



Developing Social Enterprises in Wigan Borough

Our Strategy

Wigan Council

March 2009



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1. Introducing the Strategy

This strategy sets out our route map towards the development of a vibrant social enterprise community in Wigan. It sets out our current evidence base and establishes our long term priorities for change.

1.1 What is Social Enterprise

Social enterprise, is a growing part of local economies and an increasing feature of public policy. It is an important source of economic growth, it is a vital support for the most disadvantaged areas and groups and it is an essential part of the reform of public services.

Social enterprise is a way of doing business. Social enterprises are run to generate profits that are used to provide social, community or environmental benefits.

The most commonly used definition is that:

“... social enterprises are businesses with primarily social 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 or owners”
(DTI, 2002)

Social enterprise is a varied activity. Some enterprises work at community level, while others work nationally. They can work in public services or commercial markets. They often work in the most disadvantaged areas and work with the most socially excluded groups.

Social enterprises share the social and ethical values of much of the wider third sector, and often evolve from voluntary organisations. Elsewhere social enterprises have been set up by individual social entrepreneurs, whose imagination is used to identify new opportunities and entrepreneurial skills required to bring them to fruition. In other cases social enterprises have been

set up as a natural extension of the trading operations of private and public sector organisations.

Social enterprises can come in many shapes and sizes, from community-owned village shops to large development trusts, and in many legal forms, including community interest companies, industrial and provident societies and companies limited by guarantee, among others.

Whatever form they take, social enterprises prove that social and environmental responsibility can be combined with financial success.

1.2 Why Social Enterprise is important to Wigan

We believe that social enterprise can play an important role in improving the long-term prospects for Wigan.

Wigan is a great place to live and work, with a decent quality of life for most, a quality environment, good housing stock, new amenities, and good opportunities for business expansion.

At the same time, however, the industrial legacy of the area has led to intractable problems of worklessness and a cycle of deprivation and decline in some communities.

We view social enterprise as a modern business solution to social problems in the Borough, as a partner in the design and delivery of public services and as a way of working to make a sustainable difference to our communities, without the insecurity of relying on grants and donations.

1.3 What we want to Achieve

Our vision is of a dynamic and sustainable social enterprise sector in Wigan that delivers services and actively improves our communities.

The purpose of this strategy is to create a supportive environment in which social enterprise can flourish in Wigan. This means releasing the entrepreneurial potential that already exists within our communities and

ensuring that the right types of support are available to social enterprises as they emerge and develop.

Our focus is on supporting those social enterprises that will grow and create sustainable income, jobs, and services. We want to maximise that the growth in social enterprise activity that will come from a number of sources including:

- expanding and developing existing social enterprises;
- voluntary organisations developing trading and contracting businesses;
- dynamic individuals who act as social entrepreneurs and want to set up new social enterprises; and
- public and private sector organisations setting up social enterprises to trade and deliver services.

This document provides a direction of travel and a signal of our long-term commitment to developing social enterprise in Wigan.

2. The Strategic Context

This Section provides an overview of the national, regional, sub-regional and local strategies that have shaped our plans to develop social enterprise in Wigan.

2.1 National

The development of the third sector, including community groups, voluntary organisations and social enterprises, has steadily risen up the policy agenda. The policy direction is set out in:

- **Partnership in public services: an action plan for third sector involvement** – launched in 2006 to enable an increase in public service delivery by the third sector; and
- **The Future of the Third Sector in Social and Economic Regeneration** – sets out a ten-year strategy to develop the third sector including the encouragement of social enterprise.

Social enterprise is increasingly recognised as a distinct business model. It accounts for around 5% of all businesses with employees and contributes £8.4 bn per year to the UK economy¹.

A distinct strategy for social enterprise – **Scaling New Heights**² - is now driving an agenda that is focused on:

- fostering a culture of social enterprise, by inspiring the next generation to start thinking about the social business;
- improving the business advice, information and support available to social enterprises;
- tackling the barriers of access to finance that restrict the growth of social enterprises; and

¹ Based on data released in 2006 from the Annual Survey of Small Businesses UK

² Government Office for the Third Sector *Social Enterprise Action Plan 2005*

- enabling social enterprises to work effectively with government and increasing its role in the delivery of public services.

Social enterprise is also beginning to feed into the wider strategic agenda for economic development and enterprise and is incorporated within policy at a regional level.

2.2 Regional

The Government has delegated responsibility for driving forward the social enterprise agenda to the Regional Development Agencies (RDAs). The Regional Economic Strategy being the main policy instrument for social enterprise within the RDAs.

The North West Development Agency (NWDA) has recognised the growing significance of social enterprise. Some 11% of the UK's social enterprises are based in the North West, generating an aggregate turnover of £2.97bn³.

Social enterprise as a specific strand of activity within the North West **Regional Economic Strategy** of 2006 and a key target group for business start-up support. At a strategic level, the potential for social enterprise to contribute to a number of regional policy objectives has been recognised:

- increased productivity through innovation and economic inclusion;
- maximising the impact of the public pound through public service delivery models that support added economic, social and environmental value; and
- modelling sustainable economic growth.

This policy drive is reflected in the **North West Enterprise Strategy**⁴ which seeks to address the regions weak enterprise culture and the legacy of industrial restructuring. This sets out an explicit priority (one of 11 priorities) to 'support social enterprise growth and diversification' and sets out actions to:

³ Base on the Small Business Service survey of the social enterprise sector (IFF Research Ltd, 2005)

⁴ North West Development Agency *North West Enterprise Strategy* 2008

- raise awareness and build the readiness of social enterprises to capitalise on public service markets (Action 8.1);
- develop capacity, enterprise and share best practice via sub regional social enterprise partnerships (Action 8.2); and
- increase mainstream business support to social enterprises through Business Link North West (Action 8.3).

This has formed the basis for a number of initiatives.

2.3 Sub regional

A commitment to supporting social enterprise is firmly on the sub-regional agenda.

The **Greater Manchester Multi-Area Agreement**⁵ sets out the building blocks to bring gains in economic development, performance and improvement. This assigns priority to developing existing social enterprises in order to increase competitiveness and to increasing social enterprise start-up rates.

The **Greater Manchester City Strategy Business Plan**⁶ sets out a commitment to working with, and building the capacity of, the third sector as a means of delivering on sub-regional priorities. In particular, it identifies an important role for social enterprise in tackling worklessness and providing employment.

A specific strategic response to the needs of the social enterprise sector was set out in the 2006 **Greater Manchester Social Enterprise Action Plan**. This set out the ambitious objective of assisting over 1,000 social enterprises in the sub-region and to:

- increase the formation, growth and survival rates of social enterprises;
- improve research, information, and communication serving and promoting social enterprise;

⁵ AGMA & Manchester Enterprise *Greater Manchester Multi-Area Agreement 2008*

⁶ Greater Manchester Consortium *Greater Manchester City Strategy Business Plan 2007*

- develop market opportunities for social enterprises; and
- tackle the barriers that social enterprises face in bidding for contracts.

The Social Enterprise Action Plan has come to an end and Manchester Enterprises is developing an **Enterprise Framework for Greater Manchester**. This forthcoming strategy will seek to ensure mainstream support for social enterprises, as one of a number of key target groups.

2.4 Local

In developing our strategic agenda for social enterprise in Wigan we must ensure the strongest possible alignment with existing policy priorities.

We view social enterprises as potentially key players in the delivery of long term ambitions for Wigan as set out in our **Sustainable Community Strategy – Vision 2026**.

We will also ensure that the potential for social enterprise forms a key plank in the delivery of our **Local Area Agreement 2008–2011 (LAA)**. Our support for social enterprise will contribute to our delivery of National Indicator 7 – to create an ‘environment for a thriving third sector’ and help us deliver across our agreed outcomes:

- Outcome 1: An ambitious community: Strong skills that meet business needs and supports sustainable local economy.
- Outcome 2: A strong community that provides positive activities for all with improved community confidence, participation and cohesion in safe and sustainable neighbourhoods.
- Outcome 3: Living longer with a better quality of life: addressing inequality.
- Outcome 4: Improved aspirations, attainment and life chances for children and young people (especially those in most disadvantaged communities).

We have already put social enterprise at the heart of our **Worklessness Strategy**. Our goal is to remove the barriers to training and employment and

to increase entrepreneurial activity and support the sustainable growth of business. We believe that social enterprise can help us to tackle worklessness by both removing the barriers to the labour market and by creating sustainable and socially worthwhile employment.

We will develop our ambitions for social enterprise further through the resources available to us within the **Working Neighbourhoods Fund**.

2.5 Making the Connections

Social enterprise has the potential to contribute to the successful implementation of many public policy priorities.

A function of this strategy is to make sure there is a link (at national, regional, sub-regional, and local level) between those policy priorities and initiatives which are relevant to social enterprise.

We will aim to develop these links further in the future and involve the full range of relevant departments and agencies.

3. Social Enterprise in Wigan

We now turn to the existing evidence base on social enterprise in Wigan, outlining the known scope, scale, characteristics and needs of the sector.

3.1 Scale of the Social Enterprise Sector

Recent evidence suggests that the overall third sector⁷ (including social enterprise) in Wigan is relatively small, with some 349 known third sector organisations. The Borough has the lowest per capita concentration of organisations in the Greater Manchester area and the second-lowest number of organisations after Tameside⁸.

The social enterprise sector is similarly small and underdeveloped.

Taking a balanced view, and based on our analysis of available databases and directories, our best estimate is of a core of 120-150 social enterprises currently active in the Wigan area, supporting some 2,042 Full Time Equivalent employees. By contrast, if the social enterprise sector locally had mirrored that of the wider North West we would expect some 270 social enterprises in Wigan with an aggregate turnover of £132.1m⁹ and supporting 3,723 jobs¹⁰.

We are confident, however, that the established social enterprise community in Wigan is only the 'tip of the iceberg' and that there is a wealth of untapped interest in, and potential for, social enterprise. Based on the best evidence available, it is possible that:

- 53,187 working age people in Wigan are familiar with the idea of social enterprise¹¹; and

⁷ Includes voluntary and community organisations, charities, and social enterprises

⁸ Office of the Third Sector, National Survey of Third Sector Organisations, 2009

⁹ Based on Small Business Survey 2005 estimates for the North West

¹⁰ Based on BERR 2007 estimates of Entrepreneurship in the North West

¹¹ Based on BERR 2007 estimates of Entrepreneurship in the North West

- 6,079 people in Wigan are engaged in social entrepreneurial activity of some kind¹², much of which does not come to fruition.

Our challenge is to convert this great potential for social enterprise into more activity on the ground.

Based on a baseline survey undertaken by EKOS in January 2009, the following sections provide an overview of what we have to work with¹³.

3.2 Key Characteristics

The social enterprise community in Wigan is characterised by its diversity – diversity in terms of age, objectives, structure, and focus.

Our research shows that local social enterprises:

- vary in age from new starts of less than one year to mature social enterprises that have been operating for more than 55 years – the average age of organisations was 11 years;
- pursue a wide range of objectives focused on improving the social, economic, and environmental circumstances of Wigan and surrounding areas;
- take a variety of corporate forms (mainly Company Ltd by Guarantee), with two in five social enterprises still enjoying the benefits of charitable status; and
- do not readily identify with the term ‘social enterprise’, with 60% not using this term to describe their organisation or its work.

While continuing to encourage diversity, our challenge is to build awareness of social enterprise and to create a unified vision for its development.

¹² Based on 2006 Global Entrepreneurship Monitor estimates for the North West

¹³ The EKOS survey was based on a postal/online self-completion questionnaire which gathered information and views from 32 local social enterprises – some 22% of the known social enterprises located in Wigan.

3.3 Markets

The focus of social enterprises is on social, economic, and environmental goals. The Borough boasts an array of social enterprises that are focused on the needs of the local population, although not yet fully aware of the changing public policy/funding environment or tuned into the expectations and needs of the public sector service commissioners.

Our research shows that local social enterprises:

- focus mainly on the Wigan market, with 71% of social enterprises operating solely within the Borough and the remainder operating at the regional or national level;
- operate across a wide range of service areas, with a particular concentration on:
 - Education and/or training
 - Advice and advocacy services
 - Social care
 - Health services
- provide services to a diversity of client groups, with a focus on:
 - Low income households
 - Young people
 - Children
 - People with learning difficulties
 - Unemployed people
 - Physically disabled people
 - Elderly people
- are not yet fully engaged in public service markets, with 44% not yet having explored public service contract opportunities, 22% now getting to understand the contract culture, and 34% actively negotiating or delivering contracts.

Our challenge is to enable social enterprises to do more and better business with the public sector in Wigan and strengthen their natural focus on disadvantaged areas and client groups.

3.4 Human Resources

People are central to the success of any business, not least a social enterprise. As a matter of course, Wigan's social enterprises make a substantial impact on employment and employment prospects.

Based on our sample, the research suggests:

- an estimated total workforce of 2,042 FTE employees and a supporting pool of 3,306 volunteers in the social enterprise sector;
- the typical social enterprise in Wigan employs 11 full-time and 4 part-time staff members and is supported by 21 volunteers;
- a targeted effect in recruiting staff and volunteers from particular client groups, mainly from among:
 - women
 - people from disadvantaged communities
 - under 25s
 - over 65s
 - disabled people
 - long-term unemployed people; and
- a pronounced pattern of growth in employment where, over the last two years, staff numbers have increased in 52% of social enterprises, stayed the same in 37%, and declined in 11%

It is this impact on employment and employability that we will develop as part of our combined strategies for social enterprise and worklessness.

3.5 Financial Position

Social enterprise is a broad term that focuses on a way of doing business and a disparate group of organisations. Wigan's social enterprises are of varying financial scale and at different points in their development.

Our research shows:

- substantial differences in the levels of income to organisations, with 66% of social enterprises having a turnover of less than £100,000 p.a. and 6% generating more than £1m p.a.;
- differing levels of trading income among social enterprises, with three distinct categories¹⁴ emerging:
 - 27% are aspiring enterprises (trading income less than 25%)
 - 19% are emerging enterprises (trading income of 25%-49%)
 - 54% are mature enterprises (trading income of 50% plus);
- the average social enterprise in Wigan still generates 45% of its income from grants, gifts and donations; and
- there has been a widespread growth in income over the last two years, with turnover increasing for 45% of social enterprises, staying the same for 28%, and declining for 11%.

Our goal is to move social enterprises along their development path, enabling them to increase turnover and to reduce their reliance on public sector grant subsidy.

3.6 The Support Available

It is important to ensure that accessible and effective business support is available to social enterprises at each stage of their development.

¹⁴ Based on estimate of 'trading' income from direct fees, service level agreements, contracts, and investments (as opposed to grants, gifts, and donations) and calculated as a proportion of overall income to the organisation

Our research shows that:

- the majority of social enterprises (75%) in Wigan receive information, advice from other organisations/agencies, and 45% are a member of some form of network;
- a minority of social enterprises (25%) report that they do not receive support from any source, and there appears to be limited awareness of the full range of support sources available;
- social enterprises receive information and advice mainly from Wigan and Leigh CVS and various Council departments, with these support arrangements typically informal and based on long-standing relationships;
- the support provided usually extends only to basic information and advice on particular topics, with no evidence that intensive or specialist business support is being made available; and
- there is general satisfaction with the information and advice presently provided, albeit there are still significant unmet support needs (discussed later).

It is clear that we need to knit together the support available, sharpen its focus on social enterprise, and address as far as possible any gaps in specialist business support.

3.7 The Support Needed

There are a variety of barriers constraining the development of Wigan's social enterprises and unmet support needs. These centre largely on concerns regarding funding, finances, and contracting.

Our research shows:

- in descending order of prevalence, the following barriers to development have been reported:
 - Accessing finance to increase trading capacity

- Insecure funding
 - Inappropriate premises
 - Lack of working capital
 - Lack of funding information
 - Shortage of volunteers
 - Access to ongoing support
 - Shortage of trained qualified staff
 - Establishing new markets
- again in order of prevalence, the following main areas of support required were identified as:
 - Marketing strategy
 - Community involvement (e.g. in governance arrangements)
 - Start-up funding
 - Basic business planning
 - Business development review
 - Financial management advice
 - Development of consortium bids and joint projects
 - there is also limited knowledge about public service opportunities, with 73% of social enterprises reporting that they do not know enough about opportunities to deliver services under contract; and
 - most social enterprises (70%) would benefit from support to secure contracts including information on emerging contract opportunities/specifications and advice on tendering and service design, costing, and pricing.

3.8 Future Prospects

The social enterprises based in Wigan are generally optimistic about their future growth prospects, albeit future growth will depend on a range of factors – not least the impact of the recession and anticipated changes in public services markets.

Our research shows that:

- there is much confidence for the next three years, with 63% expecting demand to increase, 50% expecting staff numbers to increase, 38% expecting overall income to increase, and 28% expecting trading income to increase (and reliance on grants to decrease);
- there are very mixed views on the likely impact of the economic recession, with 28% expecting market opportunities to increase as a result, while others expect a loss of business or to stop trading;
- key future trends reported in relation to development include a greater emphasis on competing for service contracts, service user involvement, financial control, service development, increasing membership/customers, and premises for business expansion; and
- for many social enterprises future growth will be dependent on the decisions of public bodies, with 41% planning to grow their turnover through trading with the public sector.

Our ambition is to accelerate this growth and where possible to help unlock new markets for Wigan's social enterprises.

4. Meeting Local Needs

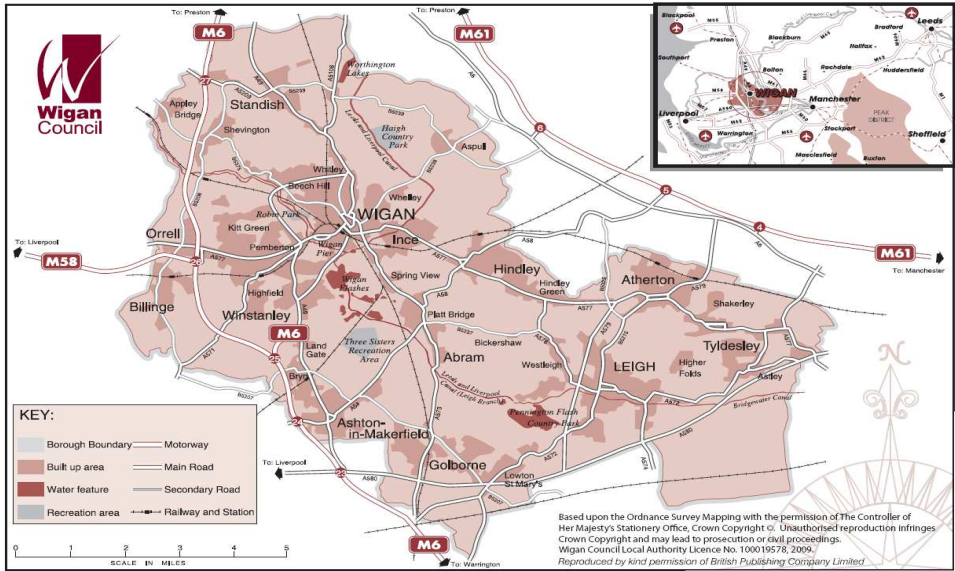
We recognise that in some cases neither public provision nor private markets are currently fully meeting the needs of local communities. Very often social enterprises have been set up to find a way of turning a need into a market – this is, in part, what distinguishes them from other parts of the third sector.

We believe that social enterprises are well placed to help meet a wide range of needs in Wigan.

4.1 Wigan in Context

With a population of 305,000 across an area of 77 square miles, Wigan is one of the largest metropolitan districts in England. The Borough is based around the two main towns of Wigan and Leigh and several smaller towns and villages of the former Lancashire coalfield. Wigan is the most westerly district of Greater Manchester.

Figure 4.1: Wigan in Context



There is a growing recognition of the differences within the Borough, which includes areas of growing prosperity alongside neighbourhoods of long-term need and deprivation.

The legacy from the mining and textile industries in Wigan is ever-present. Mills and mines were often large employers, also providing social support and infrastructure. Intergenerational employment in these industries and their subsequent decline has created a culture of dependency and cycle of decline in some communities.

That said, there are many opportunities in Wigan and the Borough remains characterised by close knit, mutually supportive communities. This provides a fertile breeding ground on which to stimulate community action and develop social enterprise as a response to local problems.

4.2 Tackling the Big Issues for Wigan

Our analysis of the priorities for Wigan has thrown up a number of key issues of concern that must be tackled. Social enterprise offers models and approaches that can be instrumental in tackling each of these issues.

Tackling Poverty and Deprivation

In 2007 Wigan was ranked as 67th most deprived local authority in England. The median weekly gross pay for a Wigan resident is £52 lower than average for England and £27 lower than the average for the North West (and the gap is wider for men). Economic challenges for local households will be heightened in the current economic recession.

Social enterprises in Wigan can and should provide:

- mutual savings and investment schemes;
- welfare and money advice; and
- debt counselling and management support.

Getting People Back to Work

Worklessness is a central challenge for Wigan. More than 35,000 people are out of work and claiming benefits and workless rates are well above regional and national levels. In Wigan's most deprived communities a culture of

worklessness has taken hold and residents have no more than a 50% chance of finding employment and one-in-five have not worked since 1991. In many cases mental health, physical disability, or a long-standing illness is a contributory factor.

Social enterprises in Wigan can and should support residents to access the labour market through:

- training and retraining schemes;
- childcare services;
- transport schemes; and
- adult guidance and careers advice.

Promoting learning and Skills

The attainment of education and skills remains problematic for Wigan's population. On average, pupils from the more disadvantaged groups have a lower attainment than the Borough average at every key stage. Only 20% of residents are qualified to NVQ level 4 (below regional and national rates) and are less likely to enter higher education.

Social enterprises in Wigan can and should provide:

- early intervention services;
- community learning services;
- personal and social development projects; and
- support to young people not in education, training or employment.

Improving Health Outcomes

Health in Wigan is poor across a range of measures, with male and female life expectancy below the national level. Put simply, many people in Wigan live unhealthy lifestyles – over 20% of the residents are obese or very obese, only

three in five people take part in even a low level of physical activity, excessive drinking is problematic and is particularly common in younger groups, and teenage pregnancy rates are high.

Social enterprises in Wigan can and should provide services that:

- offer advice on healthy lifestyles;
- promote better mental health;
- support people with physical disabilities;
- assist people with addictions issues; and
- provide independent advocacy for vulnerable client groups.

Supporting an Aging Population

Wigan is ageing. By 2015 there will be 5,300 more women over 65 in the Borough than there will be in 2008, and almost 6,000 more men. The impact of Wigan's longstanding problem of limiting long term illness is starting to catch up with us. By 2015 there will be over 6,000 more older people who have had a long term, limiting illness.

Social enterprises in Wigan can and should provide services that:

- provide social opportunities to older people;
- enable older people to live independently in their community; and
- offer support to carers.

Caring for the Environment

Wigan's contribution to environmental sustainability is crucial. The ecological footprint of the average Wigan resident (5.35 hectares) is well above the sustainable global allowance of 1.88 per person. Satisfaction with the natural environment, parks and open spaces is declining. Poor air quality from traffic

pollution is a problem, and the local recycling/ composting rate (at 21.9%) is lower than the national average.

Social enterprises in Wigan can and should provide services that:

- champion the sustainable development agenda;
- promote recycling;
- provide renewable energy; and
- promote sustainable transport solutions.

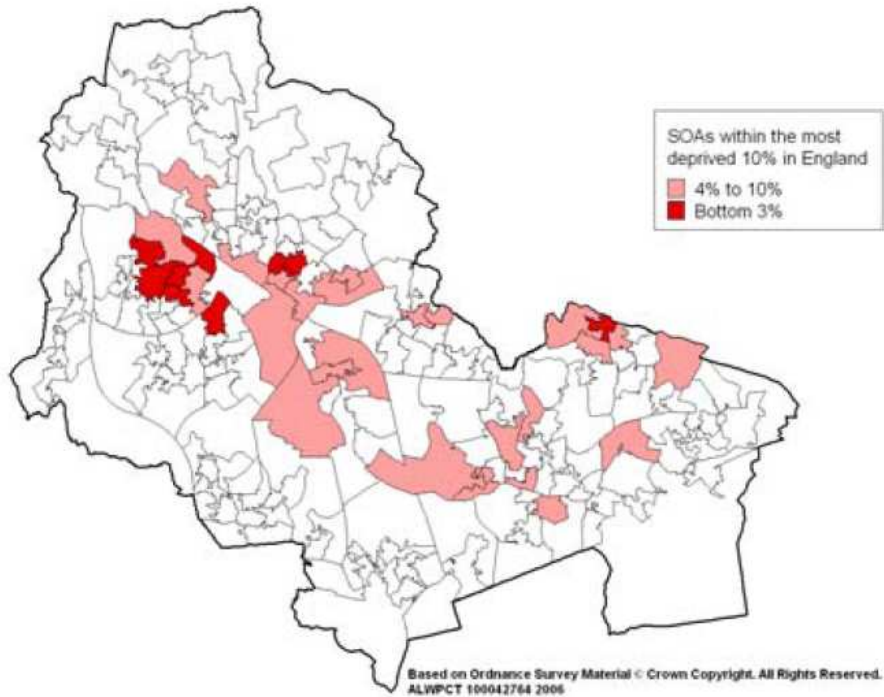
4.3 Making a Difference Where it Matters

In order to fully address the needs of the Borough, we need to ensure that the social enterprise activity we support reflects the diversity of our neighbourhoods and the lives of individuals.

In particular, this means stimulating and supporting social enterprises in those areas where they are most needed.

Our strategy will therefore be consistent with the focus of the Wigan Local Area Agreement and seek to achieve a targeted impact in those most deprived neighbourhoods (see figure 4.1, below).

Figure 4.1: Wigan 'Super Output Areas' (SOAs) Within the Most Deprived 10% in England



Our focus will be on 10 neighbourhoods within:

- Norley Hall;
- Worsley Hall (2);
- Marsh Green;
- Scholes (2);
- Worsley Mesnes;
- Hag Fold (2); and
- Westleigh.

All of the available research suggests that social enterprise is well placed to meet the needs of the most deprived communities. For example, recent research from the Office of the Third Sector¹⁵ shows that people who live in or near areas with social problems are most likely to start a social enterprise.

4.4 The Contribution We Seek From Social Enterprises

We believe that the social enterprise sector can make a big difference in Wigan and we have an ambitious agenda for it.

¹⁵ Office of the Third Sector, *Is Social Enterprise at a Crossroads?*, 2008

We will seek to develop the contribution of social enterprise to:

- improving public services, by shaping service design, pioneering new approaches and delivering quality services;
- addressing the needs of those who have least opportunity, including those furthest from the labour market;
- providing a catalyst for regeneration in our most deprived areas, transforming local quality of life and reversing decline;
- leading the way on the sustainable development agenda, showing that meaningful community-led responses can make a difference;
- developing new and ethical markets, driven by both public sector purchasing and consumer demand; and
- increasing levels of entrepreneurship and enterprise, showing that ethical commitment and business success can be combined.

We believe that social enterprise as a way of doing business can greatly contribute to economic, social and environmental life in Wigan. This strategy is intended to help create an environment for this to happen.

5. Exploiting the Market Opportunities

In this section we turn to the opportunities and examine those markets through which we can grow the scale and scope of local social enterprise activity.

5.1 The Importance of Markets

Social Enterprise is a business model that is pursued by a diverse range of organisations that have emerged from a variety of settings.

Fundamentally, however, a social enterprise must compete successfully in the marketplace before it can deploy any profits or surplus in order to meet its social objectives.

In turn, this means that a social enterprise must:

- build a sustainable position in the market, based on a competitive advantage that is not short-term or subsidy-driven;
- make an appropriate level of profit to meet its development and cash flow needs and to guard against unexpected losses;
- accept that markets imply competition and the prospect of failure for ineffective or inefficient organisations; and
- be able to identify future markets and opportunities, and stop working in areas that no longer have a business justification.

Sustainable trading is key. This can be created by exchanging goods or services with the public or organisations through a trading outlet, or providing a commercial service. It can also come from contracts (legally-binding arrangements with public, private or third sector organisations).

5.2 Understanding Market Trends

Like other businesses, social enterprises in Wigan will continue to be affected by changing market opportunities and trends.

There are in the region of 9,360 businesses¹⁶ in Wigan (including private and social enterprise) supporting 100,592 jobs. Distribution, hotels and restaurants; banking, finance and insurance etc; and construction are all strongly represented, accounting for 71% of all businesses in Wigan.

Over the last five years, there have been a number of fast growing sectors that have created businesses and employment in Wigan. As shown in Table 5.1, the largest growth has been evident in ‘other business services’ (include professional services such as legal, accounting, engineering, architectural and business consultancy).

Table 5.1: Sectors showing largest business and employment growth (2002-07)

Largest growing sectors (business)		Largest growing sectors (employees)	
<u>Sector</u>	5 year increase in businesses	<u>Sector</u>	5 year increase in jobs
<ul style="list-style-type: none"> • Other business activities • Construction • Real estate activities • Computer & related • Health and social work • Post & telecommunications 	<p>583</p> <p>343</p> <p>195</p> <p>152</p> <p>104</p> <p>59</p>	<ul style="list-style-type: none"> • Other business activities • Health & Social work • Auxiliary transport and travel • Recreational, cultural, sporting • Education • Wholesale / commission trade • Construction • Manufacture food/beverages 	<p>5,239</p> <p>2,814</p> <p>1,886</p> <p>1,418</p> <p>1,233</p> <p>839</p> <p>826</p> <p>655</p>

Source: ABI

¹⁶ Source: ABI 2007

Also of particular note is the employment growth in the following markets: health and social work; recreation, cultural, and sporting activities; and education. These are sectors which continue to show promise and in which the social enterprise business model has traditionally performed strongly.

Looking forward, the Manchester Independent Economic Review¹⁷ has identified six priority industry sectors, and a further nine key sectors, that present critical opportunities for the development of the City Region. Of these, Wigan has high concentrations of activity in construction, logistics, manufacturing, retail and sports, but low concentrations in the knowledge economy i.e. creative/digital/new media, financial and professional services, education, and ICT digital/communications. It will be important to identify the potential for social enterprises in these opportunity sectors.

Table 5.2: Priority Sectors for the City Region

<u>Priority Sectors</u>	<u>Key Sectors</u>
<ul style="list-style-type: none"> • Aviation • Creative/Digital/New Media • Financial and Professional Services • ICT Digital / Communications • Life Science Industries • Manufacturing 	<ul style="list-style-type: none"> • Construction (including architecture) • Customer Contact Centres • Education • Environmental Technology Services • Hospitality and Tourism • Logistics • Public Sector • Retail • Sport

However, the future opportunity and success of the social enterprise sector in Wigan over the short to medium-term will be affected by uncertain economic conditions.

¹⁷ Manchester Enterprises, Manchester Independent Economic Review Economic Baseline, 2008

The long period of growth for the UK economy has ended and the country has entered recession. Wigan is ranked 158 out of the 408 most vulnerable local authorities in England (top 40%)¹⁸.

The latest evidence now becoming available¹⁹ suggests that:

- the North West economy will contract by 4.1% in 2009, slightly higher than 3.7% predicted for the UK as a whole;
- Wigan has been particularly hit by manufacturing and construction employment decline, and is expected to fare worse in the coming year than Manchester and Salford;
- the medium term outlook suggests a period of tentative stabilisation, before returning to modest growth; and
- the impact on employment will continue to be felt until 2014, with deprived areas of the Borough disproportionately affected.

With long term impacts predicted on consumer, business and government spending, the economic downturn is likely to have impact on different parts of the social enterprise sector in different ways.

Negative consequences are likely to include:

- individuals and businesses are likely to reconsider their charitable/corporate giving;
- public finances will contract reducing levels of grant subsidy and potentially reducing commissioners' ability or willingness to offer viable contracts;
- income from investments will be affected by the falling value of assets (equities, bank deposits, property) and lower interest rates; and

¹⁸ Wigan Council, Report to the Regeneration Panel on the Prospects for Manchester City Region's Economy, January 2009

¹⁹ Presentation: Experian, *Taking Action in the Downturn* at the "What Makes Wigan Work?" Conference 2009, 23 June 2009

- there will be lower consumer demand for 'luxuries, including ethical products/services and cultural activities, provided by many social businesses.

On the positive side:

- there will likely be a higher need for welfare services, advice and counselling (e.g. debt, housing, employment) – areas where social enterprise's added value are recognised; and
- the ongoing fall in property prices presents opportunities for social enterprises to take advantage of a distressed market to acquire previously unattainable assets and in so doing increase their own long-term sustainability.

5.3 Social Enterprise Markets and the Public Sector

Social enterprises across the UK are typically active in a variety of market sectors. These include:

- Advice, counselling and support
- Business services
- Childcare
- Culture and Creative Industries
- Enterprise and Training
- Financial
- Food and Catering
- Health
- Housing
- Information and Communications Technologies
- Leisure/Tourism/Hospitality
- Manufacturing
- Mediation
- Retail
- Social Care

- Sport and leisure
- Transport
- Waste and recycling
- Workspace Management

In the majority of cases, social enterprises are involved in the delivery of public services. These are services that benefit the public, the environment or society and which is wholly or partly funded, now or in the near future, from the 'public purse' (money raised through taxation).

This might involve contracting, or planning to contract, with one or a number of public sector bodies²⁰. It could also involve offering services which are paid for by individuals through the benefits system or individualised budgets, for example Housing benefit, Tax credits (childcare), or Direct payments (for social care or disability services).

5.4 The Public Service Market in Wigan

Public service reform means there have been growing opportunities for Wigan's social enterprises to get involved in improving service delivery.

Recent Government evidence²¹ indicates that in 2007/08, at the UK level:

- sales by the public services market amounted to £79.4bn, representing around 33% of the value of public service delivery;
- the largest area of procurement is health with an estimated £24.2bn spent in 2007/08, followed by social protection (£17.9bn), defence (£10.1bn) and education (£7.3bn);
- in real terms the procurement market have grown on average by 5.4% each year since 1995/6; and

²⁰ These could include: Local authorities (e.g. social services, schools, children and family departments); Primary care trusts; Hospital trusts; Probation trusts; Schools or children's centres; Youth offending teams; Drug and alcohol prevention teams; Learning and skills councils; Mental health trusts; JobCentre Plus; Central government departments (eg Department of Health); NDPBs (non departmental public bodies); and Government agencies

²¹ Department of Business Enterprise and Regulatory Reform, The Public Services Industry in the UK, July 2008

- the total public services market is likely to continue to grow in real terms by 3.4% p.a. to 2010/11, with the fastest growing areas being public order and safety (10.5%); recreation, culture and religion (8.9%); and health (6.3%).

In other research, it has been estimated that the proportion of procurement awarded to the third sector has increased from 6% in 2003 to 18% in 2006²². However, the scope and scale of procurement does vary substantially across public service areas.

Extrapolating this information on a per capita basis, our best estimate is that the public service market in Wigan Borough is currently worth some £397.8m.

Applying the national average, we would expect some £71.6m worth of services to be delivered by the third sector. However, as discussed the sector in Wigan is underdeveloped and this is unlikely to be the case.

While these figures provide a broad order of magnitude, further research will be required to forecast the future public service market prospects for social enterprise in Wigan within an increasingly uncertain period for public finances.

It is clear that a significant medium to long-term reduction in local government budgets, the drive to achieve efficiency savings and the impact of the recession on future public spending, will produce a deep and prolonged period of austerity for public bodies in England.

On the other hand, and although subject to great uncertainty, according to the Local Government Association²³, the health and care sector is likely to grow in the 2008-2010 recession and education is likely to remain stable. Growth in public services in the North West is expected to move broadly in line with the sector nationally and remain fairly steady through the general economic slowdown and subsequent recovery.

²² Department of Communities and Local Government, National Procurement Strategy for Local Government, April 2008

²³ Local Government Association, From recession to recovery: the local dimension, November 2008

Taking a balanced view of the changing state of public finances, and changes in local population needs, there are many areas of future opportunity for Wigan social enterprises located in public sector markets. These include:

- Childcare
- Employability
- Social Care
- Health
- Recycling

These are opportunity sectors in which we as public sector partners can influence, and which will underpin our focus and work with social enterprises over coming years. However, equally, these are the sector's in which emerging social enterprises must become clearer on public sector requirements and respond accordingly.

5.5 Unblocking the Constraints

While many opportunities to grow the social enterprise market are likely to exist in Wigan, it is important to consider why these have not been taken already. The share of public services in Wigan being delivered by the social enterprises clearly depends on a number of factors, not least:

- the willingness and ability of public agencies to do business with the social enterprise sector; and
- the capacity of the social enterprise sector locally to meet opportunities in key areas.

As part of the development of this strategy we have listened to the views of service managers and commissioning staff within key public agencies. From their perspective:

- the availability and potential of social enterprises to deliver on policy goals are is not always fully understood;

- social enterprises are often viewed as high risk suppliers, with significant concerns about the capacity and quality of services;
- there is a lack of clarity surrounding the extent to which, and how, public agencies can support social enterprises to win contracts;
- procurement processes are often necessarily complex, and driven by price, making it difficult for smaller organisations to bid; and
- there is no coherent vision or agreed approach with which to guide public sector interaction with social enterprises in Wigan.

We have also listened to the views of social enterprises (both actual and potential suppliers). From their perspective:

- they are often not fully aware of the opportunities available through public bodies and unsure how best to compete;
- they typically consider themselves too small or with insufficient capacity to bid for and deliver contracts effectively;
- competition rather than collaboration in the sector is the norm, which tends to rule out organisations working as part of consortia;
- there is a cultural aversion to change/risk meaning that providers inevitably prefer to pursue grants rather than contracts; and
- there is continuing concern surrounding the 'red tape' involved in doing business with the public sector and the associated costs.

Our shared challenge is to address these differing concerns and to build productive business relationships between more creative public purchasers and more capable and businesslike social enterprise providers.

6. The Existing Support Infrastructure

In designing our strategy we recognise that there are a number of forms of assistance already available to social enterprises. Equally we recognise that much more needs to be done to encourage and support their development.

6.1 Regional and Sub-regional Social Enterprise Networks

At a regional level the North West Development Agency has had an active programme of support for the social enterprise sector which is delivered on a sub-regional basis. Intelligence on social enterprise in the North West's five sub-regions was gathered in 2003 and Action Plans were subsequently introduced in 2006.

Social Enterprise North West has now been formed and is working to bring about a more strategic and co-ordinated approach to social enterprise development for the sub-regions.

At a sub-regional level **Together Works** has now emerged as a consortium of social enterprises. With support from NWDA it is able to provide information, networking assistance, and awareness raising support across Greater Manchester.

In developing our local response in Wigan we must ensure that we will connect with this emerging regional and sub-regional infrastructure.

6.2 Social Enterprise Programmes and Intermediaries

There are also an array of specialist programmes that operate at a regional level and which have relevance to Wigan.

Capacitybuilders has launched the Consortia Development Fund to support local and regional partnerships and to develop the infrastructure of support for social enterprise. Work is already underway in the North West and a number of support programmes have been developed.

There are also programmes in the North West to develop the potential of social enterprises in particular sectors. A key example is the programme of work being carried out through the Social Enterprise Team located within the **North West Strategy Health Authority**.

There are also many specialist intermediaries that have a national reach, but which have a presence or active interest in social enterprise development in the region. Examples include:

- **Social Firms UK**
- **School for Social Entrepreneurs**
- **The Scarman Trust**
- **Development Trusts Association**
- **UnLtd**
- **Community Action Network**
- **Co-operatives North West**

Some or all of these providers have already supported social entrepreneurs and enterprises in Wigan.

Our ambition is to ensure that these initiatives/intermediaries are aware of the opportunities to develop social enterprise locally and, where possible, work with us to capitalise on these.

6.3 Mainstream Business Support

The North West Development Agency has led an agenda which has sought to integrate specialist assistance to the social enterprise sector into the mainstream business support infrastructure.

Positive work has been made to ensure that the Information, Diagnostic and Brokerage support available through **Business Link** is responsive to social enterprise. Around 134 advisors have now received initial training to assist

engagement with social enterprise. From April 2007 Business Link has responded to 75 enquiries from Wigan's third sector (including eight social enterprises) and has provided intensive support to two.

Other targeted provision has been developed. The **Business Start Up and Survivability Programme**, for example, has provided support to targeted at particular client groups including social enterprise. However, recent evaluation evidence has brought into question the extent to which social enterprise has been recognised as a priority and adequately supported²⁴.

There is some evidence that business support providers are responding to the social enterprise agenda. Manchester's **Business Support Solutions** (incorporating the former 3SE) continues to offer a social enterprise Start-Up Programme to interested groups from across Greater Manchester.

We must ensure that available business support programmes and providers remain responsive to local needs. To take this forward we are committed to working with the NWDA to jointly commission Business Start Up Mainstream provision from April 2009 and to ensure that adequate provision is made within this for local social enterprises.

6.4 Local Support Initiatives

Recognising that there have been gaps in support for budding social entrepreneurs and social enterprises locally, a number of additional support measures have been introduced and tested. This represents important early groundwork.

For example:

- **Wigan and Leigh CVS** continue to play an important role in developing the overall potential of the third sector and in identifying and signposting aspiring social enterprises to relevant support. For example, during 2008 the CVS established a programme to develop the trading potential of enterprising third sector organisations in the health and social care sector.

²⁴ EKOS, Evaluation of Business Start Up and Survivability Programme, September 2008

- We have provided major investment in a programme of support to stimulate new social enterprise in the Borough. Delivered by **Re:Generate** this has helped to build awareness, create enthusiasm and develop ideas for social enterprise. This programme has now come to an end.
- **The PULSE Network** has been established as a network that has been developed for and by local social entrepreneurs. Although still in its embryonic stage, the Network has shown potential to assist in identifying, connecting and signposting emerging social entrepreneurs within local communities.
- Under the recent NRF programme we initially commissioned **Bolton Business Ventures** to provide business start-up support that would complement mainstream provision. A number of fledgling social enterprises received support under this contract. With this programme now ended, Blue Orchid has been commissioned to provide start-up support in Wigan, with specific provision to be made for social enterprises within this contract.

Things are therefore beginning to happen in Wigan, and our ambition is build on this early but important ground work.

6.5 The Support Infrastructure

The support infrastructure for the development of Social Enterprise is fast developing and devolving. Our analysis has shown that there are a range of different support that is available to future and existing social enterprises in Wigan.

However, it also shows that there are some areas for improvement:

- it is not clear that there is consistency in the strategic approach of all support organisations;
- there is no clear mechanism for joining up support at the local level to co-ordinate delivery and sure available support is properly targeted;

- some of the support is relatively new and has not really been tested within a Wigan context with some only having very limited levels of penetration;
- there is no overall clear message and marketing of social enterprise within Wigan and no clear pathways for budding or existing enterprises; and
- the developing strategic environment provides an opportunity to ensure we can maximise our contribution to sub-regional and regional targets.

One of our key challenges will therefore be to address these issues and ensure that we work with the existing infrastructure to ensure we maximise the potential impact on Wigan social enterprises.

7. Delivering Change

We now go on to set out our vision for the development the social enterprise sector in Wigan and the priorities and actions that we will pursue to deliver on this.

7.1 Our Vision for Change

Our vision is of dynamic and sustainable social enterprise sector in Wigan that delivers services and actively improves our communities.

Our purpose is to create a supportive environment in which social enterprise can flourish in Wigan. This means releasing the entrepreneurial potential that already exists and ensuring that the right types of support are available to social enterprises as they emerge and develop.

7.2 Our Priorities

Our analysis suggests that the social enterprise sector in Wigan is currently underdeveloped.

This being the case we need to take a balanced approach and progress action on a number of fronts:

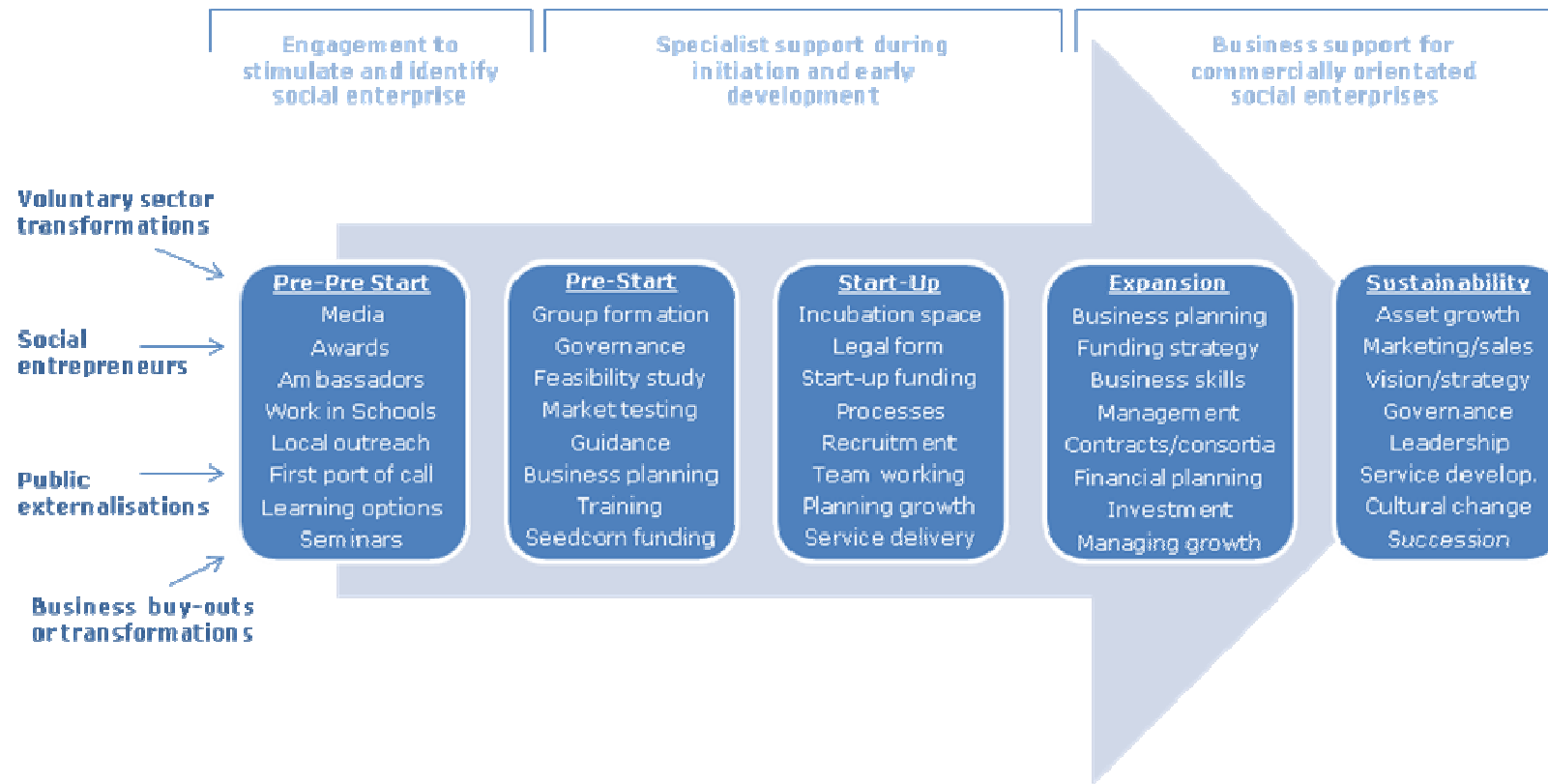
- 1) Raising the profile of social enterprise in Wigan
- 2) Developing new social enterprises that can capital on key growth opportunities
- 3) Providing targeted and specialist support for business growth
- 4) Unlocking public sector markets and assets to the sector

7.3 Our Support Model

Social enterprises in Wigan will require a continuum or pipeline support. This means providing a seamless range of services to stimulate, identify, form, and upscale social enterprises.

This pipeline of support is illustrated in Figure 7.1.

Figure 7.1: The Support Pipeline



7.4 Key Actions

We have developed a range of key actions that we will pursue with partners over the next 18 months, at which point we will review and refine our approach.

7.4.1 Priority 1: Raising the Profile of Social Enterprise

If social enterprise is to flourish then people need to understand what it is and recognise the benefits that it brings. Put simply, we need to significantly raise the profile of social enterprise in Wigan.

We need to take the social enterprise message out to the population at large as well as those groups that are most likely to embrace the concept. In particular, we must make sure that those interested in pursuing a community or business venture consider social enterprise as an option.

We will progress action on a number of fronts.

Action A.1.1: Introducing Social Enterprise

We want to directly introduce the concept of social enterprise to individuals, groups, organisations and businesses. We will work with partners to develop a series of seminars and events to raise awareness of social enterprise and develop an understanding of its potential.

Point of Inspiration: Social Enterprise London Open Surgeries

Social Enterprise London's Open Surgeries are designed to give people who are new to social enterprise an insight into how it works and space to learn more – ask questions, get advice, and meet others starting-up or growing social enterprises. The Surgeries are free and run regularly. Events are also held on a quarterly basis that focus in-depth on a particular topic.

For further information: www.sel.org.uk

Action A.1.2: Using the Media

If social enterprise is to enter the consciousness of the wider population, we must use a variety of promotional channels (e.g. print media, the web, etc). We will devise a media campaign to showcase the work of innovative and sustainable social enterprises and reward extraordinary vision, ethical business practice and social responsibility.

Point of Inspiration: Social Enterprise Day

Social Enterprise Day is one of a number of campaigns supported by the Social Enterprise Coalition. It is a national day to celebrate and promote social enterprise. Social Enterprise Day is part of Enterprise Week, run by the Make Your Mark Change Lives Campaign.

For further information visit: www.enterpriseweek.org.uk/ or www.socialenterprise.org.uk/pages/campaigns.html

Action A.1.3: Using the Social Enterprise Kite Mark

We will strive to introduce a shared identity for social enterprise's in Wigan. To do this we will support the national roll-out of the Social Enterprise Mark – a Fairtrade-style kite mark that provides an instantly recognisable label for social enterprises.

Point of Inspiration: Social Enterprise Mark

The Social Enterprise Mark was developed by RISE (a representative body for social enterprise in South West England). It is a label which tells customers that a product or service comes from a recognised social enterprise. To receive this Kitemark, social enterprises must meet a range of qualifying criteria. It is intended that the Social Enterprise Mark will be take up nationwide by 2010.

For further information: www.socialenterprisemark.co.uk

Action A.1.4: Engaging With Young People

We recognise the importance of introducing social enterprise from an early age. We will therefore work with our Education Department and Education Business Partnership to embed social enterprise into existing Enterprise in Education programmes.

Point of Inspiration: Social Enterprise in Schools

This initiative was developed by the Cantilever Partnership in association with Department for Education and Skills (DfES) and others. It aims to promote the development of social enterprises at school and college locations. Based on a 'partnership schools' model, it provides information about social enterprise to young people and schools, and provides support to help set up social enterprises.

For further information: www.seas-online.org.uk

Action A.1.5: A First Port of Call for Social Entrepreneurs

We recognise the importance of providing trusted, local, and continuing support to Wigan residents who aspire to set up a social enterprise. We will continue our support for the establishment of networks such as PULSE that can provide local 'agents' to spot, advise, and signpost social entrepreneurs into relevant specialist forms of support.

Point of Inspiration: First Port

First Port is a new charity that provides start up social entrepreneurs and social enterprises throughout Scotland. It proactively promotes social enterprise, provides a first port of call for budding social entrepreneurs, brokers advice through its Exchange service, signposts fledgling social enterprises to available support, and distributes small UnLtd grants.

For further information: www.firstport.org.uk

7.4.2 Priority 2: Developing New Social Enterprises

We see an important opportunity to significantly increase the rate of new social enterprise formation. To do this we need to provide additional and support to

social entrepreneurs – the people that can identify and progress business solutions to social problems. We must ensure that an appropriate mix of specialist and generic business support is in place.

We recognise that not all social enterprise ideas will prove viable and that we cannot offer intensive support to all. We must therefore prioritise support for new social enterprises in key opportunity sectors that are important to growth in the city region (e.g. ICT, digital media, etc.) and in growing public service markets (e.g. health care, recycling, etc.).

Action A.2.1: Hot-Housing New Social Enterprise Ideas

Often budding social entrepreneurs require intensive and specialist support to develop their personal potential and to progress their social enterprise idea. We will therefore investigate the potential to establish a local programme to hot-house social enterprise ideas. Among the most effective programmes in the UK are those delivered by the School for Social Entrepreneurs.

Point of Inspiration: School for Social Entrepreneurs (SSE)

Over the course of a year the SSE supports a selected group of social entrepreneurs through a unique programme of personal and project development, based on action learning and ‘just-in-time’ support. Formed in 1997, the SSE has to date supported over 250 students and the recent evaluation of the work of the SSE suggests that it provides a highly responsive, successful, and beneficial approach that results in sustainable social enterprise creation.

Further Information: www.sse.org.uk

Action A.2.2: Business Start Up Support

In some cases ongoing business coaching and advice will be required to transform interest in social enterprise into viable action. We have now incorporated specialist start-up support for social enterprises into the mainstream contract to provide business start-up support in Wigan (now to be delivered by Blue Orchid). This will connect with generic start-up information available through Business Link and potentially supplemented by other short-

term initiatives to stimulate and accelerate social enterprise in key industry sectors or areas of multiple deprivation.

Point of Inspiration: The Sirolli Enterprise Facilitator

The Sirolli Institute's Enterprise Facilitator is an international programme intended to identify and develop enterprise potential. It identifies local community leaders willing to form a local management team, and later an Enterprise Facilitator and volunteers are recruited. All receive ongoing training and coaching over 12 months in how to locate clients, how to relate to them, and how to help entrepreneurs to go from idea to rewarding enterprise.

For further information: www.sirolli.co.uk

Action A.2.3: Incubation Space for Social Enterprises

Emerging and established social enterprise alike have told us that the availability of high quality, affordable premises is crucial to their development. We will therefore commission a feasibility study that will examine the potential to develop flexible, serviced office space as a hub for the incubation of new social enterprises.

Point of Inspiration: CAN Mezzanines

The CAN mezzanines are centres designed to provide a high-quality and affordable office space for social enterprises. Accommodation is sold per desk (space) and includes meeting rooms, conference facilities, serviced kitchens and back-office support. By licensing a desk, customers don't waste funds on space they don't need and have the flexibility to grow or reduce when they need without penalty.

For further information: www.can-online.org.uk

Action A.2.4: Access to Seedcorn Funding

New and fledgling social enterprises often cite access to funding and finance as a particular barrier to starting up. To address this barrier we will signpost applicants to, and help them package, existing sources of specialist start-up and early phase funding such as UnLtd. We will also seek to increase the take up of local mainstream business start-up grants by the social enterprise sector

in order to make it easier for a larger numbers of individuals with a good idea to set-up and start trading.

Point of Inspiration: UnLtd Awards

UnLtd supports social entrepreneurs by providing a package of funding and support to turn ideas into action. It provides a 'staircase of awards': Level 1 (seed capital for new ideas); Level 2 (support to develop ideas); and Level 3 (intensive support to scale-up/replicate successful projects). These awards are available to social entrepreneurs across the UK and have demonstrated positive results.

For further information: www.unltd.org.uk

7.4.3 Priority 3: Providing Support for Business Growth

Social enterprises are businesses first and foremost. Our challenge is to identify those with greatest potential and to accelerate their growth and impact on the economy and employment in Wigan. This requires intensive support that is targeted on enterprises in growth sectors.

We recognise that much of the support required by social enterprises is similar to that provided to other businesses. However, this support must also reflect the unique characteristics of social enterprise as there are important differences in legal structures, profit distribution, board composition and the role of service users.

We will take action in a number of areas.

Action A.3.1: Business Acquisition and Transformation

We recognise that, particularly in times of recession, there may be increasing opportunities to acquire and transform underperforming businesses into via social enterprises. We will work with partners such as Social Firms UK and to explore and test these new approaches to business acquisition by the third sector in Wigan.

Point of Inspiration: Acquiring Business for Good

Acquiring Business for Good is a four-year project to support more people who are currently excluded from the labour market into employment, by acquiring businesses and converting them to Social Firms. Hosted by Social Firms Scotland, this project will test an alternative to the traditional development approaches such as start up, franchising or replication.

See: www.socialfirms.org.uk/whatwedo/businessacquisition.asp

Action A.3.2: Providing High Growth Support

We recognise that it is those social enterprises that can quickly scale up that will have most economic impact and therefore greatest return for our investment. We will liaise with relevant business support partners, such as NWDA and Blue Orchid, to provide an Accelerator Programme that will provide intensive and specialist support for 10 of Wigan's high-growth social enterprises that are operating in key sectors (e.g. ICT, digital media, recycling, etc). This will build on mainstream business support.

Point of Inspiration: Parametta Social Enterprise Hub

Parametta Social Enterprise Hub was developed by Social Ventures Australia. The Hub provides two levels of assistance to social enterprises – a 'General' service (advice, networking, training, etc.) for all social enterprises and an 'Accelerator' service (legal services, business planning, tendering assistance, training, access to finance) for a small number of social enterprises potential to significantly grow turnover and employment for vulnerable groups.

For further information: www.socialenterprisehubs.org/node/23

Action A.3.3: Getting Business on Board

We believe that Wigan social enterprises and businesses alike will benefit from the cross-fertilisation of ideas and exchange of expertise. We will work with regional, sub-regional, and local business networks and develop ways for companies to pursue their corporate social responsibility in partnership with and through the social enterprise sector (e.g. mentoring).

Point of Inspiration: SEE Edinburgh

SEE Social Enterprise Edinburgh (SEE) provides free start up and business development support to social enterprises in the Capital. It is run by the Edinburgh Social Economy Partnership and delivered jointly by training and consultancy specialists Forth Sector Development and Edinburgh Business Development (the social enterprise arm of Edinburgh Chamber of Commerce). For further information: www.go4see.info

Action A.3.4: Access to Training

We recognise that there are many available sources of training available to those developing and leading social enterprises. We do not propose to replicate this provision but rather we will work with existing providers to make business leadership and management training (both generic and specialist) more widely available to social enterprises in Wigan.

Point of Inspiration: Social Enterprise Qualification

Aimed at developing the skills and proficiency of business advisers and social enterprise managers a qualification in Social Enterprise Support is now available. It consists of five concise, single-unit, qualifications each covering a different aspect of social enterprise support. They can be taken as free standing qualifications or combined to form the Certificate or Diploma. They are accredited by the Institute of Leadership and Management (ILM).

For further information: www.i-l-m.com/learn-with-ilm/1077.aspx

7.4.4 Priority 4: Unlocking Markets and Assets

Many of Wigan's social enterprises already deliver a variety of high quality services in an efficient and cost-effective way. However, with support, we are confident that they can play an even greater role in designing, testing and delivering public services.

This will require action on two fronts. The Council and other public bodies must consider how they can creatively use their spending power and assets to develop the role of social enterprise. At the same time social enterprises must develop the business-like approach, organisational capacity, and quality

systems required to compete effectively in public service markets and to use assets effectively.

We have identified a number of areas for action.

Action A.4.1: Developing Supplier Capacity

The capacity and experience of local suppliers remains an ongoing constraint. We have therefore already taken action by commissioning the delivery of a programme of training and support for third sector organisations, including social enterprises, to develop their readiness to successfully tender for and deliver public service contracts.

Point of Inspiration: Realise Micro-Clusters Project

REALISE is a support programme based in Birmingham that aims to improve the capability of local social enterprises to work collaboratively in key sectors to deliver public services. They do this through developing inter-trading agreements and other arrangements that help them bid more effectively for procurement contracts.

See: www.socialenterprisewm.org.uk/access-to-support/procurement/realise.aspx

Action A.4.2: Supportive Commissioning

We want to encourage closer engagement with and more creative commissioning from social enterprises. To do that we will work to ensure that: service externalisation and social enterprise models are considered in service reviews and procurement policies; adequate information is provided to potential suppliers on tendering opportunities; community benefit clauses are included in contracts where possible; and commissioning staff receive relevant information, training, and support.

Point of Inspiration: Third Sector Commissioning Strategy

The London Borough of Tower Hamlets recognised the important role that the third sector plays in delivering public services. The Council first formalised its third sector commissioning strategy in 2002 and has now developed a commissioning code of practice which ensures that the sector has equal status as a service delivery partner, and that services are commissioned accordingly. See: www.idea.gov.uk/idk/core/page.do?pagelId=5607875

Action A.4.3: Testing a Public Social Partnership Approach

It is important to take a practical, problem-solving approach which brings together service commissioners and social enterprises around shared interests. We will therefore conduct further research and feasibility work into the development of a pilot Public Social Partnership, as a new approach to the co-planning and design of services in order to optimise outcomes for service users.

Point of Inspiration: Homereach

The Homereach Public Social Partnership was piloted in North Lanarkshire as a new approach to designing and delivering public services. It is based on the co-design of services by public and social enterprise partners. In this case a consortium of partners designing/testing a Furniture Pack distribution and storage service for homeless, vulnerable, and disadvantaged people. See: www.socialeconomyscotland.info/scvo/content/pilot/438.asp

Action A.4.4: Transferring Public Assets

The ownership and development of physical assets such as land and buildings is an important way for social enterprises to strengthen their long-term financial position. We will therefore review the opportunities to encourage all public bodies in Wigan to release underutilised or derelict buildings to the third sector in order to create productive assets that can generate local income, services, and employment.

Point of Inspiration: Ashfield Community Asset Transfer Strategy

Ashfield District Council has recognised the growing interest of community groups and social enterprises in acquiring property. It has developed a corporate strategy and protocols to guide the transfer of public land and buildings to well organised and supported community enterprises. Pilot schemes will be developed to build expertise within the Council and to develop knowledge and best practice for subsequent community asset transfer activity.

For further information: www.ashfield-dc.gov.uk/ccm/cms-service/stream/asset/?asset_id=6453001&

Action A.4.5: Measuring Social Return

In order to make more intelligent investment or purchasing decisions, social enterprises are increasingly required to prove their 'social added value'. We will introduce and test the use of Social Return on Investment (SROI) as a tool to assist public agencies and social enterprises alike in this complex area.

Point of Inspiration: Measuring SROI

Social Return on Investment (SROI) is a method for identifying and comparing the monetised value of social benefit created by an organisation with the investment needed to create that value. Over the next three years the Office of the Third Sector will be testing and refining a standardised SROI measurement framework and encouraging its take up by public funders and service commissioners.

For further information:

www.cabinetoffice.gov.uk/third_sector.aspx

7.5 Implementation

Wigan Borough Council, led by the Economic Regeneration Office, will continue to work with partner agencies to progress the vision and priorities set out in this Strategy.

We must build on rather than duplicate the support that is already available or becoming available. To ensure this we will establish a multi-agency **Social**

Enterprise Partnership Group to bring together partners' expertise and resources and to guide the implementation of the Strategy. This will be chaired by a Senior Officer from the Council and report into wider partnership structures through the Wigan Economic Partnership.

We have already made an effective start in delivering on the priorities set out in this document. Most notably we have commissioned major programmes to develop third sector contracting capacity in Wigan and to deliver a new and more tailored phase of business start-up support.

Over coming months we will also commission other small-scale research, feasibility, and pilot projects to investigate the potential to, for example:

- progress the development of a social enterprise incubator facility;
- establish a School for Social Entrepreneurs in Wigan;
- transfer surplus public sector assets to social enterprises;
- initiate a Public Social Partnership project locally; and
- make use of Social Return on Investment as a measurement tool.

Initial actions will be commissioned during 2009/10 through our time-limited Working Neighbourhoods Fund (subject to approval from Wigan Economic Partnership) and as part of a coherent approach to tackling worklessness in Wigan.

Further project and programme activity will be developed in partnership with local agency partners and social enterprises, and pilot funding sought from sources such as:

- Lottery distributors, including the Big Lottery;
- Futurebuilders;
- Capacitybuilders;
- the Department of Health;

- the North West Development Agency; and
- independent trusts and foundations.

On the basis of further consultation and negotiation, we will develop a detailed and costed work-plan to progress our ambitions over the next three years.

Appendix: Social Enterprises in Wigan

Examples of social enterprises active in Wigan include the following.

Wigan & District Community Transport

Wigan & District Community Transport runs fully accessible minibuses for use by voluntary and community groups in Wigan and the surrounding area. Volunteers help to co-ordinate the transport service, drive the mini-buses and provide office support. Future aspirations for Wigan & District Community Transport include opening a training unit to provide driver training for long-term unemployed people and securing public contracts to provide transport for key services such as adult services and older people's services.

Fix It UK

Fix It UK is a growing social enterprise that was established in 2004 and delivers vocational training and personal development to young people in the Borough. Fix It UK has 12 staff members and has a large and growing turnover. Around 70% of its income is generated by sales through Service Level Agreements with public authorities.

Fix It UK's aims to grow over the next two years by securing more public contracts and by increasing commercial activity.

Bricklayers Arms

Bricklayers Arms is a new social enterprise in Wigan that offers crisis intervention and recovery for homeless and disadvantaged clients. Established in 2008 it is currently delivering services for public bodies and it hopes to grow by securing more public sector contracts over the next two years. The Bricklayers Arms has aspirations to develop new services including IT training for its clients to help them develop their skills and capacity.

Groundwork Lancashire West & Wigan

Established in 1983, Groundwork Lancashire West and Wigan works to support the regeneration of Wigan Borough by working for people, place and prosperity. Groundwork Lancashire West and Wigan has established partnerships with Prince's Trust, Youth Works and others to deliver joined up programmes of support and activity for young people in Wigan and to deliver services for older people and the long term unemployed.

Developing Social Enterprises in Wigan Borough

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