

# POLICY INSIGHT

## Party election manifestos

The main political parties have launched their election manifestos - read highlights of where social enterprise featured in the policy news section.

## Launch of first Social Impact Bond

Social Finance and the Ministry of Justice have launched the first Social Impact Bond - see the policy news section for more details.

## Coalition Council Meeting

The next meeting of the Coalition's Council will take place on June 3 in London.

## Policy News

- Social enterprise in the party manifestos
- Social Finance launches first Social Impact Bond
- Social Investment Task Force final report

## Publications

- Hidden Social Enterprises, Delta Economics
- Public Services Inside Out: Putting co-production into practice, nef
- Aiming High for Young People: Three years on, DCSF
- Low Carbon Jobs in an Interconnected World, ippr

## Coalition Consultations

- OGC, Supplier Charter Consultation
- CLG, Consultation on a Planning Policy Statement: Planning for a Low Carbon Future in a Changing Climate
- Defra, Consultation on the introduction of restrictions on the landfilling of certain wastes

## Other Consultations

- DH, Your Choice of GP practice: a consultation on how to enable people to register with the GP practice of their choice
- DWP, Social Fund reform: debt, credit and low income households
- BIS, Consultation on meeting the low carbon skills challenge

## Events

- Social Enterprise Coalition Council meeting
- Past events
- Health and Social Care conference
- Community Empowerment and Cohesion seminar
- Social enterprise: a brighter future for schools?

## Profiles

- Consumer and employee ownership: The John Lewis Partnership, Welsh Water and the Co-operative Bank

## Social enterprise in the party manifestos

Last week, the policy team was busy dissecting the manifestos of the main political parties to find out where and how they relate to social enterprise. We were pleased to see that social enterprise featured prominently in the Labour, Conservative and Liberal Democrat manifestos, with the Green party also strong on co-operatives and mutuals.

### *Labour manifesto*

The Labour manifesto included a number of asks from the Coalition's manifesto such as supporting a community's right to buy assets and amenities; extending the Department of Health's Right to Request initiative to other public services; creating a social investment wholesale bank; supporting renewable energy options through social enterprise and reconfiguring environmental public bodies such as British Waterways into social enterprises.

It was also encouraging to see social enterprise and the principles of mutualism, coproduction and participation spread throughout the document and across issues around the economy, communities, public services, criminal justice, education, and the environment.

### *Conservative manifesto*

The Conservative manifesto gave social enterprise a high profile, referencing their ability to transform neighbourhoods in the forward as well as making a number of pledges to support the movement in the document.

Enabling social enterprises to play a leading role in delivering public services was one of the key asks in our manifesto and social enterprise featured heavily in the Conservatives' manifesto pledges around public service reform and community empowerment. Another key Conservative commitment was for a 'Big Society Bank' which aims to support social investment and give support to social enterprises.

### *Liberal Democrat manifesto*

In their manifesto, the Liberal Democrats outlined a bold pledge to pass a new Mutuals, Co-operatives and Social Enterprises Bill. Giving responsibility for mutuals to a specific minister would recognise the unique contribution that social enterprises make to the UK and could potentially support the growth of social enterprise across all sectors of the economy and raise its profile.

Other pledges include supporting the right of health

care workers to request to set up and deliver their own services as well as encouraging community owned renewable-energy schemes.

For more information and to read our full guides to each of the party's manifestos, visit the [Coalition's website](#).

## Social Finance launches first Social Impact Bond

Social Finance, the London-based social investment organisation, announced with the Ministry of Justice the launch of the first [Social Impact Bond](#) in March 2010.

This is a financial instrument designed by Social Finance to raise capital for investment in the social sector. Financial returns to investors will be based on improved social outcomes. This first issue will fund social organisations working to reduce re-offending rates of short sentence male prisoners leaving Peterborough Prison. The Ministry of Justice has agreed to make payments to investors in the event that re-offending is reduced below an agreed threshold.



During the Peterborough Prison pilot, experienced social sector organisations, such as St Giles Trust, will provide intensive support to 3,000 short-term prisoners over a six year period, both inside prison and after release, to help them resettle into the community. If this initiative reduces re-offending by 7.5%, or more, investors will receive from Government a share of the long term savings. If the Social Investment Bond delivers a drop in re-offending beyond the threshold, investors will receive an increasing return the greater the success at achieving the social outcome, up to a maximum of 13%.

Social Finance will raise up to £5 million to fund the Peterborough Prison pilot. The SiB is designed to fund preventative approaches to social issues. If successful, Social Impact Bonds could develop into a new asset class that aligns social and financial returns and brings in new capital to address social problems.

## Social Investment Task Force final report

The Social Investment Task Force (SITF), chaired by Sir Ronald Cohen, has published its final report: [Social Investment – Ten Years On](#). Its remit was to

set out how entrepreneurial practices could be applied to obtain higher social and financial returns from social investment, to harness new talents and skills, to address economic regeneration and to unleash new sources of private and institutional investment. The report reviews progress made on the Task Force Recommendations. It also calls for the implementation of three initiatives:

- Establishing a properly capitalised Social Investment Bank using unclaimed assets identified in the Dormant Bank and Building Society Accounts Act 2008
- Developing the Social Impact Bond to provide funding for early intervention by social sector organisations addressing certain social issues
- Committing to a UK Community Reinvestment Act to promote greater engagement by financial institutions with under-invested communities



### **Our pick of recently released publications from think tanks and government departments that may be of interest to the social enterprise movement.**

#### Hidden Social Enterprises – March 2010, Delta Economics and IFF Research

This research isolates the companies within a sample of 2,120 for-profit, growth-oriented entrepreneurs who conform to broad and narrow definitions of social enterprise. They are the “Hidden Social Enterprises” in the UK. The report compares them with “mainstream” enterprises in terms of their performance, motivations and the challenges they face.

#### Public Services Inside Out: Putting co-production into practice – April 2010, nef

This report documents the many ways in which citizens are engaging with public service professionals, in health and social care, housing, childcare, education and criminal justice, to design and deliver activities that meet their needs and deliver better results.

#### Integrating Health and Social Care Budgets: A case for debate – February 2010, ippr

This paper opens a debate around the prospects for a more innovative, more responsive model of public services for groups of users with complex needs. This

model revolves around integrating healthcare and social care budgets. The paper analyses the policy landscape, the key determinants of modern public services and the financial aspects of integrated budgets.

#### Blocking the Best: Obstacles to new, independent state schools – March 2010, Policy Exchange

This report examines the changes required to make an expanded programme of genuinely independent state schools a reality. It examines the barriers which prevent new providers entering the system, current restrictions on academy independence and interventions in cases of school failure.

#### Aiming High for Young People: Three years on published – March 2010, DCSF

This document sets out the case for continued investment in the provision of positive activities and, how through strong leadership and partnerships arrangements, local authorities and Children’s Trusts can work with key local partners to use the full range of budgets more effectively to achieve the greatest value for money at the same time as reaching the most disadvantaged young people in need of support.

#### Punishing Costs: How locking up children is making Britain less safe – March 2010, nef

Locking up children and young people for non-violent

offences is costing the taxpayer millions, while doing little to reduce the amount of crime. This report presents new results on the full cost to society of the use of prisons. It outlines a policy to change the pattern of public spending for a safer and more inclusive society.

#### Low Carbon Jobs in an Interconnected World – March 2010, ippr

This paper focuses on the emerging debate concerning the creation of ‘low-carbon’ jobs. What perhaps began as rhetoric is now developing into an area of study that offers extraordinarily promising benefits. Not only can a low-carbon technology revolution help achieve climate change goals, it can also create new jobs, boost economic growth and help improve the lives of those currently deprived of access to energy.

#### Total place: a whole area approach to public services – March 2010, HM Treasury

All parts of the public sector are examining with their customers and with the third sector how best to deliver services. The evidence base from the Total Place pilots outlined in this report provides a strong platform for us to take radical, but also practical, steps for the future. It sets out the case for change, at local level and on a national scale, which can deliver true transformation in public services across the country.

# COALITION CONSULTATIONS

**Consultations the Coalition will be responding to. If you are interested in any of these consultations, please contact the relevant policy team member to feed into our response.**

## OGC, Supplier Charter Consultation

Closing Date: 10/06/2010

OGC is consulting on a supplier charter aimed at promoting the policy priorities identified in the Policy through Procurement Action Plan. The charter proposes to introduce a number of voluntary commitments for Government and suppliers relating to the three priorities of SMEs: skills training and apprenticeships, tackling youth unemployment, and resource efficiency including carbon reduction.

Please contact [ceri.jones@socialenterprise.org.uk](mailto:ceri.jones@socialenterprise.org.uk) to feed in to the Coalition's response.

## CLG, Consultation on a Planning Policy Statement: Planning for a Low Carbon Future in a Changing Climate

Closing Date: 01/07/2010

This consultation seeks views on the proposal to com-

bine and update existing planning policy on climate change and renewable energy from two documents into one. Building from current approaches, the new policy reflects the latest legislative and policy context. The Planning Policy Statement will be a supplement to Planning Policy Statement 1: Delivering Sustainable Development.

Please contact [david.forsgate@socialenterprise.org.uk](mailto:david.forsgate@socialenterprise.org.uk) to feed in to the Coalition's response.

## Defra, Consultation on the introduction of restrictions on the landfilling of certain wastes

Closing Date: 10/06/2010

This is a joint Defra and Welsh Assembly Government consultation on whether the introduction of further restrictions on the landfilling of biodegradable and recyclable wastes would make an effective contribution to meeting the key twin objectives of reducing greenhouse gas emissions and increasing resource efficiency. This is a first stage consultation. If Government decides change is desirable, a second stage consultation will follow containing further detail.

Please contact [david.forsgate@socialenterprise.org.uk](mailto:david.forsgate@socialenterprise.org.uk) to feed in to the Coalition's response.



# OTHER CONSULTATIONS

## Consultations your organisation or your members might be interested in responding to.

[DH, Your Choice of GP practice: a consultation on how to enable people to register with the GP practice of their choice](#)

Closing Date: 28 May 2010

This consultation is seeking views from the public, from healthcare professionals and from other staff working in the NHS on new proposals that give patients a much greater choice of GP practice. It sets out the different options for organising healthcare for patients, and the potential implications of their choices if the current system of GP practice boundaries is removed.

[DCSF, A joint DFID/DCSF Global Learning Strategy for Schools](#)

Closing Date: 31 May 2010

A recent review of DCSF and DFID funded programmes concluded that important progress has been made in strengthening the teaching of global issues in schools. The report also highlighted that further progress can be made through a more aligned approach.

The draft strategy outlines a number of deliverables: a new governance structure, a new programme of support for schools; a new global teaching website, a new approach to the International School Award, a new approach to evaluating impact, and a new communication strategy.

[DWP, Social Fund reform: debt, credit and low income households](#)

Closing Date: 7 June 2010

This consultation sets out the package of reforms designed to create a scheme which is active rather than passive; makes it more straightforward for customers to get one-off or occasional financial support; provides more support to frequent users of the Fund to help them tackle the underlying problems they face and provides better value for money for the tax payer. It aims to align the Social Fund with the Government agenda of financial inclusion and capability, to help support the most vulnerable towards greater financial independence.

[Defra, Consultation on meeting EU Landfill Diversion Targets](#)

Closing Date: 10 June 2010

This consultation addresses the changes necessary to

enable the UK to report to the European Commission on a revised approach to the landfill diversion targets. This includes setting out the new interpretation of the definition of municipal waste, revisions to the 1995 baseline and targets, and the reporting and monitoring obligations necessary to enable robust reporting against the targets to the European Commission at a UK level.

[BIS, Consultation on meeting the low carbon skills challenge](#)

Closing date: 23 June 2010

This is a consultation on skills needs for the transition to a low carbon economy. It sets out the Government's key skills priorities, and the challenges which must be met if we are successfully to enable British workers and businesses to take advantage of the opportunities in those sectors that are key to reducing our carbon emissions and embed the necessary skills across all sectors to move the UK to a low carbon and resource efficient economy.



## What we have been up to...

### **Seminar on Community Empowerment and Cohesion – 15 March 2010, Department for Communities and Local Government, London**

This was the third in a series of seminars that the Coalition is hosting in partnership with the Economic and Social Research Council and the Department for Communities and Local Government. Presentations from Uday Thakkar of Red Ochre and Jim Blakemore from Bikeworks focused on the role of social enterprise in community empowerment and cohesion.

### **Social Enterprise Health and Social Care Conference – 16 March 2010, Cavendish Conference Centre, London**

Over 120 delegates attended this event to hear from key experts and stakeholders in the field of health and social care. The opening plenary included speeches from Lance Gardner of Open Door, and the Liberal Democrat Shadow Spokesman for Health Norman Lamb MP.

The morning and afternoon workshops allowed delegates to hear from some of the most successful social enterprises operating in the health and social care sectors and also to learn more about setting up a social enterprise.

The Coalition will soon be announcing future dates for health and social care forums which will continue to bring together key policy makers and stakeholders to spread knowledge of the benefits of commissioning services from social enterprises.

### **Scottish Social Enterprise Coalition Finance and Investment Policy Forum – 13 April 2010**

This policy forum convened to discuss key trends in the social finance sector. This is a particularly exciting time for financial products and models which support the social enterprise movement. Social Finance recently launched the first of its Social Impact Bonds and the forum heard from Martin Rich (Director, Social Finance UK) on the project. Other topics discussed were the prospects of a new tax relief system, the power of micro-finance and the prospects for a Social Wholesale Investment Bank.

### **Social enterprise: a brighter future for schools? – 15 April 2010, London**

This Social Enterprise London event was designed in response to the enthusiasm from within the education sector and amongst policy makers to develop the role of social enterprise as a way of both achieving greater investment efficiency and improving outcomes for teachers, pupils and communities. It explored the role of social enterprises both as schools partners and as delivery agents running schools.



## What we are going to be up to...

### **Partnership and Communication in a New Marketplace: Putting People First, The Transformation of Adult Social Care and the Role of Social Enterprise – 28 April 2010, Cambridge**

This event, organised by Social Enterprise East of England, is taking place at the Moller Centre in Cambridge on the 28th April.

### **Social Enterprise Coalition Council meeting - 3 June 2010**

The next meetings of the Coalition's Council will take place in London on the 3rd of June. For a full list of council members, visit our [website](#)



**In this edition, with politicians and the media talking about what we can learn from the John Lewis model, we profile three of the UK's leading consumer and employee-owned businesses.**

### **John Lewis Partnership**

The John Lewis Partnership operates John Lewis department stores, Waitrose supermarkets and the direct services company Greenbee. It's the UK's largest and oldest employee-owned business, with 69,000 permanent employees, or 'partners', and a turnover of over £6.9 billion in 2008.

The company is owned by a trust on behalf of all its partners who have a say in the running of the business and receive a share of annual profits, which is usually a significant addition to their salary. Its stated purpose is 'the happiness of all our members, through their worthwhile, satisfying employment in a successful business'.

The Partnership's employment practices were praised by other retailers in the 2005 Retail Reputation Survey. In the supermarket category, Waitrose came second as a supermarket that looked after its employees and that participants would consider working for. In the department store category, John Lewis received

the most votes as the company most respondents would like to work for (30 per cent), that worked hard to look after its employees (26 per cent) and that was the most ethical company.

### **Welsh Water**

Welsh Water is part of Glas Cymru, a company limited by guarantee with no shareholders, which is controlled by its members solely for the benefit of its customers. Their business model aims to reduce Welsh Water's asset financing cost, the water industry's single biggest cost.

Welsh Water's assets and capital investment are financed by bonds and retained financial surpluses. All day-to-day activities are carried out by specialist contract partners employed by Welsh Water following a competitive procurement process.

Welsh Water is the sixth largest of the ten regulated water and sewerage companies in England and Wales. It is responsible for providing over three million people with a continuous, high quality supply of drinking water and for taking away, treating and properly disposing of the waste water that is produced.

The Company has introduced a number of innovative tariffs and cash collection options to help some of the

most disadvantaged customers including an annual 'Customer Dividend' which has helped offset increases in bills.

### **The Co-operative Bank**

The Co-operative Bank is part of The Co-operative Group, the UK's largest consumer co-operative. As a Co-operative business, the bank believes in ethical values and has worked on numerous ethically driven campaigns and projects all over the world.

In 1992, the bank launched its Ethical Policy after customers said that they would like to see their money invested ethically. From day one, it was decided that the policy should reflect the ethical concerns of customers, not the management, on the basis that it is customers' money which is being invested. The Co-operative Bank's ethics are also put into action through its Customers Who Care campaigns. Since the launch of the campaign in 1994, the bank has donated more than £3 million to over 80 charities and organisations.

In June 2005, The Co-operative Insurance Society, also part of the Co-operative Group, became the world's first insurance company to launch a customer-led ethical policy to guide the social, ethical and environmental aspects of its investments.