

EMPLOYMENT IN SOCIAL ENTERPRISES – OPPORTUNITIES AND BARRIERS QUESTIONS & ANSWERS

Chair - Kenny Green, CRNS
Panel - Gerry Higgins, Social Firms UK
Leona McDermid, Social Firms Scotland
Stephanie Millar, Update
Colin Murchison, Caledonian Shanks Centre for Waste Management
Kevin Robbie, Forth Sector
Dougie Tully, Six Marys Place

DAVID CRUIKSHANK – COACH HOUSE TRUST

Firstly congratulated Leona on her presentation on the Benefits system. Question to Gerry “What has happened at government level in the last 5 years to facilitate the movement from benefits to employment and earning a wage?”

Gerry stated that on a positive note the present Government were open to change and at least recognised and accepted the ludicrous situation whereby someone could want to work but be worse off if they do. Unfortunately the DWP still deny that the disincentives are as widespread as claimed and as changing the current system impacts directly on their programme there was still much resistance. He felt there was still very much a department versus department scenario in the DWP that stymied progress.

Kevin stated he felt that the DWP still believed the current system worked 80% of the time but were unsure what to do about the problem areas. He believed that there should be an easy first step mechanism to get people into employment. There already exists a benefits transfer mechanism under the New Deal (young people) whereby their benefits go to the employer who then pays the employee a wage (their benefits plus a top up). It is illegal to do this with incapacity benefits, and the catch 22 is that the DWP is unwilling to change the law until they are certain it works but they are also unwilling to pilot the scheme.

Kevin felt what was necessary was an expansion of the supportive employment programme (research from all over the world shows this is the most valid way of supporting people with mental health problems back into employment). The cost of keeping someone on benefits is higher than providing them with supported employment, however unfortunately the DWP does not recognise the need to change.

Leona spoke of a meeting that took place in Aberdeen with the DWP looking at the welfare benefits system. The DWP then said they thought the system had been tinkered with so often it was at saturation point and was trying to come up with an alternative. The (Equal Access?) group had been asked what they would create through blue-sky thinking involving running focus groups that bring together individuals with a wide knowledge of the benefits systems and paying specific attention to the permitted work rule (the ability to earn £20 a week)

ROBIN HANVEY – A RARE BREED

Robin has recently completed a year's course with the Scottish School of Entrepreneurs (SSE) in Fife. He stated that there were 12 spaces available for 2004, however 3 individuals has not been able to take their places specifically because of the inflexibility of the benefits system. He stressed that these were the individuals that would be best placed to spot gaps in services and society, as they would have first-hand experience. He said that whilst the Government recognises this they still take the opportunity to study at the SSE and make a difference.

JENNIFER COOK – BANCHORY AND DISTRICT COMMUNITY

Requested clarification on the difference and distinction between social firms, social enterprises and the social economy

Kenny stated that the word "social" does not only equal people with disabilities and disadvantages and that it has economic and environmental focuses too.

Kevin said the term "social economy" was commonly used to describe the non-profit-distributing sector that fell between the public and private sector. The term "social enterprise" was used to identify organisations in the social economy that traded for a social purpose and that "social firms" were a particular type of social enterprise specifically to create employment for people with a disadvantage or disability.

Gerry stated that other examples of social enterprises would be co-operatives, development trusts and credit unions and that as it was a diverse sector the DTI were looking to conduct a mapping exercise of social enterprises.

Kevin added that one of the confusions at the moment was the term social enterprise being used as a 'verb' to describe the process where a voluntary organisation would generally try to become less dependent on grant funding and look into the possibility of trading or contracting as an alternative income stream

BOB MCSORLAND - SOCIAL FIRMS SCOTLAND

Asked the timescale Social Firms UK were working to in creating their target of 15 – 20 social firms

Gerry explained the project started on April 1st 2004 and lasts for 2 years through the small business service, which covers England through the Phoenix Initiative. Unfortunately there is no similar initiative in Scotland, however Social Firms UK's intention is to work in parallel with and support Social Firms Scotland to create further social firms in Scotland

Generally a social firm's start up through fast track development is 3 years to ensure the start up is viable, in this current project Social Firms UK aims to reduce this to 1 year (track record, systems already in place)

STUART CALLISON – GORBALS INITIATIVE

Asked how social enterprises could make the move from small to large scale.

Gerry said he was a realist, if the project to set up 15-20 social firms had no impact in the 2 years then the DTI would lose interest. He believed what is needed is businesses with a "wow" factor that would promote the sector and make the DTI sit up and take notice.

Kevin stated that statistics show that the majority of all employment is in small to medium sized enterprises (In Scotland SMEs (those employing less than 250) make up 99 per cent of all enterprises and provide 51 per cent of all jobs. Small enterprises, employing fewer than 50, comprise 98 per cent of all enterprises and 38 per cent of all jobs). Hence social enterprises that are SMEs are in position to make an impact without having to grow into large businesses.

Gerry added that with the majority of social enterprises being smaller businesses he believes that the next couple of years are crucial to generate social enterprises that prove they can work. He noted that significant funding from the Phoenix Fund has gone into the social enterprise sector in England and that this means there is pressure on the sector to prove it can deliver.

DUNCAN SLOAN – ROYAL BANK OF SCOTLAND

Pointed out that there are effective social enterprises working in Scotland already and whilst Governments change, communities don't!

Kevin agreed and said he believed that we should be less concerned with what Government is doing and concentrate on doing it ourselves and building on our existing successes.

SYLVIA ALLARDYCE – CASTLE FURNITURE PROJECT LTD

Asked about Futurebuilders in Scotland

Kevin said that the draft document was very vague but that it seemed to be saying that the funding would go direct to organisations and that the fund would be run by a consortium rather than the Executive themselves

DOUG MCLAREN – TAYSIDE FOUNDATION

Asked what is replacing landfill tax credit scheme

Kenny answered that there was an interim fund available following changes to the landfill scheme with £2.5 million available in 2004-05 and a further £2.5 million in 2005-06. He continued that the administration of the fund is currently out to tender with the Executive to consult community bodies and other parties on how this new scheme should operate and what the eligibility criteria for funding should be. It was stressed that this would be strategic waste fund for communities.

RUARI WILSON – FORTH SECTOR

Asked if there could be some discussion on the role of directors in organisation – how important they are, what they do and their responsibilities. He explained that he has recently become a director of The Bike Station, one of the most exciting social enterprises he has come across and would appreciate more information on his role.

Unfortunately as the Question and Answer session had run out of time this question was unable to be explored fully, however Laurence Demarco said he would speak to Ruari separately on this subject.