e.g. Charities Aid Foundation, Industrial Common Ownership Finance), trade sector bodies (e.g. Food and Drink Forum), national organisations (e.g. Co-operative College, Countryside Agency)

Transnational partnership: **Transnational Initiatives:** MIREC (BE), MEF & Coorace/Anfipar (FR), PRAGMA (IT)

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