RSA Inclusive Growth Commission

Evidence submitted by UnLtd: the Foundation for Social Entrepreneurs

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Introduction

UnLtd is the Foundation for Social Entrepreneurs. Our mission is to reach out and unleash the energies of enterprising people who do good. We call these people social entrepreneurs. We support hundreds of social entrepreneurs each year, with Awards of financial and non-financial support that help them to start up and grow.

Too many people and places feel left behind in today's economy. In this age of austerity and uncertainty, it is both a social and an economic imperative to make growth more inclusive. We believe that local people hold the key to the regeneration and vitality of their places – but they often need confidence and support to act on their leadership and entrepreneurial potential. This cannot be imported or imposed.

Social entrepreneurs are passionate individuals with ideas, knowledge, links and drive to develop practical solutions to social and economic challenges. UnLtd's evaluation of its existing place-based work and associated research has revealed that social entrepreneurs can unlock energy and resources in communities and the local economy for the benefit of all residents and in a way that tackles social and economic inequalities.

We welcome this Commission and the opportunity to feed into it. We are pleased to provide direct responses below to those of your questions for which we have evidence. Our overarching recommendation is that national policy (including the forthcoming industrial strategy) and all place-based regeneration programmes and local economic development strategies should recognise the important role of social entrepreneurs and include steps to stimulate a culture of social entrepreneurship for inclusive growth.

Economy- *More inclusive, productive labour markets*

How can we enable as many people as possible to contribute to, and benefit from, local economic success?

How can we overcome social, gender, health and other barriers to accessing local labour markets?

Our evidence shows that empowering local people to define their own futures and come up with their own entrepreneurial solutions is an effective way of building inclusive growth and overcoming barriers to labour markets. This works in three ways:

- Backing individuals to start up and develop their own social ventures builds their own leadership capacity and confidence to act within the community.
- These social ventures often go on to provide training and employment opportunities for people distant from the labour market. In many cases, this is a core element of their business models.
- Social ventures also help to create stronger and better networked communities, which can contribute to more inclusive growth.

Backing individuals

UnLtd provides Awards of financial and non-financial support to social entrepreneurs – people we refer to as Award Winners. Historically, our Award Winners are disproportionately from parts of the country that are facing particular social and economic challenges. 33% of all UnLtd Awards have been made to people living in the 20% most deprived areas in the UK.

When we explicitly focus on underserved places, this figure can be even higher. UnLtd's Star People programme targets potential social entrepreneurs in the 150 Big Local Areas as identified by Local Trust. Through intensive outreach, bespoke support and local partnerships, this work has reached deeper into these communities than we would otherwise have done. Between 2011 and 2014, half of all Star People Award Winners lived in the 20% most deprived areas in the UK. This work has shown that there are potential social entrepreneurs in every community, but it can take active outreach to identify them.

UnLtd Award Winners are more likely to come from Black and Minority Ethnic (BME) groups than the general population: 31% of all UnLtd Award Winners are from BME groups, compared with 14% of the population.

Social entrepreneurs are more likely to be female (47%) than mainstream entrepreneurs are (27%). Engaging and empowering women through social entrepreneurship can be an effective tool in driving inclusive growth. UnLtd's Star People programme has been able to engage an even higher proportion of women than our regular Awards, as described below.[1]

UNLTD AWARD WINNERS
51% | 49%

MAINSTREAM ENTREPRENEURS
73% | 27%

ALL SOCIAL ENTREPRENEURS
53% | 47%

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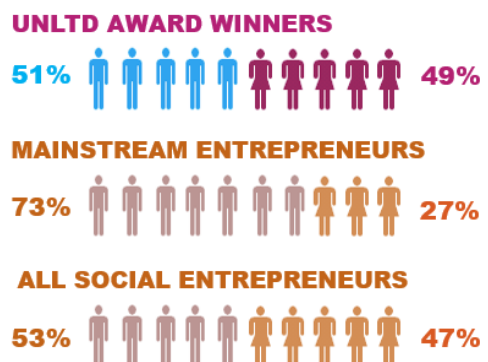
[1] https://unltd.org.uk/wp-content/uploads/2014/10/UnLtd_Findings_Paper_9_Star_People.pdf

How outreach and support have helped engage women in social entrepreneurship

Gender issues can play a key role in reinvigorating areas and communities. Men are more likely to take part in local decision-making (such as voting and attending public consultations), and are much better represented among local business – 73% of mainstream entrepreneurs are men. There is also evidence to suggest that planners often overlook women's concerns due to assumptions about their social and economic roles, and that doing so reduces the effectiveness of urban regeneration initiatives.

While gender is not an explicit focus of the Star People programme, the outreach methods and support provided through the programme have been effective in releasing the potential of local women. Between 2011 and 2014, 57% of Star People Award Winners were female, higher than the proportion across UnLtd's Awards.

This is important for inclusive growth, as evidence from mainstream entrepreneurship suggests that women are typically more risk-averse and have lower levels of confidence in their ventures than their male counterparts.

Creating employment for others

As well as sometimes creating self-employment opportunities for themselves, the social entrepreneurs we support create on average 16 volunteering opportunities; 53 training opportunities and 4 employment opportunities per venture.[2]

Access to employment is currently the most common social issue tackled by the social entrepreneurs UnLtd supports. They target a wide range of beneficiaries who face particular challenges accessing the labour market. These include ex-offenders, people with disabilities, people with mental health issues, people with substance dependency problems, and homeless or previously homeless people.

Miss Macaroon Retail Ltd provides employment and work experience for young people not in employment education or training; in particular care leavers, ex-offenders, BME and women, through the sale of French macaroons in Miss Macaroon kiosks. In the past 12 months the business provided employability support and work experience to 17 of the most difficult to reach and hardest to engage in meaningful training and employment, facing multiple barriers to success having had poor educational attainment and little or no work experience. To date, three of these people have joined Miss Macaroon CIC as employees. One completed a one month part-time contract, another has completed a six month full-time contract and the third is currently employed as a full-time apprentice. http://missmacaroon.co.uk/

Data gathered by Social Enterprise UK[3] shows that social enterprises are effectively breaking down barriers to local job markets:

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[2] UnLtd 2015 Impact report: https://unltd.org.uk/wp-content/uploads/2012/07/Impact-Report-2015.pdf
[3] http://socialenterprise.org.uk/public/uploads/editor/SEUK_StateofSocialEnterprise_FINAL_WEB.pdf
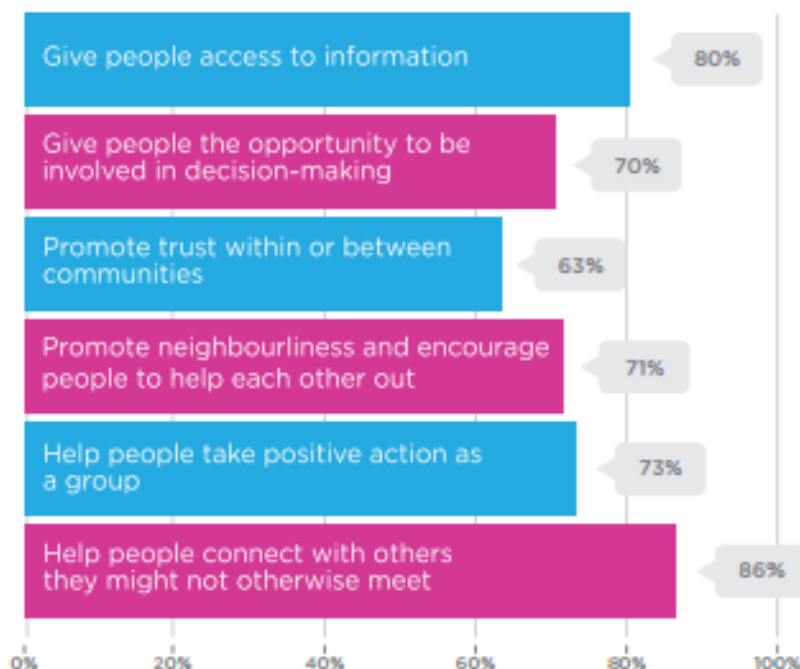
- 59% of social enterprises with two or more staff employ at least one person who is disadvantaged in the labour market. This proportion increases in the most deprived communities.
- 25% of social enterprises recruit most of their staff locally and 63% of social enterprises recruit all of their staff locally.
- 41% of social enterprises have increased their workforce in the last year (which compares favourably to SMEs where 22% have increased their workforce) and close to half of social enterprises plan to increase their workforce in the next 12 months (which is double the equivalent SME figure).

The support required to help employment-oriented social entrepreneurs to start well and for their social ventures to become growth-ready represents an extremely cost-effective investment. As they operate on a commercial basis, such models are potentially self-sustaining and have the potential to attract external investment for growth.

Creating social capital and better networked communities

The majority of the social entrepreneurs we support build social capital and strengthen networks within communities, as follows – which in turn can help individuals to build confidence, skills and gain access to economic opportunities.

Social entrepreneurs strengthen communities

Category	Percentage
Give people access to information	80%
Give people the opportunity to be involved in decision-making	70%
Promote trust within or between communities	63%
Promote neighbourliness and encourage people to help each other out	71%
Help people take positive action as a group	73%
Help people connect with others they might not otherwise meet	86%

How might more inclusive economies make places more productive and reduce demand for some public services over the long term?

Social entrepreneurs can address gaps in service provision and involve the community in creating solutions. Community-based solutions can build resilience and productivity. Some social ventures are preventative in nature, not only seeking to address issues before they become critical but also to prevent them from occurring in the first place. Shifting the focus of public investment towards prevention and early intervention is becoming increasingly recognised as essential.

Collaboration between local authorities and social entrepreneurs can be highly productive. Social entrepreneurs can help local authorities to step back and look at service delivery differently, which can result in innovations that see the 'beneficiaries' as part of the solution. They can also help local authorities to build trust within communities that enable services to reach those that need them. Through pilot projects in Bradford and elsewhere, UnLtd has found that engagement between social entrepreneurs and the local authority can lead to commissioners thinking differently about social entrepreneurs, and commissioning innovative programmes.[4]

Shona Grange realised that as people get older, they can act as a support network for each other. This reduces vulnerability and reduces the need for costly, reactive interventions. With support from UnLtd and engagement with Bradford City Council, she developed and tested her model, which was then incorporated into a tender issued by the Council. Shona went on to work with Creative Support, which won the contract. Shona hopes that the model can be rolled out to other local authorities.	Liz Douglas developed the Roots Project in a housing estate with multiple challenges. It took 18 months to be accepted by the community. It has become a trusted anchor in the community, providing a conduit for the delivery of services in partnership with Bolton Council and a housing association. It reduced anti-social behaviour on the estate, helped over 80 adults back into education, and reduced unemployment by nurturing thirty micro-enterprises.

Some social entrepreneurs are involved in innovative commissioning processes, making the most of existing community assets and joining up different public services, as in the example below.[5]

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[4] https://unltd.org.uk/wp-content/uploads/2013/08/Local-authorities-and-social-entrepreneurs-roundtable-2013.pdf

[5] https://unltd.org.uk/2016/11/03/community-solutions-improving-health-wellbeing/

Wellbeing Enterprise use an innovative social prescription model to improve people's health in the North West and across the UK. They identify barriers to a person's wellbeing from loneliness to mobility issues, and tap into assets in the community to find solutions.

Mark Swift, founder of Wellbeing Enterprise says 'We know that a significant number of people, about a fifth of all people, who go to their GP practice will actually be there not because of a medical reason, but because a social issue is exacerbating a health issue'. How they work to improve each person's wellbeing is as diverse as each patient they work with. They spend time to understand where the issues lie and the develop a structured plan for a patient's wellbeing. The success they've been having is evident and tangible – 'our outcomes are in many instances on a par with and exceed clinical standard treatments.' These evidence-based social prescriptions include stress-management, life skills courses and interest groups to help people whose health is affected by isolation and loneliness.

Having proven their value over several years they are now commissioned to provide social prescriptions across Cheshire and Merseyside as well as providing consultancy and training across the UK.

In Halton, Wellbeing has had particular success. 'We integrated these approaches with all 17 General Practices', says Mark, 'you go to your GP and the GP could legitimately offer you a prescription for learning, a wellbeing review, volunteering opportunities, social action programmes.'

Mark's organisation has supported close to 20,000 people to improve their health and wellbeing. In the process Wellbeing Enterprises won a prestigious HSJ award in 2015 – the first non-clinical organisation to do so.

How can we shape cities and neighbourhoods to encourage a more entrepreneurial culture?

Recent years have witnessed a huge surge of interest in entrepreneurship. New company registrations are at record levels. The RBS Enterprise Tracker consistently found that around half of all people aged 18-30 would like to start their own business.[6] This appetite extends to social entrepreneurship, with over a quarter of entrepreneurs establishing a business with a particular social, environmental or community objective.[7]

For this appetite to result in inclusive growth, there must be a supportive culture in which entrepreneurs and social entrepreneurs can start up and thrive. This needs to extend to all places, not just the start-up hotspots of London and other major cities.

Our Star People programme has shown that building relationships with local partners together with strong relationships between local groups and agencies can be highly effective in creating a supportive environment and strong network of social entrepreneurs within local communities.

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[6]

http://www.rbs.com/content/dam/rbs/Documents/Sustainability/populusrbsenterprisetracker4thquarter2014-finalfullreport.pdf

[7] https://unltd.org.uk/wp-content/uploads/2015/09/Spotlight-Paper.pdf.

Moreover, these relationships helped to deliver increased and more diverse community involvement, reaching more people.[8]

Similar collaboration can be effective at city, county or regional level. For example, the Oxfordshire Social Entrepreneurship Partnership[9] shows how universities, the private sector, social enterprises, local authorities and others can collaborate on innovation and ecosystem-building.

For this entrepreneurial culture to thrive, we must build entrepreneurship into education and skills frameworks, improve business support, increase accessibility to appropriate early-stage finance, and facilitate routes to market, including through public procurement.

Local authorities have a critical role to play here. Some local authorities are establishing seed funds to foster social innovation and social start-ups. Such funds do not need to be substantial at the individual level. One of the social entrepreneur support intermediaries working with UnLtd's Star People programme noted how a sum as small as £500 to back an idea can make an amazing difference to people who are used to thinking that they can't do things themselves. "The people I work with are judged daily," she said. Backing them builds their confidence, which has a snowball effect: "Once you have a few people with ideas in an area, others see it and say they can do it too".

Local authorities can encourage more entrepreneurial approaches to public service challenges. Haringey Council established a £1.5m 'One Borough One Future' fund to encourage individuals and organisations to come forward with innovative ideas for how to better deliver services. Wigan Council established a £2m Community Investment Fund to enable the start-up and/or delivery of creative ideas that will contribute to a long-term solution to the demand pressures on local public services, resulting in better outcomes for local people and a reduction in demand as public sector budgets reduce considerably.

Local authorities are testing other ways to facilitate an entrepreneurial culture. For example, Lambeth Council has appointed a 'social entrepreneur in residence' whose role is to combine grassroots development and strategic policy work to support social enterprise in the Borough.

Finally, to make communities more entrepreneurial, there needs to be significant investment in skills for entrepreneurship. Skills frameworks have not caught up with our changing economy. It must become easier for people to pursue an entrepreneurial career. It is encouraging that government has backed a new apprenticeship in entrepreneurship and social entrepreneurship[10], which will go live in 2017. Private sector employers and public authorities alike should embrace the opportunity it offers.

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[8] Shining Stars: Social Entrepreneurship and place-based change https://unltd.org.uk/wp-content/uploads/2014/10/UnLtd_Findings_Paper_9_Star_People.pdf p.7
[9] https://www.osep.org.uk/
[10] https://www.gov.uk/government/publications/apprenticeship-standard-entrepreneur

Place – *Dynamic, resilient places*

What are the characteristics of success at different geographic levels – city-region, city, neighbourhood – and how do these vary across the UK?

Too many people and places feel left behind in today's economy. Community development and economic regeneration programmes have been well intentioned but social mobility remains a challenge. Building an inclusive economy and a society that works for everyone needs a transformational approach, centred around the potential and empowerment of local people to develop and lead their own solutions.

Over the past five years, UnLtd has tested ways of supporting social entrepreneurs in different places. We have worked with Local Trust to spot and support social entrepreneurs in 150 overlooked neighbourhoods in England. We have worked in inner city boroughs like Tower Hamlets and Hackney, across large urban areas like Sandwell and the remotest of places such as Argyll and Bute. UnLtd's ambition in all these areas is to build a resilient community by encouraging an enterprising culture, developing local leadership and creating the conditions in which social entrepreneurs can flourish.

Based on this work, we would describe a successful, resilient community as one that takes control of its destiny, mobilises all the resources it has to secure a safe, healthy and prosperous environment for all its residents in uncertain times:

- A resilient community can organise to identify opportunities, establish priorities and take action to realise ambitions
- A resilient community recognises the problems some residents face and learns how these can be addressed
- A resilient community has access to essential services and infrastructure and is active in co-designing them so they meet the needs of local people
- A resilient community has a diverse range of economic opportunities and adapts positively to changing circumstances
- A resilient community recognises, protects and develops its physical, natural and human assets
- A resilient community is well connected to local, regional and national networks

An important caveat is that community resilience on its on cannot solve all the difficulties the community experiences – especially in an age of austerity and uncertainty. It cannot fully tackle the adverse effects of big structural issues, such as the decline of local industry – but it can certainly mitigate some of the effects and also change how residents feel about themselves and their community.

How can all places create a viable model for sustainable, dynamic and inclusive place-based growth?

We believe social entrepreneurs have the talent to mobilise people and assets to build inclusive and dynamic places. Tackling challenges can lead not only to increased pride in place, but also economic opportunity[11]:

Fly tipping had become a huge problem for one group of residents living around Lamlash Street in London's Elephant and Castle. 'My frustration boiled over. Every day I had to walk through this street, even though it was awful,' says Karen Chung, who created Lamlash Gardens to tackle the problem.

Karen stepped forward with the idea and the local community backed her drive, donating their time, skills and money. 'Once I suggested we do it, people started saying I've been thinking that for years,' she says, 'You just need that person who puts themselves forward.

Less than a year from its official opening and the garden has had a big impact. Helping to provide a space for the community to come together, as well as cutting down on fly tipping.

'Our plan now is to extend to the end of the street and then open a shop,' she explains, 'We can sell local produce, encourage local business people to sell their stuff. The shop will help us be sustainable.'

UnLtd's approach involves:
- Using diagnostics to identify places where social entrepreneurs have the energy and desire to transform their community
- Taking time to understand the place and building trusting relationships with people and organisations that are embedded in the community
- Spotting opportunities for collaboration between social entrepreneurs, the public and private sectors and unusual suspects within and beyond that community and providing the mechanisms to achieve this buy-in
- Convening and hosting conversations and gatherings, deliberately building connections and wider networks with social entrepreneurs
- Sometimes facilitating difficult discussions and managing conflict to drive change and foster new behaviours
- Supporting the progression of social entrepreneurs within a community over a period of time through awards and support as they build increasingly impactful ventures.
- Creating a support programme for 'connectors' – visionary individuals who really know what is going on in an area, who are community anchors and who open doors for social entrepreneurs
- Capturing inspiring stories, publicising them widely to influence policy makers and investors.

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[11] https://unltd.org.uk/2016/08/18/local-street-garden-grows-a-community-space/

What additional powers and flexibilities might be needed to give places the ability to respond more effectively to the complexities of their economic geography?

It is important for places to take a holistic approach to inclusive growth, making greater connections between different policy areas and budgets, and considering longer-time horizons. In particular, social and economic policy should be brought together, to take full account of the interplay between health and care, education and skills, employment and economy, housing and transport. Greater devolution of powers is likely to be necessary in many cases to achieve this.

Governance – *Creating system change*

How might we re-structure central and local public financing and related systems, so services support each other more effectively and decisions are made with a longer-term time horizon in mind?

Better use of assets and resources

One challenge now for public authorities is to move beyond a conventional commissioning and contracting approach, bringing resources from public budgets together with philanthropy, voluntary action and social entrepreneurship. Fundamentally, this means changing the role of local authorities towards facilitation and enabling – helping people to support themselves. This means helping social entrepreneurs to cut through red tape, and learning to speak in language that people understand. It can mean building social value into core service contracts, and setting aside resources for the development of social entrepreneurs who could become future providers.

Better accounting for social value

Commissioners and authorities are failing to make the most of the Social Value Act. Central and local government could use procurement levers far more effectively to tilt the playing field in favour of business models that have inclusive growth, sustainability and impact at their core. The Social Value Act should be strengthened and public procurement used as a tool for directing resources to where they can best contribute to an inclusive economy.

Better linking of social and economic policy and implementation

Creating inclusive growth will require better connections between social and economic objectives. For example, Local Enterprise Partnerships are generally not familiar with social entrepreneurship. It is critical that Local Enterprise Partnerships see social entrepreneurship as a way to deliver economic as well as social value, and that social entrepreneurs have a place in LEPs' governance. More broadly, it is vital that the forthcoming industrial strategy fully recognises and embraces the contribution of social entrepreneurs in delivering economic success, vibrant places and resilient communities.

What type of metrics for inclusive growth can be developed to support this?

We do not attempt to provide a comprehensive response to this question, but we would like to suggest that any set of metrics for inclusive growth includes some measures related to a culture of social entrepreneurship, and we offer our experience of this.

UnLtd is currently developing a set of measures that helps us to decide in which places to focus our place-based work. The *Energy Index* and associated criteria is being developed from practical experience, consultation and research from our place-based programmes and approaches. The Index is based on a checklist and assessment scale against each of four criteria – champions, anchors, community and networks. It provides a snapshot to enable us to understand the current state of play in a place.

Although this is primarily intended as a diagnostic tool, the Energy Index could potentially be used to measure this aspect of inclusive growth over time.

What are the barriers to achieving system and culture change?

Firstly, it is imperative that all stakeholders (national and local government, private sector and other stakeholders) agree that inclusive growth should be pursued as a goal.

Secondly, we must overcome the perception that social development and economic growth are at odds with each other.

Thirdly, we must find ways to link budgets to allow for greater investment in one policy area to be linked with savings in the whole system, and to bring public resources together with those from the private sector and within the community.

Fourthly, decisions must be based on long-term outcomes, overcoming the short-termism inherent in the political cycle.

Finally, and most importantly from our perspective, social entrepreneurship must be seen as a valid and valuable approach that contributes to inclusive growth. National policy (including the forthcoming industrial strategy) and all place-based regeneration programmes and local economic development strategies should recognise the important role of social entrepreneurs and include steps to stimulate a culture of social entrepreneurship for inclusive growth.