

# GSEEN



Glasgow  
Social  
Enterprise  
Network

## **Glasgow: Social Enterprise City**

**A Social Enterprise Strategy for Glasgow**

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We recognise the invaluable research and strategic thinking provided by CEiS and the Social Value Lab to GSEN during the production of the strategy.

Finally, we greatly appreciate the evidence and views provided by GSEN members, public sector partners, and over 100 social enterprises in the city. Together we have ensured that this first Social Enterprise Strategy for Glasgow reflects our shared ambitions for the city.

## Foreword

Over the last 5 years or so we have seen a growing momentum behind social enterprise in Scotland, and with this has come increased political recognition and significant new investment. This has helped to create a diversity of social enterprises that are becoming more business focused, more innovative, and more confident in their futures; at the same time they are developing solutions to pressing social challenges.

Glasgow is extremely fortunate to be home to many excellent social enterprises, some operating nationally and some very locally in specialised markets. What they all have in common is passion, resilience, determination and the ability to change Glasgow for the better.

The business of running a social enterprise in Glasgow today is full of challenge and opportunity in equal measure. The effects of the recession are beginning to be felt acutely across all of Glasgow's citizens, with increased unemployment, homelessness, and greatly reduced public resources to address these and other pressing needs. Social enterprises do not underestimate the scale of these challenges, but seek to tackle them head-on. Significant opportunities also exist for Glasgow's public sector in all its parts to reform the way that it delivers services through direct engagement with social enterprises. Through developing business partnerships with social enterprises, the private sector can also transform its social and environmental contribution to the city.

This Social Enterprise Strategy for Glasgow has been developed by Glasgow Social Enterprise Network (GSEN), supported by CEiS and the Social Value Lab. Over 100 social enterprises in the city have contributed to the findings and shaped the recommendations for action. The resulting document highlights the scope and contribution of the sector in Glasgow, and clearly signposts the way forward in embedding social enterprise into the economic and civic life of the city.

Now is the right time for Glasgow to be embracing its proud history of social enterprise, and to welcome a new wave of social enterprises that can help the city to flourish. GSEN and its members are ambitious for Glasgow and we greatly look forward to working with others to ensure we claim the position of being the UK's leading City of Social Enterprise.

**Susan Aktemel**  
Chair of Glasgow Social Enterprise Network

### Strength in Numbers

Glasgow Social Enterprise Network (GSEN) is a network of Glasgow's social enterprise leaders; one of a growing number of geographic and thematic Social Enterprise Networks in Scotland. It provides a regular forum for information-sharing and peer support, as well as a confidential environment that is conducive to inter-trading between social enterprises. The Network also engages selectively with policy makers, funders and other strategic partners to lobby, challenge and shape an environment in which social enterprise can flourish. Membership currently brings together leaders of social enterprises with a combined turnover of more than £115 million.

## **Our Vision for Glasgow**

**We believe that social enterprise can transform the economic, environmental, social, and cultural life of Glasgow.**

**Our vision is of a dynamic and vibrant social enterprise community that is part of the fabric of the city, and which is central to the way that Glasgow chooses to do business.**

**Our ambition is to create a supportive environment in Glasgow in which social enterprise is able to flourish. One where:**

- 1. Social enterprise is a well-known and widely accepted part of mainstream community life, work, business and education in the city**
- 2. Social enterprise plays a central role in reshaping and running the public services on which Glasgow continues to depend**
- 3. Social enterprise makes a strong and measurable contribution to the growth of Glasgow's economy**
- 4. Social enterprises are able to make the most of locally important assets and act as a catalyst for wider community regeneration**
- 5. Social enterprise is the business model of choice for a new wave of entrepreneurs passionate about making a difference to Glasgow**

**The following pages set out our strategy for making this vision a reality.**

## Introduction

This strategy sets out our route map towards the development of a more vibrant and sustainable social enterprise community in Glasgow.

Social enterprise is a way of doing business; a better way of doing business. Social enterprises operate for more than profit alone, they foster social and environmental innovation, they are ethical in their motivations, and they are accountable to their employees, consumers and communities.

‘Social enterprise’ is a broad church. Social enterprises range from small start-up Community Interest Companies formed by individual social entrepreneurs, to large and well-established providers of public services. They span a variety of market sectors, business models and legal structures that operate on a more-than-profit basis.

Social enterprise is now high on the policy agenda. Social enterprises are regarded as an increasingly important source of economic growth, a vital support for disadvantaged areas and groups, and an essential part of the reform of public services.

This is no surprise. Social enterprises in Scotland are widely recognised for their focus on creating solutions which tackle the most pressing needs our communities have, and their ingenuity in designing services and products, and their ability to deliver social impact with a business-focused approach.

Social enterprise is not new to Glasgow. There is a great history of social enterprise in the city, which has given rise to some of the most imaginative and fastest growing social enterprises in the UK, and some of the largest.

Glasgow has a long tradition of actively supporting community-based social enterprises, such as community-based credit unions, housing associations, and community-based development trusts. Much of the pioneering work on new social enterprise business models in the UK has occurred in Glasgow. Social enterprises in the city have pioneered new ways of addressing major social challenges, such as the development of the Intermediate Labour Market (ILM) approach to tackling worklessness.

### Community Benefit Clauses

Community Benefit Clauses provide a means of achieving added value in public procurement by building in a range of economic, environmental or social conditions into contract specifications. Glasgow City Council has developed a policy on Community Benefits, including a requirement for contractors to specify benefits that will arise for social enterprises. The initial focus of the policy has been on capital infrastructure projects relating to the Glasgow 2014 Commonwealth Games, such as construction of the National Indoor Stadium and Arena. The Council is now planning to extend this framework to other product and service contracts.

Public authorities in the city have recognised the importance of social enterprise. They have also had a profound influence in shaping the markets in which social enterprises now operate.

The city has not rested on its achievements, but continues to innovate. Recently Glasgow was the first city in the UK to comprehensively test the use of Community Benefits Clauses in public procurement, in order to strengthen the role of social enterprise in business supply chains. The city is also the first in Scotland now to offer an MSc programme in Social Enterprise to students.

We want to build on the achievements of Glasgow, and help foster an even more supportive environment in which social enterprise can flourish. We want Glasgow to be recognised as the UK's leading City of Social Enterprise. This reflects the strong tradition of social enterprise activity and the pioneering spirit and confidence that exists in the city.

If our ambitions are to be realised, social enterprise must become an even more well-known and widely accepted part of mainstream community life, work, business and education in the city. Social enterprise must come to the fore in the choices we make about the future direction of Glasgow's public services and economy. We must be proud and tell others about our achievements in putting social enterprise on the map.

We believe that this strategy will be important in realising the full potential of social enterprise. This strategy is the culmination of a rigorous process of research and consultation. The priorities set out in the document have been shaped with the active involvement of more than 100 social enterprises and representatives from the city's key institutions.

The remainder of the document outlines the context within which the strategy has been developed, discusses the current state of social enterprise in Glasgow, and outlines a shared vision and priorities for developing social enterprise in the city.

## The Changing Context

### The national backdrop

With strong Scottish Government support, a comprehensive policy programme, and considerable grassroots innovation, Scotland is increasingly being seen as a global leader in social enterprise. While there is no definitive up-to-date research currently available, there is understood to be around 3,000 social enterprises in Scotland with a combined annual turnover of almost £2.5billion.<sup>1</sup>

As a result of the global recession, however, the buoyant national economy that has helped to drive growth in the social enterprise movement in Scotland has now taken a significant downturn. This is set to test the resilience of social enterprises, both large and small.

As a result of the banking crisis and the economic recession, and the accompanying rejection of traditional profit-driven values, people are searching for alternatives; alternative ways of doing business, fairer ways of doing business. We believe that social enterprise represents this alternative.

Also arising from the growing national debt, public sector financial austerity in Scotland is now set to spread and deepen over coming years. The full implications of these financial challenges are yet to become apparent, as are the opportunities and threats that this will present to the social enterprise community.

At the same time, factors such as the aging population, the recession, a widening poverty gap, a shortage of affordable housing and the threat of climate change are posing new challenges for our communities. In the current economic climate it is social enterprises that are often closest to communities, best placed to react quickly to needs, and best able to come up with bold and imaginative solutions.

**The Third Sector - comprising social enterprises, voluntary organisations, co-operatives and mutuals - has an important role in helping the Scottish Government achieve its purpose of creating a more successful country with opportunities for all to flourish, through achieving sustainable economic growth.**

### Scottish Government

In recent years, there has been increasing political recognition of the role of social enterprises in delivering community regeneration, better public services, and economic growth. Building on the achievements of recent administrations, we are confident that support for social enterprise will remain strong in Scotland's new political landscape.

<sup>1</sup> Figures provided by the Scottish Social Enterprise Coalition

## Creating Impact Through the Arts

Impact Arts is one of Scotland's fastest growing social enterprises; one which uses the arts to change lives. From humble beginnings in 1994 it has grown to a staff team of 45 full-time and 50 part-time artists, with bases across Glasgow, Edinburgh, the Borders, and Ayrshire. It uses visual art, drama, dance and multi-media to develop creative approaches to tackling social challenges. Through projects such as Fab Pad, Creative Pathways and Craft Café it helps to eradicate homelessness, transform the aspirations of young people, improve older people's lives, and improve people's employability and job prospects.

However, the national support framework within which social enterprises have been supported is changing. The social enterprise support programmes and projects initiated under the Scottish Government's Enterprising Third Sector Action (2008-11) has come to an end in 2011 to be replaced by a series of national strategic contracts. Accompanying this, a new mechanism is being established in each local authority area to better co-ordinate support to the third sector (including social enterprises) and to ensure that the sector has a stronger role in Community Planning structures.

There is considerable attention nationally on ways in which social enterprises can measure and report on their wider impact. This is becoming more important as social enterprises are exposed to the same commercial pressures

as businesses and are being increasingly challenged to demonstrate their added value. Social Return on Investment (SROI) and Social Accounting & Audit (SAA) are generally accepted methodologies for measuring social impact, although they are considered by some to be time-intensive and complex. Social E-evaluator has been developed to simplify and support the application of SROI principles, and a range of other systems have been introduced to make the task of measuring impact more manageable. What all approaches have in common is that they offer a robust way of showing the difference that social enterprises can make. All stakeholders in social enterprise in Glasgow must continue to produce straightforward, robust, and compelling evidence that will highlight the increasing role that social enterprises can play in improving our city.

## Local conditions

Regardless of the national picture, we believe that social enterprise is essential to improving social and economic conditions in Glasgow and that most of the main ingredients are in place to ensure that it can flourish.

Glasgow is Scotland's largest centre of population, containing some 589,000 residents (just over 11% of the nation's population). It is also Scotland's largest urban economy and a major contributor to the nation's prosperity. The city is home to 16,320 enterprises and supports around 400,000 jobs.

## An Inclusive Form of Business

Social enterprise firm, Haven Products, is part of Momentum and operates as a commercially viable and efficient business, providing employment opportunities for disabled people.

It offers services and solutions to companies looking to outsource their production processes. It has a proven track record of delivering on the most challenging requirements and a client list ranging from international blue chip firms to local companies. Haven operates from a number of sites across Scotland, delivering business services in a range of areas, from packaging to component assembly to print finishing.

While Glasgow has been transformed into a diverse business location, and is home to many of Scotland's largest businesses, the economic landscape is dominated by the service industries (accounting for 90% of jobs) and small-scale enterprise (88% of businesses).

Despite Glasgow being an instinctively entrepreneurial city it has also developed an unhealthy dependence on 'big state' solutions. The city is currently highly reliant on public sector activity, which accounts for more than one-third of all employment.

Also, like most cities in the UK, Glasgow has not been immune to the effects of the recent global recession. Business closures have been evident and redundancies made across the city's large employers. Worklessness is a continuing challenge for the city.

At the same time, however, the long-term legacy of industrial decline has meant that Glasgow contains a disproportionate share of poverty, inequality and deprivation. Despite great strides made in the last decade, more than half of the city's neighbourhoods are among the most deprived in Scotland. Much work remains to be done to address persistent inequalities in health, education and employment.

The scale of need in the city is now matched by the ambition and willingness of social enterprise to rise to these challenges. We view social enterprise as a modern business solution to social problems in the city, as a partner in the design and delivery of public services and as a way of working to make a sustainable difference to our communities.

## The policy and institutional context

Community Planning in Glasgow provides an agreed framework whereby public agencies can work with communities, businesses, and the third sector can come together to tackle the big challenges facing the city. Critically, social enterprise has now been formally recognised as a distinct part of the third sector, and as an essential strategic partner in Community Planning arrangements.

### Some Joined-Up Thinking

The Glasgow Third Sector Interface has been established to provide a more coherent and effective mechanism to support the Third Sector in Glasgow. Key functions include: to support voluntary organisations operating in Glasgow; to promote and support volunteering; to develop and support social enterprise; and to connect the third sector to community planning. The support functions of the Interface are being delivered on a partnership basis by GCVS, CEiS (on behalf of Glasgow Social Enterprise Network), and Glasgow Volunteer Centre.

Collectively partners are delivering on the priorities for the city as set out in Glasgow's Single Outcome Agreement. Social enterprises are already demonstrating their contribution to city targets and to the headline priorities of Early Intervention and Tackling Youth Unemployment. However, much of this activity falls under the radar, the contribution to SOA targets going unreported given that the vast majority of outcomes are neither directly nor indirectly financed by the public purse. Given the opportunity, social enterprise can deliver even more for Glasgow.

Community Planning partners in the city need to find ways to deliver services more efficiently and effectively. Given the opportunity to engage further, social enterprises can provide creative and efficient ways to deliver services in partnership with the main public bodies.

There has already been enormous restructuring in the way that services are delivered. This has been most notable within Glasgow City Council where many services previously delivered directly (including trading operations) have been established as Arms Length External Organisations (ALEOs) or other similar entities owned and controlled by the Council<sup>2</sup>. A key challenge is to find ways to ensure that these ALEOs, given their dominant position, support rather than ‘crowd out’ social enterprise activity in the city.

### Expanding Through Public Acquisition

The Indigo Group provides childcare for children 0-16 years, including Nurseries and Out of School Care services. These services provide affordable, high quality childcare with extended opening hours in the heart of communities. In 2007 Indigo merged 3 small voluntary organisations that were heavily dependent on grant funding and transformed their financial prospects, where now 70% of income comes from trading. This year will represent a period of growth through the acquisition of a public sector nursery that will accommodate up to 60 children. Turnover for 2011/12 is projected to increase by 10% and by a further 20% in 2012/13.

### Helping Social Enterprise to Flourish

Community Enterprise in Scotland (CEiS) is now the UK’s oldest and largest social enterprise development agency. It supports existing, emerging and aspiring social enterprises to become, and remain, sustainable businesses that fulfil a social purpose. Each year CEiS works intensively with over 150 third sector organisations and provides training to another 400 organisations to improve sustainability and develop their capacity. CEiS has delivered a range of national social enterprise support and community capacity building programmes on behalf of the Scottish Government, Big lottery and others. It has provided one-to-one support to community and social enterprises from the Borders of Scotland to the Shetland Islands.

### Support for social enterprises

Community Planning partners in the city have shown an increasing willingness to engage with and support social enterprises and their activity, although until now this support has been ad hoc rather than strategic. There is growing interest from Community Planning partners to understand how social enterprises within the third sector operate, and many social enterprises in Glasgow are highly respected for their resilience, ability to attract resources into the city and for their ability to develop new solutions.

Specialist business support for social enterprise in the city has been in place since 1984 in the form of CEiS. This support continues to grow in scale, sophistication, and impact.

<sup>2</sup>City Building (construction and property maintenance), Cordia (care services), City Markets (provision of markets), Glasgow Life (cultural and leisure services), City Parking (parking provision), Glasgow Community and Safety Services (neighbourhood management services), City Property (property development and management), Glasgow Housing Association (social housing).

Beyond the principal role of CEiS in supporting social enterprise, other organisations have played a supporting role. For example, Glasgow’s regeneration agencies have supported enterprising, locally-based community (social economy) organisations for a number of years, while GCVS has provided effective capacity-building assistance to voluntary organisations with the aspiration of taking on social enterprise activity. This support complements the mainstream business support available from Scottish Enterprise, with a number of Glasgow’s leading social enterprises receiving sector-specific business advice and funding to grow their business. There are also a plethora of membership-based organisations working at national level to support social enterprise activity.

In the absence of a coherent strategy, however, we recognise that the support ‘system’ for social enterprise has not always worked well. Despite considerable satisfaction, support is not always provided in a tailored, responsive or joined-up way and social enterprises cannot always get the support that they need to develop.

The establishment of a co-ordinated Third Sector Interface, the leadership of CEiS on social enterprise support, and the integration of previous disparate work of Glasgow’s Local Regeneration Agencies into a single Agency now provides an opportunity to invest strategically in the growth and development of Glasgow’s social enterprises.

## The State of Social Enterprise

There are many well-known examples of Glasgow-born social enterprises. Less well known is the scope and contribution of social enterprise activity in the city. The following analysis draws on the findings of survey research carried out to inform this strategy.<sup>3</sup>

### Social Enterprise in Glasgow

Glasgow has a strong tradition of active citizenship and voluntary action. This is evident in the 2,300 charities that are currently operating in the city and in the large base of volunteers that regularly contribute to civic life. From this passion to improve local conditions, a vibrant social enterprise community has emerged.

Social enterprise in Glasgow is a broad church that includes many organisational forms and business models. While this diversity makes it difficult to measure the scale of activity with precision, it is believed that there are in the region of 350-400 social enterprises now trading from a base in Glasgow although no formal 'mapping' study has been undertaken.

Parts of the sector are well known and closely regulated (for example, Glasgow's 34 credit unions and 67 housing associations). Other parts of the sector are less visible or identifiable to policy makers, but no less important.

The sector includes many large well known social enterprises with a UK-wide profile to a host of new-start and emerging social ventures that might have great significance in the years to come.

#### Glasgow: City of Credit Unions

The Credit Union sector in particular continues to go from strength-to-strength. It incorporates 34 credit unions with a workforce of 158 paid staff. As of 2009 the collective assets of Glasgow's Credit Unions had reached £183 million (a 37% increase over 2 years) generating an annual profit of £4.3 million. Glasgow is now the most successful credit union city in the UK in terms of capacity, provision, and membership penetration (23% of Glasgow adults are members).

<sup>3</sup> A survey of social enterprises in Glasgow was conducted by the Social Value Lab during February and March 2011 and received responses from 83 social enterprises (around one-fifth of social enterprises active in the city).

## Organisational scale

Often people make rather narrow assumptions about what social enterprises are and what they can do. In particular, people often underestimate the scale and sophistication of social enterprises as businesses.

Glasgow as Scotland's largest city contains a substantial concentration of large social enterprises. Glasgow's 10 largest social enterprises in terms of income collectively command an estimated turnover of £250.7 million.

Housing associations are among the largest social enterprises in the city. These are large and professionally managed enterprises, with an average annual turnover from letting of £2.3 million, that play an important role in the regeneration of Glasgow's communities.

### Housing Associations in Glasgow

Housing associations are a key part of the social enterprise sector. Excluding Glasgow Housing Association, there are 67 housing associations active in the city. Collectively these own 49,070 housing units, operate with 1,631 staff, and command a total income of £916 million. Most have taken an active role in making lives better for their tenants and going beyond their role of improving, developing or managing housing in the city. Several have developed successful social enterprise activity around landscaping, recycling and social care, and social enterprise is recognised as increasingly important.

## Markets

While many social enterprises are born in Glasgow and set up to serve the city's communities, these increasingly operate across several local authorities, nationally, or indeed internationally. We estimate that half operate outside Glasgow's boundaries.

### Operating on a National Stage

Turning Point Scotland provides person-centred support to adults with a range of complex needs. It was established in 1999 as an independent Scottish charity based in Glasgow. It is now one of Scotland's largest social care providers and provides substance misuse, learning disability, homelessness, criminal justice, autism, mental health, Huntington's disease and Acquired Brain Injury services across the country. Last year Turning Point operated with a turnover of £26.4 million across its operations.

Social enterprises pursue a wide range of objectives focused on improving the social, economic, and environmental circumstances of Glasgow. Common fields of activity include training, cultural provision, childcare, social care, environmental services, etc. They are active in public, business and consumer markets.

Social enterprise plays an important role in the delivery of public services such as social care. They have a proven track record of delivering services in an effective, efficient, and often pioneering way.

## Community-owned and managed

The multi-award winning Cassiltoun Housing Association started life as the Castlemilk East Housing Co-operative in 1984. With the support of Glasgow City Council, 90 of the Council's houses were transferred to 'the co-op', one of the first such housing stock transfers in Glasgow. Cassiltoun Housing Association has developed substantially over many years and retained its roots as a community-owned organisation. It operates as a registered charity, with trading subsidiaries. The Cassiltoun Trust is a subsidiary company set up to undertake the multi-million pound conversion of the historic Stables Block into a vital community asset, providing office space and services, and leading on a range of wider regeneration issues such as the revitalisation of Castlemilk Park.

## Organisational characteristics

The social enterprise community in Glasgow is characterised by its diversity – diversity in terms of age, objectives, structure, and focus.

Local social enterprises vary in age from new starts of less than one year to mature organisations that have operated for more than 100 years.

The social enterprise community includes a variety of business models and organisational structures. According to the latest survey research, most social enterprises in the city have been formed as a company ltd by guarantee (72%) and most hold charitable status (84%). A small but growing number are registering as Community Interest Companies (currently 27).

Despite many shared characteristics, as yet two in every five of Glasgow's social enterprises do not readily identify themselves with the term 'social enterprise'.

## Current trading

Social enterprises often operate with blended income streams; a mix of grants, trading income and charitable donations. Commercial trading is central to the social enterprise business model.

There are three reasonably distinct categories of Glasgow social enterprise. Our survey data suggests that:

- 33% are aspiring enterprises (25% of income from trading)
- 13% are emerging enterprises (25%-49% of income from trading)
- 54% are mature enterprises (50%+ of income from trading)

Our research also suggests that approximately 44% of social enterprises in the city are currently delivering service contracts of some form. Of these social enterprises: three-quarters are delivering contracts for public bodies; one-quarter are delivering contracts to private businesses; and half are delivering services to other social enterprises/charities.

We must help to move social enterprises along their development path, enabling them to increase their trading levels and financial sustainability, thereby reducing their reliance on grant subsidy.

## Getting Glasgow on the Move

Community Transport Glasgow was formed in 2005, bringing together five small neighbourhood community transport groups. It provides affordable and accessible transport to individuals and groups throughout Glasgow. In the space of five years it has grown turnover to approaching £1m, the majority of which is from hire charges and contracts. It now delivers important contracts to NHS Greater Glasgow and Clyde, Glasgow City Council, and others. With a fleet of some 35 vehicles and more than 40 staff it is ambitious to build on the 200,000+ passenger journeys that it carries out annually.

## Barriers to growth

Glasgow is renowned for its dynamic and large-scale social enterprises. However, we recognise that the potential of social enterprise is often held back by a range of factors.

These barriers often derive from the past circumstances rather than the present day situation: the traditional dependence on grants and cultural aversion to risk and debt that was the starting point for many social enterprises; and the traditional role of public authorities in direct service delivery and their paternalistic role in supporting community-led activity, but only on a small-scale.

Many of these constraints are within the wherewithal of social enterprises themselves to tackle, while some will require behavioural and attitudinal changes on the part of others such as public sector agencies, or additional support by way of investment in business development, training, and other areas.

## What Holds Social Enterprises Back?

1. Many social enterprises are locked into insecure or restrictive grant funding arrangements, with limited willingness or ability to take on loan finance at commercial rates
2. Social enterprises often lack the entrepreneurial drive, business development capacity, experience and skills that are needed to take forward new commercial ventures and contracts
3. There remains a lack of understanding of the potential of social enterprise or, more worryingly, a resistance to it in some parts of the public sector
4. Often public procurement processes are overly complex and typically contract specifications are not designed with social enterprises in mind
5. Social enterprises are often located in inadequate or limiting premises that are not deemed fit-for-purpose. Public rental subsidies now being replaced with commercial rates has created further challenges
6. There is an absence of a simple, shared language around social enterprise which makes communication within the sector and to the general public more difficult
7. Social enterprises, and those agencies that invest in them, find it difficult to demonstrate the impacts that they bring about, reducing their ability to sell their services and the added value they create

## Future prospects

Like other businesses the current economic climate has generally affected the prospects of Glasgow's social enterprises in a negative way (52% suggest this). Uncertainty in customer decision-making, increasing competition for declining funds, and downward pressure on contract prices are among the main issues here.

Despite these challenging economic conditions, social enterprises remain buoyant about the future. There is optimism that:

- demand for services will rise
- contract opportunities will increase
- trading income will grow
- areas of operation will expand
- joint working will become more prevalent; and
- reliance on grants will decline

This buoyancy reflects the resilience of social enterprise leaders and their ability to create opportunity out of adversity.

There is less confidence, however, in light of economic conditions that the social enterprise workforce in Glasgow will increase in the next few years and four in every five social enterprises expect operating costs (e.g. premises, utilities, etc.) to significantly increase.

### Building an Asset Base

Over the last 30 years, WASPS has grown to become one of Scotland's largest arts organisations, providing affordable studio space to over 750 artists each year at 19 locations throughout Scotland. To date, Wasps Artists' Studios and its sister charity, The Wasps Trust, have raised £15 million in private and public sector funding to buy and redevelop six studio buildings which house some 300 artists. This is part of a long-term strategy to own rather than lease properties, protecting artists from soaring property prices and preventing the loss of studio buildings to commercial developers.

## Areas of Opportunity and Focus

With long-term impacts likely on consumer, business and government spending some would argue that the economic picture is bleak. We believe the opposite to be true. There has never been a better time to pursue social enterprise as a way of doing business.

We have identified a number of main areas (and there are more) where we believe that, with support, there can be significant growth in social enterprise activity.

### Social care

**Market Drivers:** The move towards Self Directed Support (SDS) is one of the most important changes to the social care system in Scotland in recent years. Over the next decade this will place the purchasing power firmly in the hands of individuals to purchase their own support services, with the first steps to be taken in Glasgow in 2012-13. In addition, the Scottish Government has developed a £70m Change Fund to enable NHS Boards and local authorities to work with social enterprises to redesign services for Scotland's growing, older population.

**Existing Activity:** Social enterprises such as Fair Deal offer a well-established source of care services. Each year Glasgow City Council alone purchases more than £340m of care services on behalf of the citizens of Glasgow. There are in the region of 230 providers delivering this care, including social enterprises.

**Opportunities:** As the social care industry moves from 'wholesale to retail' there are opportunities as well as significant threats for established care providers who must tailor and promote care packages direct to the consumer. An array of new opportunities will arise for smaller, niche providers to offer specialist services in creative ways that address unmet care needs.

### Driving Social Care transformation

Glasgow Social Care Providers Forum (GSCPF) is an innovative network of social care provider organisations delivering services across Glasgow. GSCPF provides a collective voice and support for specialist and generic social care providers that are based in the city. It has been critical as a facilitator, broker, and point of engagement between providers and public sector customers. In March 2011, GSCPF has become the Social Care Ideas Factory, a social enterprise that will help drive social care transformation.

## Recycling and reuse

**Market Drivers:** There is a massive shift in waste management underway in Scotland, being driven by the targets set out in the Scottish Government’s Zero Waste Scotland Plan. In order to deliver on the ambitious targets set, Glasgow will need to radically rethink waste management solutions.

### Reusing Valuable Natural Resources

Glasgow Wood Recycling, based in Whiteinch, is an innovative new social enterprise that is committed to diverting wood waste from landfill and making Glasgow a greener and cleaner city. It collects wood waste from homes and businesses and finds creative ways to re-use this valuable natural resource. It sells reclaimed wood and a wide range of garden-orientated products all made from 100% locally reclaimed wood. It has developed a valuable, empowering, and potentially self-sustaining business model.

**Existing Activity:** More than 30 recycling social enterprises operate in Glasgow, making the city one of the highest concentrations of such activity in Scotland. These operate in commercial, public sector, and consumer markets and divert a range of materials from landfill (wood waste, furniture, paint, carpets, aluminium, paper, etc.).

**Opportunities:** There are now opportunities for community recycling organisations to work with Glasgow City Council to deliver new waste management solutions. These solutions must operate at scale, and will require the community waste sector to show leadership to realise the enormous collective potential.

## Renewable Energy

**Market Drivers:** The renewable energy market in Scotland has been driven by the Climate Change (Scotland) Act 2009 which set ambitious targets for the generation of energy from renewable sources. It has been developed further by financial mechanisms such as the Feed-In-Tariff (FIT) scheme, which pays people to create ‘green’ electricity both for their own use and for sale of surplus back to the national grid.

**Existing Activity:** While Glasgow is committed to reducing CO2 emissions by 20% by 2020, and has prioritised the development of renewable sources of energy, there is currently limited activity.

**Opportunities:** There is now a significant opportunity for social enterprises in the city to embark on a variety of energy generation projects (biomass, solar, wind, etc.) to reduce energy expenditure and/or to generate revenues through the FIT scheme. Income from renewable energy enterprises can have a significant effect on communities given that it is dependable, unencumbered by external restrictions, and in the control of communities.

### Harnessing Wind Power

Castlemilk and Carmunnock Community Wind Park Trust is an emerging social enterprise that is progressing the development of a small community-owned wind park; one of the first urban wind farms in the UK. The proposal is to erect three wind turbines at a site on the urban fringe of Glasgow. The proposed turbines will use wind to produce electricity that will then be sold on to the National Grid. The intention is to reinvest any profit from the sale of electricity (potentially up to £250,000 per year) back into local community activities and services that would benefit nearby communities.

## Employability

**Market Drivers:** There is a significant transformation in the way that employability services are procured and provided. The UK Government has announced major welfare to work reforms and the introduction of an integrated Work Programme. Increasingly services are being procured directly by the Department of Work and Pensions (DWP) based on an outcome-based contractual model, with increasingly large-scale contractors being allowed more freedom in designing employability programmes.

### Taking Prime Position on Employability

The Wise Group developed the Intermediate Labour Market approach to tackling the problems of unemployment in the early 1980s in Glasgow. Since then it has developed and delivered innovative programmes that have supported over 30,000 people into work. The Wise Group is one of the very few social enterprises in the UK whose capacity and proven performance qualified it as a Prime Contractor for the UK Government Flexible New Deal Programme in 2009. In 2010 the Wise Group's turnover was £32 million and it supported 5,350 people off benefits and into work. It currently operates employability, regeneration, sustainability, and criminal justice programmes across Scotland and NE England. The Wise Group was the overall winner of the impact category of the RBS SE 100 Index in 2011.

**Existing Activity:** Worklessness remains one of the key challenges facing Glasgow, and the city's social enterprises have been at the forefront of new approaches to tackling these issues. The Wise Group is one the UK's leading prime contractors of employability services, and an array of small-scale, specialist providers of services to 'hard-to-reach' client groups are located across the city.

**Opportunities:** Opportunities exist for a small number of the city's social enterprises with the capability to be prime or sub-contractors of employability services. Beyond this there are opportunities for niche/specialist social enterprises that can help reach workless target groups, and offer structured support along an employability pathway. Despite these opportunities there are threats. For example, the

Department of Work and Pensions decided recently to award the seven year Work Programme contract for Scotland to two private companies with the lowest third sector supply chain commitment in the UK – this has greatly affected social enterprises' and the employability sector's ability to engage with Glasgow's unemployed people, despite its considerable expertise and track record in doing so.

## Commonwealth Games

**Market Drivers:** In hosting the Commonwealth Games in 2014, Glasgow is challenged to maximise the economic, social and environmental impacts associated with the event for the benefit of the city and Scotland as a whole. As part of this there is a considerable commitment from the Scottish Government and Glasgow City Council to ensure that the benefits are shared with social enterprises.

**Existing Activity:** Glasgow City Council is responsible for delivering the infrastructure for the 2014 Games and has ensured that in the procurement process tenders are assessed in part on their ability to meet specified Community Benefit Clauses. Social enterprises have already been successful in securing contracts as part of the business supply chain through these contracts.

**Opportunities:** There remain substantial opportunities prior to, during, and after the 2014 Games. Key opportunities will arise in relation to recycling/re-use, catering, transport, grounds maintenance/soft landscaping, horticulture, printing, cleaning and property maintenance, and employability services.

### Delivering Community Benefits

Unity Enterprise is a social enterprise that operates a variety of services including community care, education, training, a travel agency, and cafes. Through this it provides opportunities to people experiencing disabilities or social disadvantage. Unity has been successful in securing a catering contract valued at £200k per year for two years, where it will serve more than 200 workers per day during the construction of the Glasgow NISA/Velodrome. This contract has been secured by way of a Community Benefit Clause enacted by Glasgow City Council as part of the Commonwealth Games 2014 procurement.

## Other Sectoral Opportunities

The above represent opportunity sectors which public sector partners can influence, and which should provide a particular focus of attention.

There are also many other areas of opportunity. In particular, GSEN members have identified the potential for innovation in sectors as diverse as:

- **Health**
- **Criminal Justice**
- **Education**
- **Culture**
- **Sport**

These and other opportunity sectors will be more fully explored over coming months.

## A Programme for Change

As stated earlier, we believe that social enterprise as a way of doing business can greatly contribute to the economic, environmental, social and cultural life in Glasgow. Our programme for change will ensure that we create the conditions in Glasgow for this to happen, and that we develop and flourish as a City of Social Enterprise.

We have developed a set of priorities to be pursued with partners. This is the first strategy for social enterprise in Glasgow, and as such we believe that a balanced approach and action on a number of fronts is necessary.

### Framework for Action



The following pages set out our priorities and our early actions in more detail.

## Priority A: Building the Glasgow Social Enterprise Brand

Social enterprise is a broad church. This diversity of social enterprise is both its greatest strength and its greatest weakness. We believe that if social enterprise is to achieve its full potential then the concept of social enterprise needs more coherence and there needs to be a shared language around social enterprise. We want the people, organisations, and agencies of Glasgow to really understand what social enterprise can offer and the benefits that it will bring.

We need to significantly raise the profile of social enterprise, getting the sector recognised as part of mainstream community life, work, and business in the city. This means ensuring that those within the sector understand and identify themselves as social enterprises and that we sell social enterprise effectively to outside audiences. We also believe that Glasgow as a hotbed for social enterprise activity has a great story to tell, and has a significant competitive advantage over other locations. We therefore want to ensure that Glasgow is recognised globally as the UK's leading City of Social Enterprise, thus attracting further recognition, talent, and investment to the city.

### Priority Actions

- Development of the Glasgow City of Social Enterprise brand and media campaign to provide a spotlight on the significance and achievements of social enterprise in Glasgow
- Development of appropriate promotional documents and case study materials on social enterprise activity in Glasgow to be designed for key audiences
- Development of roles for the city's leading social enterprise leaders as ambassadors and champions promoting social enterprise within the city and to outside audiences in Scotland and internationally

## Priority B: Supporting Social Entrepreneurship and Leadership

Glasgow is fortunate to have many social enterprises that are led by inspiring people that are prepared to take a risk as they find better ways of meeting the needs of the city; many of these leaders are nationally and internationally acclaimed. The challenge is twofold. First, to harness the expertise of these leaders for the benefit of the city. Second, to identify and support the next generation of social entrepreneurs and social enterprise leaders in their professional development – talented and ambitious people who combine business acumen with a passion for social change.

We want to ensure that established social enterprise leaders are in a position to shape public policy and for those with leadership potential to receive the right opportunities. It will be important to tap into this socially entrepreneurial leadership potential wherever it exists; within our communities, public services, businesses, or education system. With the largest student population in the country we see particular opportunity to enable aspiring young entrepreneurs to learn about and experience social enterprise as well as study the role that it plays in supporting social change.

## Priority Actions

- Conduct an assessment of the role and contribution of social enterprise education and activity in Glasgow schools and make recommendations to strengthen this
- Establish a structured social challenge prize and support package for budding social entrepreneurs at undergraduate level in partnership with the city's universities
- Promote access to the national Social Entrepreneurship Fund and to the support available for social enterprise formation from Firstport
- Secure representation from city's social enterprise community on Glasgow Economic Forum
- Utilise leadership development opportunities from the Just Enterprise programme through Social Enterprise Academy and others, possibly creating tailored delivery for Glasgow

## Priority C: Delivering Public Service Transformation

Transforming the way that public services are delivered in Glasgow is one of the biggest ongoing challenges facing the city. Financial pressures mean that changes will be required to the way that public services in the city are designed, commissioned and controlled. We believe that radical innovations are possible and that social enterprises represent an important partner in delivering such a transformation.

We want to reframe the relationship between social enterprise and public authorities. Social enterprises in Glasgow have a proven ability to deliver high quality services in an efficient and cost-effective way. We are confident that social enterprises can deepen their relationship with public bodies, supplementing or taking on services where new solutions are required. This will also require a more open, problem-solving approach on the part of both public authorities and social enterprises in the city, and new ways of fostering genuine partnership working.

## Priority Actions

- Delivery of social enterprise information briefings and workshops for procurement officers and service managers across all Community Planning partner agencies in the city
- Establishment of Centres of Expertise or Champions within each public body who will be tasked with building awareness of social enterprise and supporting their development
- Preparation of an Agreement by each public agency and ALEO setting out how they will create opportunities for social enterprise, to be monitored and reported on annually
- Conduct research to inform the development of high profile pilot projects based on a Public Social Partnership model, to involve social enterprises in co-designing services
- Developing GSEN, supported by CEiS, as the single point of contact to broker relationships for public sector partners wishing to engage with new social enterprise suppliers

## Priority D: Creating Social Value from Physical Assets

Physical assets such as buildings are important to Glasgow; they provide spaces for communities to come together and bases from which services can be delivered. Unfortunately many publicly-owned facilities/buildings are now surplus to requirements and at threat of closure or dereliction. We believe that with the right vision, investment, and support that selected assets can create viable social enterprise activity as well as sustain local jobs and services. In some cases it is possible for a group of social enterprises to provide the 'critical mass' needed to take on buildings and in other cases a single social enterprise can provide the scale to manage one or more facilities.

Our priority is to create the conditions for social enterprises to take responsibility for a growing portfolio of assets in the city (buildings, land, equipment, etc.). This will require assistance to individual social enterprises to identify appropriate assets or to bring social enterprises together to acquire, develop and manage these. Equally it requires support to public agencies in the city to understand how they can dispose of surplus assets in a way that secures community benefit, while having the confidence in the social enterprises that these are transferred to.

### Priority Actions

- Development of a comprehensive Community Asset Transfer policy and framework by Glasgow Community Planning Partnership
- Establish the opportunity for, and feasibility of, social enterprises taking on the management/ownership of assets included in the citywide review of community facilities
- Ensure that Glasgow communities benefit from the Community Ownership support service being delivered by the Development Trusts Association Scotland
- Provision of additional support to ensure that Glasgow social enterprises are able to tap into funding from the BIG lottery to progress asset transfer and development

## Priority E: Demonstrating the Value of Social Enterprise

Social enterprise is a way of doing business rather than a single, distinct organisational form. The accompanying diversity of activities and outcomes created do not lend themselves easily to categorisation or measurement. This means that social enterprise activity often slips 'beneath the radar' and that the collective value of the social enterprise community to the city is not yet well understood.

If social enterprise is to achieve the recognition it deserves, we need to be able to tell the story better using both quantitative and qualitative data. In the absence of official statistics we need to find a way of routinely tracking the growth and development of social enterprise in the city, and of showcasing innovation. Using the principles of Social Return on Investment (SROI) as a generally accepted methodology, we need to find a simple but effective way of measuring the impact of social enterprise on Glasgow.

## Priority Actions

- Undertake a thorough mapping and biennial tracking study into the growth and development of social enterprise in the city
- Conduct targeted research into the emerging market opportunities for social enterprise in Glasgow (e.g. renewables, social case, employability, etc.)
- Raise awareness of the principle methods of value demonstration to encourage uptake, and investigate the potential for simplification and standardisation of approach

## Priority F: Strengthening Trading Relationships

Good businesses and social enterprises in Glasgow share a common entrepreneurial spirit and a determination to improve economic and social conditions in the city. Private companies are devoting an increasing amount of energy to aligning their business goals with responsible values, and in some cases collaborative relationships have been formed between commercial businesses and social enterprises. Nonetheless, social enterprise remains a largely unknown and unconnected part of Glasgow's business community. We want to help social enterprise to raise its profile within the business community and to fully realise the shared benefits of collaboration.

We also need to encourage inter-trading and stimulate the development of new forms of collaboration within the social enterprise community. One focus will be to retain spending within the social enterprise community where possible. This will require action to connect up the service offering of social enterprises and to achieve greater efficiencies and economies of scale in delivering services. In particular there are opportunities to make better use of shared services such as IT, accountancy, payroll, legal, HR, and research.

## Priority Actions

- Delivery of a 'Community of Business' programme of events to create ongoing dialogue between social enterprise and business leaders in the city
- Further dialogue and project work between GSEN, the Chamber of Commerce, SCDI, Entrepreneurial Exchange, and other business trade bodies on areas of shared interest
- Extend Community Benefits Clauses in public contracts to all statutory bodies and Housing Associations in Glasgow to promote a role for social enterprise in business supply chains
- Development, production and updating of a comprehensive web-based directory of social enterprises in Glasgow
- Undertake a feasibility study exploring the potential to bring together social enterprises to realise the renewable energy potential (solar, biomass, etc.) of their property assets
- Promote the use of cost-effective shared services on offer by social enterprises, such as Cloudwise, Senscot Legal, etc.

## Priority G: Providing Effective Business Support

Social enterprises are businesses first and foremost. With any business, the right advice at the right time can make the difference between barely surviving, and thriving. If social enterprise is to develop as an effective and high impact business model then there needs to be accessible and effective business support in place.

Our priority is to ensure that efficiently targeted and high quality support is available to high impact social enterprises and to identified 'opportunity' sectors (renewables, social care, employability, etc.). This support should draw on the resources available through the national Social Enterprise Business Support programme as well as locally designed solutions. This should embrace a mix of specialist as well as mainstream provision. It is essential that this pipeline of support is a seamless one, tailored both to the needs of social enterprises as they emerge and as they grow.

### Priority Actions

- Working with the Third Sector Forum to develop an online portal to provide a single point of access to information, contacts, and resources supporting social enterprise in the city
- Deliver business support to 12 GSENG members to support growth and improve sustainability
- Development of a more co-ordinated social enterprise programme in Glasgow, and bringing together planned activity by all relevant partners
- A continuing partnership with Scottish Enterprise to ensure that fast growing and high impact social enterprises receive the best possible business support
- Continuation of supplier development/capacity building programmes that will help to realise opportunities from the 2014 Commonwealth Games for social enterprises