

Response to Consultation for the Third Sector Strategy for Communities and Local Government

August 2007

Social Enterprise London (SEL) welcomes the opportunity to discuss the Third Sector strategy. SEL promotes social enterprise solutions to economic and social issues in the capital. With a membership of over 420 social enterprise organisations in the London Social Enterprise Network, SEL serves as the representative voice for social enterprise in London. This document was prepared following a consultation with members of LSEN

SEL is currently working on a project with LB Camden on Bangladeshi women and access to social enterprise. We are very keen to work with the Department to do more in-depth work in the future and are eager to meet to discuss the prospects.

Question 1: How effectively do we (i.e.: CLG) implement Compact principles?

The strategy relies on councils signing up to the Compact Agreement. This is voluntary and as such there are still boroughs and councils that either do not support or recognise the third sector. Therefore having a strategy where there may be big differences in the way that councils deliver will lead to regional gaps, especially in areas such as London, which has 33 boroughs to contend with. The fact that CLG has recognised the need for SMEs and particularly those from the BAME communities is an important step and if the strategy can move forward on this area of focus, this will be all to the good.

Effectively implementing the Compact Principles will depend on the amount of resources available within CLG to enforce the principles. There is no mention as to how much budget or resource will be allocated for this process and there may be questions raised on the usefulness of doing this compared to actually supporting on-the-ground delivery by third sector organisations. Boroughs and councils across the country operate in different ways and have different priorities e.g. economic development, employment or social cohesion and these issues are not always mutually exclusive. That being the case, it is essential that CLG considers how it will, in practice, support councils to keep to the principles.

Question 2: In what other ways could we (i.e.: CLG) help to improve the effectiveness on engagement with the third sector at:

- i) the regional and sub-regional level,**
- ii) and local level?**

There is a slight concern that if financial relationships with the third sector are indirect that this will lead to a fall in support for the community groups and social enterprises. Relying on local area agreements and government offices means that there is a presupposition that these initiatives and agencies are able to reflect CLG's objectives in their commissioning process. If this is not the case and if CLG cannot enforce these objectives on other agencies, then the objectives will not be met e.g. supporting BAME communities and developing SMEs.

There needs to be a process to encourage information gathering by councils. For example, impact measurement analysis should be the norm rather than the exception in contracting and grant making processes at all levels - local, subregional and regional. London Boroughs such as

Camden and Waltham Forest are starting this already and this will enable the procurement department to work with other departments to ensure that social enterprises and other third sector organisations are seen able to deliver on contracts and have unique selling points that make them better value than private sector organisations.

In terms of engaging with the sector it is important to provide them with opportunities to demonstrate impact. An example is provided by SEL's partnership with the South East of England Development Agency, The University of Brighton and Focus To Work C.I.C, SEL is co-ordinating a 3-day training course that will enable social enterprises to assess and communicate the social aspects of their business. The SIMPLE project combines top-level academic research into the wide range of auditing, accounting and impact measurement tools available with professional, one-to-one training of social enterprises in the field.

It would be useful to think of measures such as the creation of a standard procurement policy that all councils should take into account when commissioning. This could include an encouragement, perhaps financial, for councils to include social enterprises as their suppliers. For the Third Sector to be totally successful it is crucial that the social enterprises receive the necessary support from CLG. This would also help create better working partnerships.

Question 3: Would your organisation wish to be considered to become a strategic partner?

Yes.

The creation of strategic partnerships should not stop DCLG from consulting / talking to other organisations who are not strategic partners. It would be best if strategic partnerships are reviewed and evaluated regularly to ensure the aims are achieved. As stated in the document, the sector's independence should continue to be upheld. The Strategic Partners Grants should not come with targets that could compromise this independence.

Question 4: Do you agree with our focus on community anchors?

Question 5: Are there models of regional and sub-regional bodies, local authorities, or LSPs working strategically to support community anchor organisations in conjunction with the local third sector?

Community anchor is a welcome initiative. The Community Asset Transfer Fund of £30m via the Big Lottery will be helpful but raises questions of (a) will councils give community groups long enough leases to justify refurbishments if they do not transfer assets to the third sector organisation, (b) how many anchors does CLG want to help based on £30m? (c) will there be a location specification e.g. is there a focus on north England for example, or will there be targets set like 1 per regional development area? Will they be based on areas of deprivation?

There are a number of existing examples such as the LDA working with CAN to create the Mezz based in Southwark. This is an example of the provision of affordable managed workspace for the third sector.

SEL in partnership with London Councils also run the LA Connects programme which draws together all of London's local authorities around the issue of social enterprise. Local authorities are at different levels of development with social enterprise and it will be important for CLG to be engaged with this group.

Question 6: Are there major gaps in our (i.e.: CLG) proposals for improving our strategic engagement with the third sector?

It would be encouraging to see set targets such as:

- (a) the current number of people signed up to the Compact vs. number anticipated to sign up in 2007/8.
- (b) How many community anchors will be created?

There is currently a lack of measurable outcomes set out in the strategy. It would be useful to think of measures such as the creation of a standard procurement policy that all councils should take into account when commissioning to include e.g. 20% of all procurement contracts should be with social enterprises.

It is worth noting that while budgets are clearly important to implement initiatives, greater creativity among buyers is also essential. The reality is that there will never be sufficient funds to meet diverse needs. Best practice and / or recent successes need to be actively promoted. At the same time, potential suppliers need to build on what does work and recognise the competitive nature of the public sector

Additionally, procurement teams must work with colleagues across the organisation (for example, equalities units and regeneration teams) to achieve sustainable benefits. CLG could certainly influence others to create co-operation and partnership across government departments and projects.

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