

**Response by the Social Enterprise Coalition to the Business,
Innovation and Skills Committee Inquiry on the New Local
Enterprise Partnerships**

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Introduction

1. The Social Enterprise Coalition (SEC) welcomes the opportunity to respond to the Business, Innovation and Skills Committee inquiry on the New Local Enterprise Partnerships (LEPs).
2. SEC was established in 2002 as the national voice of social enterprise. We represent a wide range of social enterprises, umbrella bodies and networks, with a combined membership reaching over 10,500 social enterprises. These include co-operatives and mutuals, development trusts, housing associations, leisure and football supporters' trusts and Social Firms.
3. Social enterprises are businesses with primarily social or environmental 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.
4. We see a need for greater recognition of the role that social enterprises can play in the formation and development of LEPs and would like to ensure that they are adequately represented. These points are elaborated upon below.

There should be greater recognition of the role that social enterprises can play in the formation and development of LEPs

5. We note that a letter sent from the Department for Business, Innovation and Skills on 29 June 2010 invited local groups of councils and business leaders to consider how to form LEPs. Given the importance being placed by Government on the role of civil society, SEC was disappointed that the role that social enterprises could play was omitted.
6. Whilst we understand that there is no deliberate intention by Government to exclude social enterprises from being involved in the design, formation and governance of LEPs, we believe that there could be more active engagement to encourage it.

Social enterprise should be represented alongside mainstream business and local authorities

7. We appreciate that social enterprise has been referenced in the Department's consultation on the Regional Growth Fund. Rather than being subsumed as a sub-category of private sector enterprise, however, we would suggest that social enterprise be given separate recognition, as it represents a spectrum of organisations that have a distinctive contribution to make.
8. We note that social enterprises and their representative bodies were not represented at the roundtable event to gather views on the creation of LEPs, hosted by Minister for Regional and Local Economic Development, Mark Prisk and Minister for Decentralisation, Greg Clark on 28 July.

9. In considering how to develop the LEPs, SEC would like to see the social enterprise movement involved alongside private sector business groups, local authorities and think tanks.
10. Social enterprises can add a rich dynamic to economic development, as they focus on achieving a wider range of objectives than conventional businesses. They foster social and environmental innovation, are ethical in their motivations and are accountable to their employees, consumers and communities.

Conclusion

11. We believe that, in developing LEPs, it is important to get the basic architecture and culture right from the outset. These should avoid creating barriers for the growing movement of social enterprises, community enterprises and co-operatives which have so much to offer in terms of local enterprise.
12. We would like to see Government playing a role in ensuring representation of social enterprise in relation to LEPs at a national level and working to encourage a consistency of approach on a sub-national level.

Social Enterprise Coalition
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