

SOCIAL ENTERPRISE STRATEGY

FOR
GLASGOW 2018 to 2028

GSEN

Glasgow
Social
Enterprise
Network



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Front Cover: Glasgow Wood Recycling is committed to reducing the amount of wood needlessly going to landfill by finding creative and socially inclusive ways to reuse this valuable natural resource.

Joint Foreword by Cllr Susan Aitken and Betty Elliott

The Scottish Government published a Social Enterprise Strategy for Scotland in December 2016. This signified the continued commitment of the Scottish Government to the social enterprise sector, recognising the vital role it plays in our economy, in civil society and in creating a fairer, more inclusive Scotland.

The Strategy is a broad, long-term and ambitious framework that aims to support the social enterprise sector in three priority areas: stimulating social enterprise activity, developing stronger organisations, and realising market opportunity. In Glasgow, we share this ambition for social enterprise to be “a far-reaching and valued alternative and a key part of the Scottish way of doing business”.

This publication represents Glasgow’s first jointly produced Social Enterprise Strategy. It seeks to recognise, build upon and advance the Scottish strategy and the excellent work already undertaken in the city by a wide range of partners.

Glasgow City Council and Glasgow Social Enterprise Network have co-produced this strategy following consultation with the sector and wider stakeholders. This document represents a key milestone in a journey to shape Glasgow’s agenda for social enterprise over the next decade.

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The statistics are striking: there are over 700 social enterprises in Glasgow and the sector continues to grow; the city is the base for almost one in every eight social enterprises in Scotland, and the sector generates almost £800m per annum from trading activity across a wide range of economic activities. However, the evidence shows us there is still much to do to support and strengthen the social enterprise sector, building resilience in the social enterprises and the city.

The sector has opportunities for growth, for internationalisation and for delivering services to communities, right across the city, contributing to the inclusive growth the city needs. Often, social enterprises provide opportunities for those who most need support; those who are most vulnerable and at risk of being excluded or marginalised.

As we set out on this planned ten-year strategy, we look forward to Glasgow’s social enterprises going from strength to strength.

Councillor Susan Aitken
Leader of Glasgow City Council
and City Convenor for Inclusive
Growth

Betty Elliott
Chair
Glasgow Social Enterprise Network



MsMissMrs has a mission to re-empower women and girls through accredited self-development programmes, a welcoming community SELF CARE hub and some very special undies.
Image taken by Young Enterprise Scotland

Background

Social enterprises encompass businesses that trade in goods and services across markets, with consumers, other businesses and with the public sector. They aim to be financially self-sustaining and to invest all of their profits into their social and /or environmental purpose.

Over 800 of Scotland's social enterprises have signed up to the Voluntary Code of Practice for Social Enterprises in Scotland; this defines the key values of a social enterprise as:

1. A Social Enterprise (SE) is a trading business, selling goods and services, but whose primary objective is to achieve social and / or environmental benefit. SEs are different from those charities and voluntary organisations which do not aspire to financial independence through trading.
2. Regardless of its legal form, the constitution of a SE will include the requirement that profits are reinvested in the business or in the beneficiary community – and not distributed to private owners, shareholders or investors.
3. The constitution will always require that on dissolution, the assets of the SE are reinvested in another organisation with similar aims and objectives. Taken together Criteria 2 and 3 are referred to as the 'asset lock' – the defining characteristic of a SE – which distinguishes it from the private sector.
4. SEs are constituted and managed in an accountable and transparent way – particularly with regard to the community they serve.
5. SEs are distinct from the public sector and cannot be the subsidiary of a public body.

For further information, see www.se-code.net

Glasgow is home to a vibrant community of social and co-operative businesses, community organisations,

development trusts, the UK's largest and most robust Credit Union sector, and a network of registered social landlords, many of which are community-controlled. The Council has a long-standing policy commitment to being a Co-operative Council, including support for the social enterprise sector.

Social enterprises play a key role in addressing the social and environmental challenges facing the city, including tackling fuel and food poverty and financial exclusion; meeting housing need; improving employability; providing social care, early learning and childcare, and community transport, and improving health and well-being. Whatever their trading activity, social enterprises trade for the common good, addressing social needs, strengthening communities, improving people's life chances and protecting the environment.

The appointment of a social enterprise representative to the Glasgow Partnership for Economic Growth is an

important step in placing social enterprise at the heart of economic discussion in the city and implementing the Glasgow Economic Strategy.

The Council has worked with Glasgow Social Enterprise Network (GSEN) to develop this first joint Social Enterprise Strategy. Set up in 2008, GSEN provides a wide range of services to its member organisations and the wider social enterprise sector. For further information, see www.gsen.org.uk

The current position

Glasgow is Scotland's largest and most diverse city. Social enterprises are active across the whole city, operating from every corner, and in every kind of neighbourhood. Glasgow has the people, the resources, the partnerships, the imagination and the experience to make the social enterprise sector a social and economic driving force for good.

- There are over 700 social enterprises in the city
- 44% are located in Glasgow's most deprived communities
- 61% are led by women
- 46% employ people who were formerly disadvantaged in the labour market
- 84% of Glasgow's social enterprises pay the Scottish Living Wage
- 59% generate at least half their income from trading
- The sector's collective income is £1.1 billion per annum

The Scottish Government has set out its ambitions for social enterprise in Scotland's Social Enterprise Strategy 2016-2026 (SSES). This provides a firm foundation to the first strategy for the city, and identifies key issues to which the city's social enterprise sector must respond in the years ahead:

Enabling Legislation

Legislative and policy decisions will open up future market opportunities, in early learning and childcare, health and social care, land ownership, broadband, transport, and more.

Future Public Services

The long-term direction of public service reform is set, implying increasingly localised, preventative and personalised public services.

Subsidiarity

A high level of democratic participation is likely over time to lead to power being devolved downwards. Locality planning, participatory budgeting, and community empowerment are symbolic of the shifts underway

Demographic Change

An ageing and changing population is placing increasing pressures on services. Innovation, creativity and collaboration will be required if needs are to be met.

Persistent Inequalities

Long-term and entrenched socio-economic challenges are likely to persist and may grow.

The Influence of Young People

A younger generation will bring progressive values and new expectations about society, business and life.

Ethical Consumption

A desire to live better, more sustainable lives means consumers will increasingly make ethical choices.

Glasgow is at the heart of the UK's biggest city deal, releasing investment of over £1.13 billion in the city-region up to 2025. Inclusive economic growth is at the heart of the City Region Economic Plan. This aligns well with the values of the social enterprise sector and expands the range of opportunities for social enterprise to thrive across the city.

Learning from the sector

GSEN and the Council commissioned Social Value Lab to conduct a consultation with the sector and key stakeholders to underpin this strategy. This provided some clear messages about changes needed to help the city's social enterprise sector respond to the challenges ahead:

1. Build on advances already made by taking further steps to unlock public sector commissioning and procurement opportunities for the city's social enterprises.
2. Appropriate support for social enterprises as they look to become more competitive in supplying goods and services.
3. Increase the capacity of social enterprises to bid for larger contracts in both the public and private sectors, including the development of consortia or co-operative models.
4. Raise the profile of social enterprise in schools so that pupils have a full understanding of ethical business practice, and

give consideration of social enterprise as a career opportunity.

5. Raise awareness of the Community Empowerment Act and the opportunities for social enterprises to utilise surplus public sector land and buildings.
6. Explore the co-production of services between the Council, and other public sector agencies, and social enterprises.
7. Promote regular events to raise the profile of the social enterprise sector, the social value of their work to our citizens and the city as a whole, and encourage networking.
8. Provide tailored business support and targeted finance for the social enterprise sector, staff and board development initiatives, such as mentoring and coaching for sector leaders.

These are just some of over seventy ideas and proposals that emerged from the consultation.

A sector confident in itself – a city confident in the sector

Building on these strong foundations and understandings of the needs of the sector, Glasgow's social enterprises can be fundamental to creating a fairer and more prosperous city. The work undertaken by the Council and GSEN, and the consultation conducted by Social Value Lab, has helped drive a clear vision for the sector, which is that:

'Over the next decade, we wish to see the social enterprise sector in Glasgow significantly increase its reach, scope and potential. We aspire to make Glasgow the social enterprise capital of Scotland, learning from, but also sharing, the experience and knowledge developed in the city and beyond, to develop a more compassionate economy that works for all our citizens.'

Social enterprises will become more widely understood and

accepted as a just, open and genuinely democratic means of conducting business. Support will continue to be available for social enterprises that wish to remain small and locally focussed, and those that wish to take advantage of opportunities for growth and expansion will be encouraged and nurtured.

The existence of over 700 social enterprises in the city provides opportunities to create new connections between the private, public and third sectors and to strengthen existing connections. Scotland is highly regarded across the world as leading on social enterprise development and this strategy can help Glasgow to secure its place as Scotland's social enterprise capital, and a beacon of ethical business practice.

The Council will establish a Social Enterprise Board (SEB), bringing together key figures from the Council, GSEN, social enterprises, public agencies supporting the sector, and academics with knowledge of the sector. To drive forward

this strategy, GSEN will work with the Council to support the work of the SEB, ensuring a strong partnership and full engagement with the social enterprise community.

As its work programme develops, the SEB will use co-options to the Board, and to sub-groups and working groups to ensure it receives input from equality groups, engage expertise from the private sector, the funding community, legal advisers and procurement professionals, as well as to engage representatives of key sectors, such as co-operatives, RSLs, credit unions and early learning and childcare organisations.

Equalities issues

The outcome of the 2017 study shows a social enterprise sector that works with and targets opportunity towards disadvantaged groups. Women are strongly represented in leadership roles in the sector. The sector is also well represented in areas of deprivation. However, the picture is less clear regarding performance in relation to other equality and diversity groups.

While Black and Minority Ethnic Communities make up 12% of the population of Glasgow, just 6% of Directors and Trustees of social enterprises are from the BME community. Approximately 24% of Glasgow's working age population has a disability or long-term health condition that affects their working life, but just 13% of Directors and Trustees of social enterprises have a disability or long-term condition.

The outcome of the 2017 study shows a sector that may have difficulty connecting to the needs and aspirations of the city's younger residents. While 13% of the city's residents are

aged 16 to 24, the years in which young people move into the workforce and the world of business, just 2% of the directors or trustees of social enterprises are aged under 25. None of the city's social enterprises has at least half their directors or trustees aged under 25.

There is considerable evidence of the benefits to businesses of addressing equality and diversity issues; however, there are significant information gaps in the social enterprise sector's performance on delivering equalities at present. Addressing these gaps and working with social enterprises to reinforce their approach to equality will be an important work stream for the SEB.

Proposals into action

The work undertaken by the SEB to implement this strategy will build on the priorities that emerged from the Social Value Lab consultation, which closely align with the priority actions outlined in the Scottish Social Enterprise Strategy:-

1. Stimulating the Social Enterprise Sector
2. Developing Stronger Organisations
3. Realising Market Opportunities

Taking account of the consultation process and the Scottish Social Enterprise Strategy, the Council and GSEN developed an initial bank of proposals, which is attached as Appendix 2 to this strategy.

By the end of its first year, in consultation with all stakeholders, the SEB will publish an action plan and targets to deliver this strategy, reflecting the city's commitment to social enterprise and delivering stronger social enterprises and sustainable and inclusive growth in the social

enterprise sector in the years ahead.

Delivering the ambitions that underpin this strategy will require a shared vision and effort, as well as behavioural change, within the Council and its arms-length organisations, across other public sector partners and across the social enterprise sector.

The City Council and GSEN are committed to leading that change, as we believe this could result in Glasgow becoming a more socially and economically inclusive city.



Homes for Good is a letting agent and property management company operating in Glasgow and beyond, passionate about the impact homes have on people's lives and this social aspect is a central aim of the business.

Appendix 1 Composition of the Social Enterprise Board

The Social Enterprise Board

Organisation	No. of reps	Selection process
Convener	1	Nominated by GCC
Vice-convener	1	Nominated by GSEN
Glasgow City Council	4	GCC Nominations
GSEN	2	GSEN Board Nominations
Industry representatives	4	Elected by Glasgow social enterprises who sign up for the Code of Practice
Public sector support representatives	2	Nominated by Scottish Enterprise / Co-operative Development Scotland
Academic support	1	Co-opted by SEB

The Board will have the power to co-opt a maximum of three additional Board members.

The Board will also have the power to establish sub-groups and working groups, consisting of Board Members and co-opted members, to oversee specific projects, to address particular areas of interest to the sector, to ensure it receives input from equality groups, and to engage relevant expertise and representation from key sectors.

Appendix 2 Proposals emerging from the consultation and strategy development

Proposals emerging from the consultation and strategy development

1 Stimulating the Social Enterprise Sector in Glasgow

Local stimulus for development and recognition of the sector are pivotal to the sustainable future we all wish to see for the city's social enterprise sector. These are linked to fostering social entrepreneurship and innovation in Glasgow, and to improved education around social enterprise for our young people – Glasgow's social entrepreneurs of tomorrow.

1.1 Local Development & Citywide Recognition of Social Enterprise

Use the Social Enterprise World Forum, which is taking place in Scotland in September 2018, as an opportunity to highlight the best of Glasgow's social enterprise sector.

Create opportunities to explore the potential for greater cooperation between the private and social economies in the city.

The Council will host an annual summit for the social enterprise sector.

Encourage public sector agencies to develop greater links with social enterprises in the city.

Encourage developers of communal workspace and innovation hubs in the city to consider providing opportunities for social enterprises to share workspace and experiences.

Work to ensure that social enterprise solutions are considered in the development of social and economic strategies for the city.

Review the key barriers preventing further development of Glasgow's social enterprise sector.

1.2 Social Education, Entrepreneurship and Innovation for Glasgow

Consider how best to make social enterprise and social entrepreneurship an integral part of preparing the city's young people for the world of work.

Encourage greater connections between the social enterprise sector with young people on placements and in school.

Work with the planned Scottish Social Enterprise Academic Forum to strengthen learning around social enterprise and innovation in the city's further and higher education institutions.

Consider how social enterprises can make best use of funds made available by the Council and others to support growth and innovation.

Examine options to create an online portal for social enterprise in Glasgow, to facilitate the sharing and promotion of advice, expertise, mentoring and trade within the sector and outreach to potential consumers of products and services.

2 Developing Stronger Organisations in Glasgow

Glasgow has seen substantial progress in the growth and breadth of the city's social enterprise sector over the past decade. However, to ensure the sustainability and resilience of the sector, it will be necessary over the coming years to take action in the areas of business support, finance, co-operative working and the development of people and practices involved in Glasgow's social enterprise sector.

2.1 Social Finance & Business Support

Work with financial institutions to investigate new lending products that will allow social enterprises to invest, generate increased revenues, and build resilience and opportunities for expansion.

Encourage Business Gateway and other partner organisations to consider how best to develop their services to meet the specific needs of the social enterprise sector.

Consider the use of existing micro-finance schemes and further use of community shares.

Explore the potential for the city's social enterprises to make greater use of Social Investment Tax Relief.

Encourage social enterprises to maximise their use of general financial support mechanisms available to Small and Medium sized Enterprises.

Work with the sector and partners to increase the number of social enterprises that are "investment ready".

Consider the impact of the Community Empowerment Act, including opportunities for the introduction of targeted rate relief and asset transfers work with the public sector and social enterprises to ensure the social enterprise sector derives maximum benefit from this legislation.

Consider how best to support social enterprises looking to enter international markets.

2.2 Collaboration & Demonstrating Social Value

Encourage contracting authorities to explore creative ways to open up market opportunities to social enterprises and to forward plan procurement to create the time and space for social enterprises to respond collaboratively.

Support the development of co-operative and other consortia between social enterprises, to increase the opportunity for social enterprises to compete for larger public sector contracts.

Feed into the work of the Glasgow Partnership for Economic Growth to build a better understanding of social enterprise, its current role and its potential contribution to the city's economy and society.

Support social enterprises in extending the range of opportunities and services provided to equality groups and monitor changes in the profile of engagement with groups.

2.3 Leadership & Workforce Development

Ensure the availability of targeted assistance and encouragement for all those starting, guiding, and employed by a social enterprise.

Identify and address any gaps in awareness across public, private and social enterprise sector partners, of the specific governance arrangements in social enterprises.

Encourage social enterprises to undertake a health check to ensure that its board members have access to the skills needed to operate effectively.

Consider the development of a mentoring scheme for social enterprises, where those willing to help can offer their skills and expertise.

Build on the existing sector-wide commitment to fair pay and encourage all social enterprises to commit to the Scottish Living Wage for all employees.

Recognise the crucial role social enterprises play as employers

for those who have been or are becoming distant from the labour market and ensure that social enterprise learning is available to all.

Work to understand and to devise the best solutions to the challenges facing social enterprises in the use of information and communication technology.

Ensure that social enterprises are able to take up the support available to encourage digital innovation.

Review the employability services provided across the city and, where necessary, update these to reflect issues facing social enterprises.

3 Realising Market Opportunity in Glasgow

Social enterprises are a central part of the inclusive economy. However, social enterprises, like all enterprises, rely on access to markets and to consumers of their goods and services. This strategy seeks to direct actions to achieve the objective of realising the market opportunities

in: public sector markets, consumer markets and private business markets.

3.1 Realising Public, Corporate and Individual Market Opportunities

Work with individual consumers, and private and public sector buyers to understand what they expect from social enterprise and how to make social enterprise sustainable.

Engage with Partnership for Procurement, public sector commissioners and buyers to create sustainable opportunities for the social enterprise sector within service development and procurement processes.

Highlight the number of Supported Businesses operating in the city, and the sectors in which they operate, and encourage public bodies to use their powers under the Public Contracts (Scotland) Regulations 2015 and Procurement Reform (Scotland) Act 2014 to restrict appropriate tender exercises to such bodies.

Encourage public sector partners to monitor and review contracts issued to Supported Businesses, to ensure that they maintain an effective and mutually beneficial contract relationship.

Improve the speed of payments made to the social enterprise sector.

Promote awareness and use of Community Benefit Clauses across public sector procurement processes to create conditions for social enterprises to become more involved in the delivery of user-focussed public services.

Encourage effective market engagement between social enterprises and public and private sector procurement teams to generate better understanding of supply chain opportunities for social enterprises.

Glasgow Social Enterprise Network will publish a directory of member social enterprises in Glasgow.



Glasgow
Social
Enterprise
Network

Web: www.gsen.org.uk

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