

Report of the 6th BSSEC Roundtable 4th July 2023

Business Support within the Social Economy Ecosystem

1] Introduction

Business Support within the Social Economy Ecosystem

Around two-thirds of social enterprises operate in the most deprived communities within the region. The remainder tackle social & environmental issues that are less place dependant. Until recently there has been accessible start up support which has resulted in large numbers of newly registered social enterprises. 45% are less than 5 years old.

Social economy organisations tend to operate in areas of multiple deprivation and employ people from those areas. Employment rates are higher in SE's than for similar sized private sector businesses. Interestingly survival rates beyond five years are significantly better than private sector SMEs [66% compared to 47%]. Is this because they are less risky?

Growth accelerator programmes have been commonplace in private sector business support programmes (e.g. Goldman Sachs 10,000 Small Businesses programme) and while these have been open to social economy organisations they have not been specifically tailored to the operation and social mission characteristics of the sector. Nor has a region-wide growth accelerator programme specifically tailored for social economy organisations previously been available in the West Midlands.

There needs to be a discussion about 'growth'. Growth in political and economic terms usually refers to growth of businesses, increased profits for shareholders at all costs and often poor recognition on the impact of growth on the environment. Growth within the VCSE needs to consider increasing income alongside opportunities for increased social value creation.

2] An overview of the current business support ecosystem

Many agencies providing business support: sector SE/VSC orgs, WMCA, LA's, Universities, ind. consultants, UnLtd, Power to Change, Locality, Co-operative support orgs, Social Investment orgs etc

Are the existing business support providers connected – does the ecosystem, as it exists at the moment enable them to connect? There is little evidence of VCSE's being passed onto other agencies.

Is access to business support good enough? Do organisations get what they need? How do VCSE's navigate what's available? Many report not being able to understand which agencies provide what. Navigating the sector – where do you go – its often compartmentalised! There are many elements of progression for an VCSE organisation engagement, start-up, post start-up. And many kinds of support training and delivery, mentoring, coaching and many agencies concerned with that delivery including private

sector, VCSE, public sector, banks, Universities etc. Mainstream business support [SME] – a variety of progs environmental, manufacturing, health etc. Support for Social Investment through those agencies. Mainstream banks are providing business support to VCSE's, but these are not connected to the ecosystem.

When working to develop the VCSE framework for growth it was hard to find evidence that once an organisation has moved through start up that business support interventions have impact? Should we have better evaluation processes to prove that interventions work.

WMCA estimate there are £8k SE's in the region? But there is a 20% closure rate which with new starts keeps the figure pretty static. Is this a true figure?

Significant reductions in VCSE business support over the years and the recent loss the EU funding means access to support has considerably reduced.

Research shows that VCSE's take longer to grow post start up than SME's [usually SE's are slow to sustain and can take 5-8 years to grow. The balance between social impact and turnover is hard to navigate.

Access to new business opportunities is reported to be challenging and support for partnership working limited.

Confidence to start a social business – passion for the cause not the business? This can be challenging for those supporting VCSE's to grow and develop.

Business mindset seems hard and tends not to be a motivation for those starting a VCSE. Experience of business activity and lack of business networks can be a barrier.

SE development often focuses on hard-to-reach communities – engagement and start up with no further support funded.

Social economy businesses not understood!

Online resources are available from many agencies and sectors including Government, Local Authorities, NHS, national infrastructure bodies and specialist technical organisations such as the CIC Regulator. Navigating these can be difficult.

3] Participant short presentations on business support and the VCSE ecosystem

Meena Bharadwa, Access Foundation

There is not enough infrastructure, we have cold spots across the region with organisations not knowing what they need and finding it hard to navigate the system. Creating an environment where everyone is better informed is the key.

How do we support enterprising behaviour in VCSE's? How do we support organisations to take risks, especially when it's easier to go for grants? There needs to be more support for organisations to work together, work in partnership and resources for the development of local partnerships.

Meena described learning from her previous role with Locality and the difficulty in sign posting organisations for support. She spoke about focusing on the art of the possible especially in places where there is market failure.

Meena highlighted work in Manchester to support access to business support [GM Social Enterprise Support Directory | www.gmcvo.org.uk](https://www.gmcvo.org.uk). This would be a great resource to have within the WMCA.

Are there business support organisations able to provide what's needed especially around business mindset and support for growth?

Josie Kelly, Access2business

Josie spoke about the patchwork of funding that has been available of the past few years which led to a focus on start up but only when funding has been available. She described her role as both a provider of support and having business support needs as a social enterprise leader herself. Interestingly she felt her business needs were not met!

Local grass roots providers of business support are often small organisations, challenged by lack of resources but motivated to the very best they can for their clients. They have can have few resources to capacity build internally and could even be held back in their development by their local authority through lack of understanding and procurement. Josie described the need for greater awareness of social enterprise within the public sector and the social impact created.

Martin Hogg, Citizen Coaching

Martin described his journey as a social entrepreneur, stating he had used many of the business support providers local and national. His message was that as a social enterprise founder he wishes he had seen the benefits of collaboration and partnership working earlier. He felt it would have made life much easier when he was struggling to grow and it has been the single biggest thing to transform his business.

Business support for Martin has been mixed as he described needing different things at different times from support around health and safety to managing the process of social investment. Martin's social enterprise is multi-faceted with income streams from public sector services delivered in consortia and directly. He described networking as being very powerful, buying from one another and forming partnerships to work together.

Martin emphasised the power of networks in learning from one another, accessing market opportunities and joint purchasing [even sharing staff!]. He felt these had been lost over recent times.

Jo Burrill, Birmingham Community Matters

Jo described some of the complexities of business support when working in communities, localities and with small organisations. She described organisations being given incorrect advice in terms of legal structures. The challenges of so many social enterprises being led by one person and often without trustees and boards. Social entrepreneurs may operate in

isolation. Support is needed, now its ad hoc and organisations are reporting that it's difficult to access specialised support. Platforms to support navigation of infrastructure are what is needed! Jo also referenced the work in Manchester and queried that platforms would need to showcase opportunities, procurement opportunities, social finance products, all making visible, opportunities for growth. She described needing to see a whole menu that people could dip into to get what they need. Jo name checked Pilot Light who provide a mix of strategic and theoretical support for leaders [Home Page | Pilotlight](#) . She would also like to see leaders in the sector educating each other.

4] Discussion key themes from the Roundtable

Conrad Parke [CLES], spoke about the continuing need for support for VCSE's around Procurement and access to markets, he described the opportunities being available but the services and products from the VCSE sector as yet undeveloped. Procurement provides a real game changer for growing the sector and yet business support as it stands seems to be unprepared to provide the support. He would particularly like to see coaching between more experienced VCSE's and those new to the marketplace.

Basharat Dad [Our Community] spoke about the visibility of infrastructure support available which is lacking, there was a feeling that while infrastructure support for VCSE's has contracted, there is support available but it's not visible and where it is it is in pockets. There's no real development programme that's needs led. Programmes often seem to be based on what is thought to be needed rather than based on evidence. It would be good to some regionwide needs analysis.

Ongoing monetary support for infrastructure organisations where planned dedicated support can be provided rather than short term, limited programmes which are based on last minute availability of resources.

Partnership working can be very difficult and this is often underestimated. It can take 6 months to get partnerships working. There seems to be very limited support for collaborative working, especially that based on a real understanding of how to make partnerships work.

Local authorities hold streams of funding. Karolina Medwecka [Birmingham City Council] spoke about holding 'a number of streams' of funding for business support and had the question how do you make better use of that funding? She sees the biggest change by linking business support to contract opportunities and procurement. She would like to see incentives designed which link to market research, links to capital investment and new product development which will change the landscape. She would also like to see more investment in circular economies. Her concern is that there seems to be loas of generic support and yet it's very specific support that's needed. She feels this is something the WMCA needs to take on board with planning.

Afzal Hussain [Witton Lodge] felt it important to also stress the wealth created by the social economy and that we should have greater appreciation of what we have. His points were that we know what the sector would like and need, and we know what is delivered. He felt

there should be encouragement of self-help across organisations. He stressed that the region has some of the most enterprising social businesses. He spoke about the region changing demographically and that engagement should reflect these changes. Any business support activity should ensure that its reaching those who need it in communities, faith groups, those working in isolation and everyone who needs support.

Alison Smith [Roots HR] said organisations need a growth strategy in place, but these can be confined by support available. Often growth is confined as its self-funded. Alison would like to see increased visibility of the sector, a common gateway for support, relevant mentoring which could be reciprocal.

Davinder Kaur [SWEDA] spoke about the need for funding to provide support, especially for smaller place based organisations.

Ian McLaughlan [WMCA] spoke of the many external factors especially concerning changes to mainstream business support provision with the loss of European funding ‘we should not be too hard on ourselves’. He described the need to dovetail with mainstream support and the opportunities to work in tandem, dipping in and out of what is relevant.

Elizabeth Forester [iSE] spoke of the social economy ‘need’ for better information regarding business opportunities. More work to be resourced to support knowledge sharing and partnership development.

Tracey O’Brien [3cSolutions], there are freelance consultants providing advice and support which are also part of the ecosystem, who have a passion for the sector.

5] Conclusions

This Roundtable had 28 participants booked to attend, there has been a step change in terms of engagement in the discussions to grow the social economy in the region. The group attending reflects the ecosystem. Support organisations are really looking at how they can do things differently and are using different language to describe their collaborative working. There is still more work to be done to engage more agencies working in this space but over the last 18 months there has been considerable progress. There are also many more topics to explore that will contribute to this growing social economy in our region.

Donut Economics is being embraced by the WMCA and some Local Authorities in the region which provide another opportunity for social economy support and growth in delivery of services.

6] Needs and Offers for future delivery of business support

Business support needs	Notes
Ad hoc just in time support	Emphasised as a need by many speakers
Procurement awareness and market development	See Manchester
A portal [AI?] of business support available across the region	Is this a collaborative project? University?
Market knowledge sharing	

Capacity building	Some planned funded through Big Society capital
Social Investment	See previous Roundtable
Support for social value in procurement	See DCMS procurement support programme
Funding for business support should be ongoing over a minimum of 3 years	
There needs to be support/linkages for people and organisations outside of this forum especially those from different backgrounds and young people.	
Community Hubs to become available for advice and programme information.	Clusters and Place based activity could support this?
Evidence base, monitoring and evaluation of interventions, knowing what works	Should be part of WMCA activities

Business support offers from Roundtable participants	Notes
Mainstream Business Support [WMCA] more integrated with the social economy providers.	To make mainstream business support work for SE's and provide a successful service
Free support programme with replacement contribution to understand when social investment can be appropriate.	To work across the ecosystem and link to other WMCA activity.
CLES network procurement opportunities – access to business opportunities.	Make contact with Conrad Parke
Birmingham City Council – new approaches to business support [Karolina Medwecka]	Looking to redesign business support and pilot over the next 2 years.
WMCA have a range of programmes and investment which directly targets the social economy. [Charles Rapson] £2.25 million fund.	See separate posts on BSSEC web site for details www.bssec.org.uk . Clusters and places, direct delivery of new dedicated business support, procurement all covered
Social Enterprise Drive [funded by WMCA] w/c 13 th November 2023 to promote the social economy in the region	Contact iSE for more information
Social Economy Forum to be established, to operate as a sector based network. Initiated 6 technical through workshops.	More information to be available over the next few months from BSSEC.

This report has been produced by Sarah Beaumont, Director of BSSEC, 31st July 2023

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