

8th meeting of the Cross-Party Group (CPG) on Social Enterprise in The Scottish Parliament and AGM

Tuesday 16 February 2021, 12:30 to 14:00, Online Zoom meeting

Tom Arthur MSP, Scottish National Party (SNP), Convener
Rachael Hamilton MSP, Scottish Conservatives and Andy Wightman MSP, Scottish Greens, Joint Vice Conveners

What do social enterprises need from the next Scottish Government and Parliament?

Report from 8th meeting of the Cross-Party Group (CPG) on Social Enterprise in The Scottish Parliament

Tom Arthur MSP:

We have a great cross-section of social enterprises from across Scotland to discuss what you want to see from the next Scottish government and parliament after the election. We're going to break out into four specific groups with an opportunity to choose from: local government, Employment, Skills & Training, Health & Social Care and Tax & Social Security.

Minutes of the previous meeting were then proposed and seconded. Tom stated that Duncan Thorp of Social Enterprise Scotland would take over the chairing of the final part of the meeting and that this was the final CPG before the election and thanked the SES and everyone who has attended meetings for their participation in and support for the CPG.

After the breakout sessions each chair fed back key points from the discussion, reports from each themed breakout session are below.

Reports from the four breakout sessions - Local government, Employment, skills & training, Health and social care, Tax and social security:

Local government

- While legislation is there, procurement can still be a significant barrier for many social enterprises.

- While we sometimes see willingness at a higher level regarding engaging with the social enterprise community this can be more of a challenge at managerial and implementation level locally.
- Once contracts are issued they can often be too large and this is then a barrier rather than opportunity.
- A clear point noted in discussions was that it is critical to be involved at an earlier stage in contracts, at pre-tender stage, to look at potential opportunities.
- There are opportunities regarding quick quotes that could be used more.
- The sector can look more at supported business framework though this will not suit all.
- Concern of public sector risk adversity and whether this is well founded - particular concern re budgets and opportunities post-Covid.

Employment, skills & training

Key Points

Government has stated, as a key priority, that employability services meet the needs of the unemployed and employers, particularly focussing on services that are inclusive, effective and responsive, and reflect local needs.

Social Enterprises are solution focused and ambitious to build on their already significant contribution to employability – in its broadest form - and employment (particularly for those furthest from the labour market). To do this, however, they require a simplified employability landscape that is clearly understood, accessible and communicated to them.

Equally importantly social enterprises need to be recognised and rewarded for their vital contribution to addressing labour market, economic, social and health inequalities – all of which will be crucial in our country's recovery – and more simply for the difference they make to people's lives.

To enable social enterprises to make their full contribution to Scotland's skills, training and employability landscape they need to be consulted as a trusted partner, with a meaningful voice and contribution to decision making.

Solutions/Opportunities for SE

- Increase understanding of and focus on social enterprise as a responsible business model – ensuring that opportunities are opened up in key areas such as climate emergency and the green agenda - skills for the future – we need support

to act quickly to ensure labour inequalities do not widen further for people already distanced from the job market.

- Embed the social enterprise model much earlier into schools
- SE offer fantastic routes into employment – and long term, person centred support, which reaps great benefits all round.
 - SE's can and do utilise range of avenues and 'hooks' to engage with people in terms of employability (eg creative industry, upcycling) – for example, creatives are a powerful tool for skills & social development and a positive way in which to bring people together
- SE can offer support to increase social inclusion and cohesion, addressing a significant barrier for people who are furthest from the labour market – their reach is extensive in local communities
- Community development approach taken by SE is proven to work – inclusive model where there is no stigma or labels attached which offers additional dignity when working with disadvantaged groups and communities and builds confidence.
- Social enterprises, no matter their size, deliver significant social impact to disadvantaged individuals and across communities, supporting the delivery of a wellbeing economy across a diverse Scottish landscape
- SE work closely with the community – they are agile and can offer early intervention support with employability and employment. They can be flexible and responsive to the needs of the individual and labour market
- SE offer supported work placements. Individuals - often with multiple barriers to work - benefit from valuable and meaningful work experience within a supportive and understanding environment, increasing their employability/chances of long term employment. SE benefits from added capacity which is a win-win situation. Further value is often realised as the SEs will do everything possible to employ that individual at the end of the placement
- SE can proactively identify and connect with people who need support - they already do it and do it well (see below)
- SE can and do respond to market failure
- CWB in N Ayrshire is providing a pipeline of support to SE to allow them to bid into contracts – good model to follow
- SE see the person – everyone is valued for their talents, skills and abilities and are encouraged and supported to realise their aspirations
- In principle, there is scope for Scottish Government to roll out something similar but wider than Kickstart – it is anticipated that many more people, across all ages, will be needing employability help soon – a 12-18 month funding programme would be transformational for both individuals and SE's

Challenges

- Need better appreciation of employability in rural locations and the difficulties people and providers face

- Complicated landscape – need better navigation for SE and for users to enable/create clear pathways of support for everyone
- Sense that the employability landscape repeatedly favours and rewards the ‘big players’
- Continual and unhelpful focus on growth
 - Some SE are never going, or wish to be, large organisations but the social impact they can deliver for the number of people they support is huge
- More lead in/development time required, need to take a long term approach for people with significant barriers to work – short term ‘funding’ does not support this
- Users still do not feel they have a meaningful voice at a policy level
- SE’s must have a seat at the decision-making table
- SEs require capacity support
- Policy and commitment from Govt is not always reflected in practice.
- SE do it and do it well however they are often at the end of the queue in relation to employability funding and are sometimes seen as the ‘cheap’ option
- Benefits system does not work to support an individual into work
- Persistent focus on the outcome of a full time job – this is not possible for everybody and that needs to be acknowledged and employability programmes developed accordingly
- Employability programmes, particularly when based on payment by outcome model, have historically tended to result in providers supporting people closest to the labour market
- Work required to ensure SE seen as equals in the business realm
- Stop funding the ‘usual suspects’

Health and social care

Key Points

- Recognition of the role that social enterprise has played during the Covid crisis and will continue to play throughout the recovery period is crucial.
- Resources need to be available for social enterprise to continue responding and developing mental health (and other) services.
- Lots of interest from social enterprise in collaborating, but again this requires resourcing.
- Example of an area where social enterprise has come together, overcoming fears of competition and ready to collaborate, but there are no resources (whether funding or tenders) for them to pursue, despite the local need existing. Concern that funding will become available to employ a Third Sector Coordinator that will pass referrals to social enterprise and other local organisations, but that there will be no money to purchase / resource the services being provided.

- Continued lack of understanding amongst public sector about how social enterprise and the third sector works.
- Concern that funding for research tends to be invested in academic research or large organisations, with the research outputs having limited / variable success in influencing positive change.
- Action based, community lead research shown to be extremely valuable in informing service improvements.
- Many of the health issues being addressed by social enterprise pre-date Covid, however the crisis has compounded this and increased health inequalities.
- Concern that as funding is anticipated to contract that a range of funding streams addressing health inequalities will dry up.
- Rural issues can be missed as health and social care is centralised, accompanied by missing the understanding of issues specific to local communities, e.g. remoteness.
- Anticipation that mental health needs will increase.
- Anticipation that there will be a trend of smaller organisations closing and / or merging with larger ones. Concern that this loses the local understanding.

What would directly benefit social enterprise?

Where investment is going into research there would be a benefit in going directly to the third sector and social enterprise.

- Would like to see the research community social enterprise lead, owned and developed.
- Funding needs to be made available to enable third sector to undertake action research that can identify local need and inform service development.
- It is important that academic research looks beyond the big players as participants and listens to what the key questions are for social enterprise.
- Important to see grassroots control and development of the research agenda.
- Important to properly value and recompensate participants with lived experience on a par with academics and other experts.

1. Increased recognition of social enterprise is crucial.

- Staffing training required across government to ensure understanding of social enterprise and the third sector and that effective communication follows on.
- Third Sector Division within Scottish Government need to develop more and stronger connections across SG departments to ensure increased understanding of social enterprise and the valuable role it makes to other policy areas.

- Third Sector Division would benefit from increased connection and more visibility with grassroots organisations to overcome perceived barrier and demonstrate understanding.
2. Increased local democracy and getting the message across that best way to deliver is locally.
- Increased understanding that one size fits all model does not work for local communities and that applying same rules to every community with no recognition for how it works in communities undermines local knowledge and expertise.
 - Trust people locally to know what is needed and set up structures to let happen without having to go through bureaucratic structure, etc.
 - Particularly place, where we live, communities- this is where social care is best delivered.

Tax and social security

- We should start being positive about tax and the benefits it brings and build a new narrative.
- Issues with business rates for a social enterprise e.g. an office building is quite big with lots of organisations with individual addresses/postcodes under one roof and the administrative complexities this brings for the local authority. Water rates appear out of nowhere and with no prior notice. Apparently it's about the legislation. No sort of appeals process. Allowance for social enterprises needed and exemptions partly discretionary.
- VAT costs for e.g. a building refurbishment are a big issue for some social enterprises. Claiming back VAT would help greatly, even if just a 5% reduction. Funders won't fund VAT bills. VAT not applicable to new build but refurbishments are apparently liable for VAT though.
- A portion of landfill tax could go to environmental projects that help reduce landfill, circular economy projects and green social enterprises.
- The new UK Kickstart employment scheme has not been successful for some social enterprises, complicated, with gateway organisations etc. Hopes for reform going forward.
- Council Tax is regressive and based on property values quarter of a century old.
- Scottish Government plans for a Local Income Tax have been dropped.

- Land Value Tax (LVT) could be an alternative.
- A local tax could be linked to how much rubbish you produce and how much you recycle.
- A “poll tax” in principle is okay but implementation is the issue.
- Some people don’t know their Council Tax bill until they move in - and then find out they can’t afford to live there e.g. in social housing properties.
- In student houses if one person stops being a student then all are liable to pay Council Tax.
- Could taxes paid by social enterprises and charities be instead reinvested back into the employer?
- Is a selective employment tax a possibility? i.e. charity and social enterprise employers/employees pay lower income tax and/or national insurance compared to private and public sectors.

Booked delegates

MSP: Tom Arthur MSP, Rachael Hamilton MSP

Non-MSP:

Charles Brodie Confederation of Economic Development Ayrshire (CEDA) Ltd

Rosiana Browning Transform Scotland

Marion Butchart Novartis

John Cairns Birchwood Highland

Diane Cameron West Lothian Social Enterprise Network

Sarah Cameron SENScot

Jayne Chappell SENScot

Norman Chipakupaku CEMVO Scotland

Barbara Conner The Ayrshire Community Trust

Chris Cowcher Plunkett Foundation

Maeve Curtin Glasgow Caledonian University

Alison Davis Saheliya

Ruth Dorman Fpsols

Andrew Farquharson The Weel Consultancy CIC

Daniel Fisher Greyfriars Charteris Centre

Alex Fleming The Impact Centre

David Francis Traditional Arts and Culture Scotland

Simon Francis Campaign Collective

Louise Hastie Movement Evolution Scotland CIC

Pauline Hinchion Scottish Communities Finance Ltd

Brian Houston Scottish Esports Hub

Juli Huang Edinburgh Futures Institute / University of Edinburgh

Leslie Huckfield Glasgow Caledonian University

Paul Johnston CRNS

Joseph Kelly Birchwood Highland

Colin Love South Ayrshire Council

Anna Marks Creative Edinburgh

Chris Martin Social Enterprise Scotland

Genna Jodie Masterton The Gifted Kind

Yvonne McBride Partnership for Procurement

Matt McGrandles Ceangail CIC

Gillian Murray GCU

Janice Nicol SENScot

Claire Pattullo Edinburgh Social Enterprise

Dodie Piddock Starting Step

Sinita Potiwal Sikh Sanjog

Michael Pretious Queen Margaret University Edinburgh
Fraser Quin British Society of Lifestyle Medicine
Sue Rawcliffe Inspiralba
Jude Reid SENScot
Jennifer Robertson Glasgow Social Enterprise Network (GSEN)
Dan Rous Our Place Camelon and Tamfourhill
Craig Sanderson Edinburgh Poverty Commission
Mary Sinclair SENScot
Hazel Smith ReTweed
Andrew Stephenson Sight Scotland
Matt Stewart entrepreneurme
Alex Stobart Mydex Data Services CIC
Richard Sullivan Scottish Parliament
Tracy Thomson Royal Bank of Scotland
Duncan Thorp Social Enterprise Scotland
Kim Wallace SENScot
Kate Walshaw Social Enterprise Scotland
Darah Zahran Scottish Enterprise
Helene van der Ploeg The Broomhouse Centre t/a Space

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