



small
business
service

SOCIAL ENTERPRISE AND REGIONAL DEVELOPMENT

Government Objectives

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Small Business Service

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What is a social enterprise?

A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.

PSA Targets

PSA Target 6 – Help to build an enterprise society in which small firms of all kinds thrive and achieve their potential, with (i) an increase in the number of people considering going into business, (ii) an improvement in the overall productivity of small firms, and (iii) more enterprise in disadvantaged communities

PSA Target 7 – Make sustainable improvements in the economic performance of all English regions by 2008 and over the long term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006. *Joint target with ODPM and HMT.*

Regional Policy

- Address causes of disparities within and between regions so all of UK benefits from economic growth.
- Boost wealth and employment - creating capacity in every region by strengthening innovation, enterprise and skills, modernising regional infrastructure and improving university/industry links.
- Public and private sectors work together to ensure that all regions and communities build on their own strengths and remedy their structural weaknesses.



Social enterprises contribute to

- Productivity and competitiveness
- Wealth creation through sustainable economic activity
- Neighbourhood, urban and rural renewal and regeneration
- Public service delivery and reform
- Social and financial inclusion
- Social capital and active citizenship

Social enterprise provides

- an alternative business model – can encourage economic activity amongst those who do are not attracted by business for personal or shareholder profit
- goods and services, often where the private sector will not
- on-the-job training in a supportive environment
- a contribution to filling skills gaps in some sectors
- employment for disadvantaged people



Better
regulation
and policy

More enterprise in
disadvantaged
communities and under-
represented groups

Building an
enterprise culture

Improving
access to
finance

Improving small
business' experience of
Government services

More dynamic
start up market

Building the
capability for small
business growth

Increased
productivity
across the
total small
business
market

Maximise
opportunities
for
employment
in small firms
or through
self-
employment



The Government's vision

- Dynamic and sustainable social enterprise strengthening an inclusive and growing economy
 - Existing social enterprises able to develop and grow
 - More social enterprises in all sectors and in all areas



The Government story so far

- Social Enterprise Unit set up in October 2001
- 8 Working Groups to contribute to the development of the Government's strategic framework
- Publication in July 2002 of:
"Social Enterprise: A Strategy for Success"
- Publication in October 2003 of *Progress Report*

Aims of the Government strategy

Tackling major barriers to the growth of social enterprise:

- Poor understanding
- Little evidence of impact
- Fragmented availability of support
- Difficulty accessing finance
- Limited account of social enterprise within an enabling environment
- Complexity and lack of coherence within sector

Three key outcomes

- Create an enabling environment
- Make social enterprises better businesses
- Establish the value of social enterprise

Create an enabling environment

Highlights:

- Community Interest Company legal form: Bill progressing in Parliament
- Public procurement toolkit for social enterprises launched and being promoted
- Increased recognition of social enterprise within Government

Future priorities:

- Working to promote greater involvement of social enterprise in local service delivery
- Encouraging commercial relationships between social enterprise and private sector businesses

Make social enterprises better businesses

Highlights:

- Business Link Operators sharing information & expertise on social enterprise nationally
- Support for specialist training and advice
- Bank of England report on access to finance and follow up – case studies research, SEC Guide to Finance, patient capital
- Support for Community Development Finance Institutions

Future priorities:

- Further follow up to Bank of England report
- Further development of specialist training and advice

Establish the value of social enterprise

Highlights:

- Recognise achievement and spread word: Enterprising Solutions and Inner City 100 awards provide higher quality media coverage in 2003
- Establish the knowledge base: guidance on mapping produced; next stage of research on collective core baseline data underway.
- Support for Social Enterprise Coalition
- Social audit

Future priorities:

- Baseline research
- Web-portal work

Further information

- www.dti.gov.uk/socialenterprise
- Social Enterprise Unit
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