

11th meeting of the ESF Thematic Network on Social Economy

5-6 March 2019, Brussels

Minutes

Summary

The 11th meeting of the ESF Transnational Platform Thematic Network on Social Economy took place in Edinburgh, Scotland on 5-6 March 2019. The meeting looked at the challenge of building a sustainable social enterprise (SE) sector based on a number of Scottish examples of strategies, innovation and impact measurement tools.

On the first day of the meeting, participants had the chance to get a good overview of the Scottish national social economy strategy, network structures, funding possibilities (including ESF) and impact measurement tools. The participants were honoured by an intervention from Ms Aileen Campbell, Minister in the Scottish Government (MSP and Cabinet Secretary for Communities and Local Government). Ms Campbell confirmed the government's commitment to the 10 year Social Enterprise Strategy, which was co-created with the SE sector.

Two case studies on the circular economy were presented: "Move On Wood Recycling" social enterprise and "Community Resources Network Scotland – CRNS".

The Scottish examples were complemented by two presentations: one by the EC representative on the novelties brought by the EC proposal on ESF+ and the other by AEIDL on the SIC Social Innovation Declaration.

The first day finished with a World Café workshop focusing on lessons learnt, barriers and transferability of good examples in the participants' Member States.

On the second day there was a study visit to a social enterprise called "Remakery" -a community repair hub and second-hand shop.

Learning and results

- Good networks and impact measurement tools are the basis for the SE sector to thrive – this can be supported by ESF.
- The Social innovation priority within ESF+ should be explored further and used in the future by the SE sector.

Action points

Participants are encouraged to use the Scottish strategy and SE network structure as an inspiration to develop further SE sector in their Member States.

Some suggestions for the next TN SE meeting in 13-14 June in Warsaw will be circulated. TN members are welcome to send their proposals to the TN expert – Dorotea Daniele.

1. Overview of Scotland's SE Eco-System

Jonny Kinross welcomed TN members on the premises of the Grassmarket Community Project, an awardwinning social enterprise, which employs mostly long-term unemployed members of the community. The idea is to help them integrate back into society through long-term engagement.

After that, **Pauline Graham, CEO of Social Firms Scotland** explained how the Scottish SE eco-system emerged over 20 years and gained strong political support.

The main components of its success are:

- political leadership
- EU EQUAL (SE) Programme (2002-2008)
- Holistic support programme for the social economy
- Social economy is key to economic and social wellbeing
- Increased engagement and recognition

The message from National Government is that *"the social economy and social enterprise in particular is key to the future of public service reform and delivery in Scotland - but also to empowering local communities, tackling poverty and inequality and developing innovative solutions to challenges facing our communities"*.

The sector worked together very hard to build **the strategy**, which is in line with Scotland's National Performance Framework.

The programme of support for SE includes:



- Leadership (e.g. Social Enterprise Academy)
- Policy and legislative framework – procurement Act 2014/community empowerment Act
- Access to finance - direct investment
- Dedicated business support for SE and Strategic Public Social Partnerships
- Infrastructure – national and local
- Opening markets
- Intra-government alignment
- Connectivity – networks
- Transnationality

Current focus:

- 10-year SE strategy and Action Plan for 3 years (before there were only 1 year strategies), co-produced by the SE sector and the government
- International strategy for social enterprises
- Using ESF to best effect
- Increasing connectivity – local & thematic SE networks

Presentation: https://ec.europa.eu/esf/transnationality/filedepot_download/2714/2226

Kim Wallace, Social Entrepreneurs Network Scotland, explained how SE networks work on different levels. There are 17 local and 6 thematic networks: community food, cultural and creative, employability, health, sport, tourism. They are self-managed, collaborative platforms with a combined turnover of over £500 billion. They produce SENSOT Briefing papers to showcase the changes brought about by SE and to influence policy.

Scotland's Social Enterprise Strategy 2016-2026:

- Published in December 2016
- Debated in Parliament in February 2017
- Implementation via 3 Action Plans, aligning ESF

Scotland's Social Enterprise Sector:

- 5600 SEs
- 64% women-led
- gender balance on board

- €1.2 million in 'early interventions'
- €15 million over the next 12 months to deliver 92 actions (this excludes ESF commitments)

2. Local social economy networks and impact measurement methods

Edinburgh Social Enterprise Network (SEN) overview - Claire Patullo, CEO

The Edinburgh SEN, established in 2016, is the largest SEN in Scotland with over 150 members. It established a voluntary code of practice, which i.e. ensures asset lock and locking in of social and community benefits and helps reduce mission drift, keeping the integrity and ethics of the sector. This ensures the level of connectivity and trust created among members and stakeholders increases. An impact report is prepared every 2 years.

From 2010, SEN changed its legal status and members of the network became members of the company (trustees, boards and staff). Funding comes i.e. from the local government

Member opportunities:

- Peer networking
- Information, signposting and representation
- Business support and learning events
- Promote SEs and create opportunities to sell/trade

Key achievements:

- Buy The Good Stuff – local brand
- Social in the Gardens – Scotland's SE festival
- SEWF 18 catering supply chain
- Edinburgh SE Strategy (network – private sector- local government)



Challenges and barriers:

- Reduced core grants for ESE and the sector
- Stiff competition
- Political climate and uncertainty

Opportunities include: growing membership, diversity of goods and services, strong democratic culture and entrepreneurial board.

Social Impact Measurement – examples from Rick Rijdsdijk, Social Value Lab and Colin Campbell, Assist Social Capital

[Social Value Lab](#) (SVL) based in Glasgow is a research and consultancy organisation focusing on 2 areas of SE and social impact measurement. There is no fixed methodology but certain trends are followed:

- Focus on outcomes/change in result of activities
- More contracts than grants
- Increasing pressure on funds
- More engaged funders/social investors
- Involvement of stakeholders/everyone that experiences changes as a result of an intervention

SVL has just finished a pilot project for the Scottish government in relation to the SE Strategy. The Scottish government gives support and funding but needs also evidence and understanding of the social impact. Social impact measurement is a top priority but also a struggle for the sector.

For SE it is important to define the change it wants to implement, both for providing evidence to the outside world but also to make it possible to understand internally where it does have an impact (internal management tool). Defining the theory of change is an important part of social impact measurement.

Presentation: https://ec.europa.eu/esf/transnationality/filedepot_download/2714/2222

Following the result of a survey, [Assist Social Capital](#) (ASC) estimates that 84% of the third sector will be struggling to evidence their social impact in 2019.

Colin Campbell demonstrated and explained the impact of social networks and the importance of relationships (participation and resilience vs centralised) which go beyond funding.

Challenges of current impact evaluation solutions: there are many different tools used which make it difficult to make comparisons. If externalised, they can also be very expensive.

Mr Campbell presented the example of the Scottish SE networks and how they measure their impact by doing a specific mapping exercise based on connectivity-bonding-bridging-linking parameters (creating through Social Capital Compass). It showed that Scotland has a very impressive connectivity within the SE sector.

Presentation: https://ec.europa.eu/esf/transnationality/filedepot_download/2714/2225

Questions/comments:

Q: Where do we get data to make those measurements?

A: We ask the members of the network to fill in a survey with questions such as: how many people did you know at the beginning and at the end etc.?

Q: What is the difference between bonding, bridging and linking (in the model presented by Colin Campbell)?

A: Bonding – e.g. family; linking – e.g. the doctor

Q: How do you support these networks in Scotland?

A: It is mainly up to the Scottish government (it is also part of the strategy). To a lesser extent the local authorities also support the networks. It started on a voluntary basis by SE for SE and later funding was made available. Thematic national agencies can also support networks (e.g. sport and health).

3. The role of ESF within SE Strategy in Scotland – Growth funding and social innovation

Pauline Graham presented the ESF 2014-2020 Operational Programme (OP), which, under the priority on promoting social inclusion, combating poverty and discrimination encompasses:

- Empowering Communities Fund
- Social Economy Growth Fund
- Social Innovation Fund (with a focus on nurturing social innovation, linking social economy to academia and research)

The Social Innovation Fund has 3 stages:

- 1) Develop new, creative ideas (max. 6 months)
- 2) Test ideas/prototypes (max. 12 months)
- 3) Sustaining and/or scaling up and growing social innovations (max. 12 months)

Presentation: https://ec.europa.eu/esf/transnationality/filedepot_download/2714/2218

Question/comments regarding strategic approach in other countries:

PL: Strategy for social economy: building the market and enhancing competitiveness, mostly using ESF and Support Centres for Social Economy. There was a loan fund pilot and now the government is preparing new financial tools and the new financial perspective.

HR: Working group worked on the strategy for 2 years. Main goals: financial support for social entrepreneurs; no specific law on the topic; ; the WG established 5 criteria to be recognised as a social entrepreneur; recognised the term social innovation but not specific priority on that in calls.

4. Supporting the Circular Economy through ESIF via Zero Waste Scotland

James Chapman, Move On Wood Recycling - Move On is looking at post construction timber re-use and behaviour change in the construction sector with an investment of £146,450. Based in Edinburgh. Partners involved: charity for homelessness prevention and Community Wood Recycling. Main activities: collecting and selling wood, making furniture, boosting employability of beneficiaries and offering training sessions. Funded by Zero Waste Scotland until September 2019 (2 member of staff and premises). Currently discussing sustainability options.

Michael Cook, Community Resources Network Scotland (CRNS) – the network has received £99,509 in funding to set up a consortium for a furniture re-use operation across Scotland to make it easier i.e. to bid for public contracts. This is the first approach of its kind and it will transform the sector's ability to deliver local solutions with a national strategic approach. Funding comes from Zero Waste and ERDF. Recycling is also part of the Scottish Strategy.

Presentation: https://ec.europa.eu/esf/transnationality/filedepot_download/2714/2223

Questions/comments:

Q: How could CRNS and Edinburgh SEN support James?

A: Marketing, branding (growth and sustainability), procurement, Increasing public awareness and understanding. Social entrepreneurs do not have capacity to do all this additional work.

5. Scotland's 10 year Social Enterprise Strategy 2016-26 & Action Plan (2017-20)

Ms Aileen Campbell, MSP and Cabinet Secretary for Communities and Local Government, Scottish Government confirmed the political support for the growth of the social economy in Scotland and the value of the first long term strategy, which was co-produced with the SE sector. She mentioned that the Scottish government is also committed to promoting SE globally, although facing some challenges e.g. Brexit.



Comments: The Czech representative stated that he is very inspired by many Scottish good practices and would like to establish a Social Economy Academy.

The network expert – Dorotea Daniele – thanked the Minister and mentioned the inspiring examples the ESF network has discussed in the last decade, including Public Social Partnership Low Moss Prison, the SE Strategy etc.

6. The role of the ESF in supporting social innovation – Looking at the future

Miia Rossi-Gray, DG Employment, EC, explained the novelties brought by the Commission's proposal on ESF+.

The last meeting of the ESF network on social economy is planned to take place in Warsaw on 13-14 June. The plan is to present the success stories of the Member States who learnt or implemented something shared during the peer reviews, study visits and meetings of the last 4 years. The meeting should also look at the future (new programming period) to identify opportunities and new innovative ways to develop the SE sector. For any other suggestions the participants can contact the network expert, Dorotea Daniele.

9. Study visit to a social enterprise

[The Edinburgh Remakery](#) – a community repair hub and second-hand shop based in the Leith area of Edinburgh. The vision is to create an alternative to a disposable society by making repair education accessible to all to build a stronger, waste-free community and support vulnerable people within the city. They do this by taking in unwanted second-hand goods and refurbishing and repairing them, giving them a new lease of life and selling these on at affordable prices or gifting them to people who need them most. They also run regular workshops on various repair techniques and skills around sewing and textiles and furniture and woodwork, to empower people and give them the opportunity to learn to mend their own belongings and save money. It also gives them a brand new skillset, and helps the environment.