

www.bssec.org.uk
alun@bssec.org.uk
0121 233 0278



CD2017
CELEBRATE
#SOCENT
3rd-7th
APRIL

City Drive 2017

Is Birmingham a social enterprise city?

A discussion event held on the 6th April 2017
as part of City Drive week 2017

Anthony Collins Solicitors | ART | Big Issue Invest | BVSC | brap | Bridging to the Future | Business in the Community | Cloudberry | Colebridge Enterprises | Diocese of Birmingham | iSE | Jericho Community Business Ltd | Kajans Productions | RnR Organisation | Roots Human Resources CIC | Spot On Marketing & Communications CIC | Unity Trust Bank | UnLtd

Birmingham & Solihull Social Economy Consortium C.I.C (trading as BSSEC) is a company limited by guarantee registered in England & Wales No. 07992674. Registered Office address: Anthony Collins Solicitors LLP, 134 Edmund St, Birmingham B3 2ES.

1.0 INTRODUCTION

As part of City Drive 2017,¹ BSSEC was very pleased to sponsor a roundtable discussion on the theme, “Is Birmingham a Social Enterprise City?”

The aim of the discussion was not necessarily to come up with a definitive answer to the stated question, but rather to rethink the ‘social enterprise city’ concept, to think about its continuing relevance, and what a social enterprise city – especially Birmingham – might look like in a period of such political, economic and financial uncertainty.

We would like to thank:

- All those who gave their time to attend and contribute:
 - Fajli Bibi (FAJ Consultancy)
 - Philip Burrows (Friends of the Earth)
 - Sarah Crawley (iSE)
 - Mark Ellerby (Cloudberry Innovation & Development)
 - Stuart Emmerson (SEUK West Midlands)
 - Eddie Edmead (e2cd CIC)
 - Grace Howells (Resonance Ltd)
 - Paul Hughes (Fire Safety Managers Ltd)
 - Mike Leonard (Building Alliance)
 - Lisa Rushton (iSE/Women’s Enterprise Hub)
 - Alun Severn (BSSEC)
- The introductory speakers who got things going by offering a personal perspective: Alun Severn BSSEC, Sarah Crawley iSE, Mark Ellerby, Cloudberry Innovation & Development, Grace Howells, Resonance Ltd, and Eddie Edmead, e2cd CIC Ltd.
- Stuart Emmerson, SEUK West Midlands, who kindly chaired the event.
- Sarah Crawley and the team at iSE for organising this and the whole of the City Drive week of events.

¹ <http://www.i-se.co.uk/news/birmingham-city-drive-is-back-for-2017/>.

2.0 BACKGROUND

Over the past few years the concept of place-based social enterprise development has gained some traction. This has been led at the national level by SEUK's social enterprise places campaign.²

Part PR and part pragmatism, social enterprise places can be a way of raising awareness and boosting the profile of social enterprise, but they also offer a new means to foster the strategic growth of the sector during a period when funding for other more formal types of business support and development has all but disappeared.

Judged solely by numbers, it might be argued – and some did – that Birmingham already *is* a social enterprise city. For example, a baseline survey commissioned by the Greater Birmingham & Solihull Local Enterprise Partnership in 2013 found that:

- There are an estimated 450-500 SEs in the GBSLEP area, with around 60% of these concentrated in Birmingham.
- The sector is worth at least £180m a year.
- It employs over 14,600 people.
- It is capable of unlocking social value in a way that many conventional private sector SMEs can't:
 - Social enterprises reinvest over £36m a year in delivering their social mission.
 - Social enterprises are supported by over 2,100 volunteers donating 450,000 hours a year – equivalent to around £4.7m a year.³

While this data is now four years old, we believe the survey – carried out by BSSEC and The Digbeth Trust under contract to the GBSLEP – was the first ever attempted by a Local Enterprise Partnership.

² <https://www.socialenterprise.org.uk/current-places>

³ *Unlocking the Power of Social Enterprise*, a short survey summary, can be downloaded here: <http://bssec.org.uk/social-enterprise-in-greater-birmingham/>. The full survey report, *The social enterprise sector in the Greater Birmingham & Solihull Local Enterprise Partnership area: Its economic and social contribution* (Nov 2013) can be downloaded here: <http://bssec.org.uk/social-enterprise-in-greater-birmingham/2/>

3.0 INTRODUCTORY SPEAKERS

Alun Severn, BSSEC

Alun argued that while the social enterprise city idea remains relevant, the scale of the problems Birmingham faces as a consequence of continuing public spending cuts and austerity requires us to rethink the concept and aim for something more ambitious.

He advocated a social enterprise city approach that sought to harness the wider power of *all* who might have a stake in the social economy – social enterprises, ethical businesses, the wider third sector, and businesses with a (genuine) social mission. The rationale for this, he said, is that history shows us that some of the most powerful and enduring social movements have been big, cross-sector, inclusive alliances such as the Anti-Apartheid Movement, Rock Against Racism and CND.

While these – rightly – are viewed as primarily political movements, they are nonetheless relevant in what they show us about building large, powerful alliances for social change.

If all we do is blow the trumpet for social enterprise – important as this sometimes is – we will be selling ourselves short, he said. We should aim higher than simply ‘social enterprise city’: we should seek to build a new alliance for social change and community benefit that has the power to unite the social economy and harness the economic and social contribution across sectors – and this should be an alliance capable of uniting all players in the social economy, whether social enterprises, third sector organisations, ethical and fairtrade businesses, and those with a social conscience or social agenda.

So perhaps rather than wonder what Birmingham would look like if it was a social enterprise city we need to turn that question round and consider the following:

- If Birmingham was a social enterprise city, what would the social enterprise sector look like?
- What would we expect to see social enterprises doing?
- What might we hope to see the social enterprise sector achieve?
- Who else can it work with?
- Who does it share aims or values with?
- What kind of alliance can it be part of?

Mark Ellerby, Cloudberry Innovation & Development

Mark argued that Birmingham is and in some respects always has been a social enterprise city, citing the great reforming philanthropist/industrialists such as the Cadburys, who have given the city a unique character.

Birmingham is a melting pot, he said, and many people come here precisely for that reason – but they also come here to change things, to make a contribution, sometimes to escape the narrow geographical or social confines of the place they

have been brought up in. This too gives Birmingham a very particular character. And it is people who make a place a 'social enterprise place'.

But he also acknowledged that if you are on the outside, you can get marginalised and left behind in Birmingham. He cited the demolition of the old central library. For decades this vast structure provided shelter for homeless people: they were arguably safer there than out on the street but even so they were forgotten, out of sight. The demolition of the building, along with huge cut-backs in homelessness prevention services have thrust homelessness into the spotlight in Birmingham.

So it is true that Birmingham has a huge breadth of social problems; but it also has a wealth of people – and to some degree especially younger people – determined to do something about these problems. This too is an asset for Birmingham.

He warned against complacency and self-congratulation, however. Too many organisations, for instance, cite apprenticeships created as 'social value'. Social value should be much more creative than this – apprenticeships are about job creation and job creation is what businesses *should* be striving to do as a matter of course.

Mark concluded by saying that he wished that public service commissioning was more innovative and creative, with greater attention to social value and the potential social enterprises have to be part of service change and redesign.

He would like to see Birmingham City Council's council tax demands carrying a clear social enterprise message in exactly the same way that council tax contributions to fire services or the police are identified.

Sarah Crawley, iSE

Sarah argued that Birmingham already is a social enterprise city – but wondered whether this is widely acknowledged or understood more generally amongst mainstream media, the wider public, and the wider business community.

We have the greatest concentration of social enterprises outside London – fifty or sixty in the Digbeth Social Enterprise Quarter⁴ alone – and the greatest sector growth outside London.

There are, she said, a number of characteristics one should expect to see in a social enterprise city that is widely recognised as such:

- Social enterprises should be widely recognised and understood as a distinct business sector capable of making a particular economic and social contribution.
- Social enterprises should have an acknowledged place in local strategic, economic development and other plans.
- Social enterprises should be recognised for their social value, their growth potential and their award-winning capabilities.
- Social enterprises should be visible in supply chains, in collaborations with the private sector, and on the high street.

⁴ See <http://digbethsocialenterprise.co.uk/about-us/>. A Profile of Social Enterprise Activity in the Digbeth Highgate Area and The DSEQ Profile & Action Plan_ can be downloaded here: <http://digbethsocialenterprise.co.uk/digbeth-social-enterprise-survey/>.

- Social enterprises should be capable of securing investment for growth.
- Social enterprises should be known to and understood by mainstream banks.

We're not there yet. Social enterprises need to:

- Take risks.
- Innovate.
- Strengthen their business skills.
- Collaborate more.
- Create social value and better articulate and evidence the social value they do create.

Place-based social enterprise approaches have the potential to:

- Foster self-help in the sector.
- Support and create local markets.
- Promote peer support and mutual aid.

We're well on the way to being a social enterprise city, Sarah concluded, and generally we have done it for ourselves!

Grace Howells, Resonance Ltd

Resonance Ltd is a social impact investment company, currently developing locally based investment funds that can take advantage of social investment tax relief (SITR).⁵ It has recently established a fund in Bristol and its next local fund will in all likelihood be in Birmingham.

Grace offered us all a powerful reminder of what the sector in Birmingham has already achieved.

Birmingham *is* a social enterprise city and has been for a very long time, she said. Resonance has been attracted by the great potential it has:

- Not just the numbers of social enterprises, as we have heard, but their quality and growth potential.
- The support activities and local networks that simply do not exist anywhere and in Birmingham have helped create uniquely favourable conditions for the social enterprise sector.
- The unity and identity of the sector – Resonance considers this to be a foundational requirement in developing local social impact investment opportunities, and these characteristics are particularly advanced in Birmingham.
- The concentration of social enterprises – city-wide, Digbeth, North Birmingham, South Birmingham.

⁵ See <https://www.gov.uk/government/publications/social-investment-tax-relief-factsheet/social-investment-tax-relief>.

- The growing clusters of social enterprises now evident and the obvious appetite that exists in the sector in Birmingham for collaboration and partnership.

Eddie Edmead, e2cd CIC Ltd

In recent years, Eddie said, there has been vibrant growth in grassroots economic and community action. We have seen tremendous growth amongst small-scale and micro enterprises – partly spurred by the availability of the Community Interest Company form – and seen more women than ever becoming active entrepreneurs.

It has proven extremely difficult, however, to maintain levels of business support, skills development, quality and kite mark assurance, and adequate training. This means that in some areas the social enterprise sector is out-performed by its private sector competitors. The current post-Brexit, mayoral election and Combined Authority environment is likely to continue to produce uncertainty and greater competition – between businesses, in funding, markets and investment.

The concentration of social enterprises in some of the poorest localities is positive but also creates huge churn in the sector with poor enterprise survival rates and growth and this situation is not well understood.

We're also seeing competition from larger organisations and businesses, some of which are starting their own CICs as a means of capturing market share in areas or services in which they were previously not well represented.

The sector still faces significant challenges in evidencing its social value and/or social return, in raising skills levels, and in fostering mainstream recognition of its strengths and achievements.

*

Summarising the initial presentations, Stuart Emmerson noted:

- We do need to keep things in perspective and take the long view – realising the full potential of new legislation or directions in public policy can take years, not months.
- The sector could be doing far more with other types of anchor organisations – academia, for example.
- The sector is good at collaboration but sometimes forgets that the private sector is too and that this can be learnt from.
- Training and skills development remains a problem for the sector.
- The full potential of the social enterprise place idea also requires political leadership and commitment and in the current climate it can sometimes be difficult to develop the necessary relationships with key public sector bodies.
- The decision Resonance has taken to establish a Birmingham office and make the city the location for its next local social impact investment fund sends a powerful signal and is to be warmly welcomed.

4.0 OPEN DISCUSSION

The key points raised were as follows:

- a. The idea of a social enterprise place or city remains relevant and necessary and continues to be enthusiastically supported.
- b. Some acknowledged that Birmingham should have more ambitious aims as a social enterprise city and should be seeking to unite the sector around specific social problems, issues or ideas. There were differing opinions regarding the degree to which this might be possible, however:
 - How macro or micro would we go – how narrowly or widely should the sector be seeking to operate, influence or act? What kind of campaigns would be likely to garner widespread support in the sector?
 - How can the social impact of groups or clusters of social enterprises be ‘orchestrated’ – i.e. brought to bear collectively on specific social problems? This has proven difficult in the Digbeth Social Enterprise Quarter and is problematical in the current social enterprise place model because resources (and often capacity amongst organisers too) are so limited.
- c. Marketing is a key issue – private sector businesses seeking social enterprises for inclusion in their supply chains struggle to find them. This is a fundamental problem:
 - Social enterprise directories exist but are not always comprehensively populated.
 - Buyers/commissioners/business development managers in the private sector don’t use them.
 - Classification of some existing directories doesn’t ‘speak’ to private sector users.
- d. More can be done to support and promote inter-trading in the sector and beyond.
- e. Some felt it shouldn’t be difficult to identify ‘causes’ that could form the core priorities of a social enterprise city. We all want:
 - Growth.
 - Full employment.
 - Social inclusion.
- f. Inequality is the biggest obstacle to growth and inclusive economic prosperity. SEs have a key role to play in support inclusive economic growth, especially in partnership with other key stakeholders and policy-makers. We need to continue to engage with the Greater Birmingham & Solihull Local Enterprise Partnership, where social enterprise has ‘fallen off’ the agenda despite us investing untold hours in developing that relationship.

- g. We need to understand other sectors better in order to create opportunities for trading and collaboration – e.g. 96.6% of the construction industry is made up of small businesses but attention always focuses on the 0.4%: the largest corporates and conglomerates.
- h. How do we get the social impact message out there? We are doubly hampered because such a relatively small proportion of the sector is ‘consumer-facing’ – the vast majority of social enterprises are providing either B2B services or quasi-public services, and this restricts the potential for positive PR and marketing messages. Relatively few consumer ‘brands’ in the sector, and dominated by a handful of the biggest SEs (Divine, Big Issue). Birmingham as a social enterprise city should seek to be much more ‘public facing’.
- i. New technology, better networking and more effective information distribution have all improved the sector’s communication and to some degree its PR, but the fact remains that all too often we are preaching to the converted: there continues to be a major problem in reaching new audiences for social enterprise. We need to move beyond ‘awareness raising’ to much more widespread public understanding.
- j. We have seen some growth in SE retailing in recent years, however, and perhaps are near the point at which a Buy Social in Birmingham Xmas Guide might be possible.
- k. A social enterprise Birmingham would also need political leadership and support, which we don’t seem to have at the moment – Birmingham City Council is otherwise understandably preoccupied.
- l. There is a lot to be learnt from the experience of the Digbeth Social Enterprise Quarter – what is possible; what works; what members can and can’t do; how resources can be raised and from where.
- m. There is untapped potential in working with other different types of anchor organisations – academia, for example, the housing association sector, perhaps even places of worship. The key problem is limited time and capacity to develop relationships with new and emerging players.
- n. The emergence of the West Midlands Combined Authority, elected West Midlands mayor, the contraction of Birmingham City Council (along with many others) to a ‘facilitating local authority’ – all of these factors have implications for the sector and yet the capacity of the sector’s key organisations, agencies, advocates and support bodies to stay abreast of this new landscape is nowhere near what it was five or six years ago.

5.0 CONCLUSION

- a. There continues to be strong interest in the idea of positioning Birmingham as a social enterprise city.
- b. Many recognise, however, that to be genuinely meaningful this would have to a 'social enterprise city' with ambitious aims, capable of responding to the numerous long-term problems that Birmingham faces as a consequence of austerity, reduced government funding and the deepest service cuts in a generation.
- c. Its development would need the active support of a much wider alliance of supporters but as a 'mechanism' it offers a means of joining up the emerging networks and clusters of social enterprises in Digbeth, North, South and West Birmingham, while also recognising the pan-Birmingham character and scale of the sector.
- d. Participants believe that the social enterprise place model has some limitations – not least the limited capacity of organisers and the need to raise modest development resources – but that despite this it continues to offer huge advantages for the sector in terms of:
 - Awareness and presence.
 - Influence.
 - Inter-trading and new market opportunities.
 - Collaboration and partnership, especially with the private sector.
 - Promoting self-help and peer support in the sector – now needed more than ever, given the collapse in public funding for more formal business support and advice.
- e. More would need to be done to establish a clearer public understanding of the sector and its importance – and this goes for Elected Members too, as well as other key stakeholders and policy-makers, such as the GBSLEP.
- f. More would need to be done to secure political leadership and commitment too.
- g. Birmingham as a social enterprise city could also offer additional influence and leverage with some of the new and emerging structures and players – e.g. the NHS 'Sustainability & Transformation Plan' "footprints",⁶ the West Midlands Combined Authority, the Greater Birmingham & Solihull Local Enterprise Partnership, to name just a few.

iSE, BSSEC and other interested parties, including SEUK (both nationally and SEUK West Midlands) will continue to consider how best the next step towards establishing Birmingham as a social enterprise city can be taken.

Alun Severn BSSEC
10/04/17

⁶ See the following posts on the BSSEC blog where we have written at length about the STPs and their implications:
<http://bssec.org.uk/birmingham-and-solihull-draft-stp-published/>
<http://bssec.org.uk/what-are-the-implications-of-the-nhss-stps/> <http://bssec.org.uk/promising-practice-nhs-england-publishes-paper-on-stps-and-the-third-sector/>