

**Response by the Social Enterprise Coalition to the CLG and BERR
consultation: Prosperous Places: Taking forward the Review of
Sub National Economic Development and Regeneration.**

Contact: Ceri Jones
Telephone:020 7793 2320
Email: ceri.jones@socialenterprise.org.uk

Response by the Social Enterprise Coalition to “Prosperous Places: Taking forward the Review of Sub National Economic Development and Regeneration”.

Introduction

1. The Social Enterprise Coalition (“the Coalition”) welcomes the opportunity to respond to the Communities and Local Government and Business Enterprise and Regulatory Reform consultation ‘Prosperous Places: Taking forward the Review of Sub National Economic Development and Regeneration’.
2. Social enterprise is a business model which offers the prospect of a greater equity of economic power and a more sustainable society by combining business efficiency with social and environmental justice. 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. They contribute to a number of the agendas recognised throughout the strategy including housing, employment and skills, and the cross cutting issues of sustainable development.
3. The Coalition was established in 2002 as the national voice of social enterprise. The Coalition represents a wide range of social enterprises, umbrella bodies and networks, with a combined membership of over 10,500 social enterprises. These include co-operatives and mutuals, housing associations, development trusts, leisure and football supporters’ trusts and Social Firms. Social enterprises in the UK generate more than £27 billion in turnover, and contribute more £8 billion to GDP per year. In preparing this response the Coalition consulted widely with its members.
4. The Coalition welcomes the review of sub-national economic development and regeneration particularly with regard to the partnerships required to ensure they are complementary across all the agendas that have implications on economic growth and prosperity.
5. Social enterprises, which combine efficiency and entrepreneurialism with an emphasis on engaging directly with the local community, are well placed to respond to these objectives and assist local authorities and RDAs in the delivery of economic growth while addressing deprivation and inequality. Social enterprises are working in a range of public service markets from housing and leisure, to recycling and social care. They enable communities to take a more active role in shaping their local environments, develop people-led services, create employment and embed skills and wealth at a local level. There is huge potential in the role they can play in responding to some of the most entrenched social and environmental issues facing our communities today.
6. We are, however, concerned that this paper – which aims to establish the reforms required to implement change does not reflect the needs of social enterprises and fails to recognise the role they play in creating wealth and addressing deprivation and inequality.

7. Experience has shown that stakeholder involvement in identifying and testing policy options at the outset can significantly improve the effectiveness of regional policy making. Regional policy making has improved with regard to social enterprise engagement in recent years. However, there remains a disparate understanding of what constitutes a social enterprise and the roles they can play in delivering multiple regional policy priorities and in implementing effective support to foster the growth of these organisations, both within RDAs and local authorities.
8. In taking forward effective stakeholder engagement, we believe the RDAs and partners should identify and build on what has worked well, identify where it has failed and use this to strengthen the effectiveness of future arrangements. We would recommend that each RDA and local authority should have a clear plan and adequate resources to engage social enterprise networks in each region.
9. We believe that the creation of a duty for RDAs to inform and consult with members of the community and other key stakeholders including social enterprises, of similar weight to that of the Local Strategic Partnerships, should be implemented.
10. We have responded to the questions we feel are most relevant in the consultation paper.

Chapter 3 – Stronger partnerships for regional growth

Q1. How should RDAs satisfy themselves that sufficient capacity exists for programme management and delivery at local or sub-regional level?

The Social Enterprise Coalition welcomes the increased recognition of the role of local authorities can play in bringing about economic growth and the relationship this bears on their various duties including housing, transport and employment. However, we have concerns regarding the capacity of local authorities in fulfilling these strengthened duties.

Levels of awareness regarding social enterprises and the role they can play in contributing to the cross cutting agenda remain inconsistent across local authorities and RDAs. We therefore believe it is imperative that they are provided with adequate tools and are given sufficient resources to support this change across all their relevant statutory roles.

Q2. Do you agree that local authorities should determine how they set up a local authority leaders' forum for their region, and that the Government should only intervene if the required criteria are not met or if it failed to operate effectively? If not, what would you propose instead?

We recognise that each region should adopt its own approach to establishing a local authorities leaders forum. However, the Government should provide clear guidance regarding minimum

standards for each approach. We believe that regional social enterprise networks will have an essential role to play in the new regional arrangements and therefore considerations should be given to minimum standards regarding how local authorities engage with regional social enterprise stakeholders.

Q3. Are the proposed regional accountability and scrutiny proposals proportionate and workable?

There should be clarity and guidance to support regions, local authorities and other partners to make clear distinctions in their respective roles.

We are concerned that at present there is no reflection of the need to engage with social enterprises and their regional representative networks, particularly given the role of social enterprises in delivering a number of the identified agendas including housing, transportation and education and skills development. We recommend that social enterprise be considered as a key stakeholder in all regions and sub-regions.

In order to facilitate this engagement clear consideration needs to be given to how social enterprise and other regional stakeholders will engage with both RDAs and local authority leaders' fora, and how to ensure clarity and accountability.

Chapter 4 – Integrating regional strategies to promote growth

Q4. Do you agree that the regional strategy needs to cover the elements listed at paragraph 4.13? Are there other matters that should be included in the regional strategy to help in the delivery of key outcomes?

We support the elements listed in paragraph 4.13.

Q5. Do you agree with the way in which we propose to simplify the preparation of the regional strategy, as illustrated in the figure (on page 35), in particular allowing flexibility for regions to determine detailed processes? If not what other steps might we take?

While the diagram includes a role for stakeholders in scoping issues and appraising options it does not include an explicit role for stakeholders in the strategy making process. We believe that regional social enterprise stakeholders have a key role to play throughout this process, including at the earliest stages of development.

Q6. Do you think that the streamlined process would lead to any significant changes in the costs and benefits to the community and other impacts?

We believe that streamlining the process must not occur at the expense of the value of contribution that social enterprise stakeholders and others can offer.

Chapter 5 – Strengthening sub-regional economies – the role of local authorities

Q7. Which of the options for the local authority economic assessment duty (or any other proposals) is most appropriate?

We strongly advise against option 3 as we believe that local authorities will need to be supported in this transition at least in terms of the provision of guidance.

Q8. What additional information or support do local authorities consider valuable for the purpose of preparing assessments?

Social enterprise can play a key role in contributing to all the agendas identified in this chapter. Consequently we believe that local authorities should build on the work being conducted by the RDAs in collaboration with the regional social enterprise networks in mapping social enterprise in each region.

Q9. How should lead local authorities engage partners, including district councils, in the preparation of the assessment?

Authorities should be supported in this by the RDAs, and draw on evidence of what has been successful in other areas of public policy making and service delivery in partnership such as Local Strategic Partnerships and the sub regional partners working on Multi Area Agreements. These, as well as the existing regional arrangements to date, can provide evidence and ideas of what works and what does not. Government could usefully provide guidance from these sources.

Q10. Which partner bodies should be consulted in the preparation of the assessment?

It is important that local authorities engage with relevant regional social enterprise networks in undertaking economic assessments as well as other social enterprises including including local housing associations, development trusts, cooperative groups and social firms.

Social Enterprise Coalition
Policy Team
June 2008