

DRAFT BUDGET 2014-15

SUBMISSION FROM SOCIAL ENTERPRISE SCOTLAND

Social enterprises are independent businesses, rooted in communities, that exist specifically to fulfil a social and/or environmental purpose. Scotland's social enterprise community operates in every corner of Scotland and in many sectors of the economy, improving lives and our environment.

Social enterprise is about delivering on Scotland's shared economic and social aims and we appreciate Scottish Government recognition of the increasingly important role of social enterprises in creating real, sustainable economic growth, creating jobs and employability and taking forward regeneration.

Recent research for the city of Glasgow confirms that the scale, substance and economic contribution of social enterprise is strengthening. This is evidenced through income generated, jobs created, businesses formed and services delivered under contract.

As the economy emerges from recession social enterprise will play an increasing role in shaping the future of Scotland's economy and ensuring that we do things better and differently.

Social enterprises have the capacity to meet the requirements of the public service reform agenda but also deliver goods and services that are in demand on the high street. This is an increasingly important market as customers become more sophisticated in their choice of who provides the goods and services that they purchase.

Scotland's social enterprise community warmly welcomes previous Scottish Government support, affirmation and investment in the sector. This social investment has allowed social enterprises and those third sector organisations seeking to become enterprising, to develop and grow and take forward key national and local policy objectives. The result of this has been a growth in enterprising activity within established and emerging social enterprises and within charities and community businesses.

We are pleased that a new £6 million fund (2013-15) has now been launched in the form of the new Enterprise Ready Fund, which builds on a number of other initiatives. We believe that the future of the third sector is in positive, sustainable and enterprising activity and that the Scottish Government is right to continue this social investment.

We believe that investment is required at all levels, including business formation and developing small and medium sized enterprises to grow. However, we also believe it is important to invest in the larger social enterprises who are key drivers of the economic activity mentioned previously.

We welcome the emphasis on preventative spend, public sector reform and mitigating the negative effects of welfare reform. These are areas where social enterprises in Scotland are already making the difference and have been for many years. The development of strategic and thematic Public Social Partnerships is encouraging and investment in this area is welcome. Clarity on the future of Change Funds and their role in future budget planning should be considered a priority.

To fulfil the true potential of social enterprise in Scotland, build capacity and help grant-dependent charities, this investment must continue over the long-term. It must also become focused on additional areas, such as tailored investment to assist private sector SMEs to begin a transition to social enterprise, where there is a demand. This is particularly relevant for those private companies who already operate in an “ethical” way and should include awareness raising of the options.

While we recognise the importance of social investment for charities and existing social enterprises to become more enterprising, in future we also need investment support for social enterprises in terms of acquisition of private sector companies.

This is about mainstreaming social enterprise and the huge potential and positive impacts it provides, and allowing SMEs, as well as charities, to consider new options for doing business. Social enterprise can become the normal way of doing business and delivering goods and services.