

Scottish Social Enterprise Coalition (SSEC)

Social Accounts

1st October 2004 – 30th September 2005

Scottish Social Enterprise Coalition (SSEC)

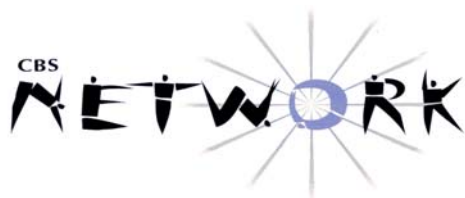
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Many thanks!

Emma Hutton
Development Officer
SSEC Project

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1 Introduction

The Scottish Social Enterprise Coalition Project (SSEC) is a one year project of Community Business Scotland Network Ltd (CBSN) funded by a grant from The Big Lottery Fund (BLF). CBSN and the Coalition Working Party (see below) included in the application to BLF a commitment to evaluate the progress and impact of the SSEC Project using social accounting methodology. These social accounts cover the period of the Project (1 October 2004 to 30 September 2005) and have been prepared by Emma Hutton of SSEC and Alan Kay and John Pearce of CBSN.

1.1 History and Background to the SSEC

The idea for a Scottish Social Enterprise Coalition evolved from a series of meetings in 2002 of a number of the leading social enterprise development agencies in Scotland. They aimed to put together a consortium, to be known as Social Enterprise Scotland, to manage a regional project in Scotland as part of the Equal Programme being planned by the Social Enterprise Partnership GB Ltd. Unfortunately the Equal Programme did not come off because it proved impossible to raise sufficient match-funding from the public agencies in Scotland. However, the experience of working together and agreeing a joint action plan led the agencies around the table towards deciding to seek to establish a Scottish social enterprise coalition. This coalition would bring together and represent social enterprise interests north of the border in the way that the UK Social Enterprise Coalition was doing already in England.

The Social Enterprise Scotland group became therefore a *Working Party* to explore how to develop a Coalition in Scotland. The administrative and co-ordinating service for this Working Party was provided by CBS Network through Claire Brady, then working as Development Worker for a lottery funded CBSN project known as “The Bridge to the Social Economy”. This two year project (May 2002 to April 2004) was aimed at encouraging organisations and community groups in the voluntary sector to consider developing into a social enterprise and at the same time to chart the scale of the social economy in Scotland and to facilitate collaborative working between sub-sectors. Supporting the Coalition Working Party fitted well within this broad remit.

Throughout 2003, the Working Party focused on drawing as many social enterprise bodies as possible into the discussions. It undertook a series of profile-raising activities including the drafting and launching of a Scottish social enterprise charter and explored ways in which a sustainable Coalition might be created. CBSN was especially committed to the creation of a Social Enterprise Coalition in Scotland and towards the end of 2003 offered to draft a follow-on application for a further lottery grant which would focus exclusively on establishing the Coalition on a permanent and sustainable basis. Working with Working Party office bearers the application was agreed and submitted with the hope that there might be a seamless transfer at the end of April 2004 from the support being offered by the Bridge Project to the focussed development phase of the SSEC

Project. Regrettably that proved impossible, but the new Project was approved and a Development Officer, Emma Hutton, appointed to start work in October 2004.

For the first year of the Project SSEC has been based within the offices of CBSN, originally at Princes House, Shandwick Place and from April 2005 at 45 Albany Street, Edinburgh. The Finance and Administration Worker, Victoria Morris, who was already working part-time for CBSN was appointed to work for the SSEC Project also from October 2004.

While retaining ultimate responsibility for the Project, CBSN agreed that the day to day management should be vested in a small project management committee which included both directors of CBSN and members of the Coalition Working Party. During the course of the year SSEC adopted a constitution as an unincorporated association (see later) with a member of the CBSN Board attending as an observer. At that time the Chair of the SSEC was co-opted onto the Board of CBSN and asked to assume direct supervision of the SSEC project workers on behalf of CBSN.

The total value of the grant from the BLF for the SSEC Project has been £59,576.

1.2 The Social Accounting and Audit Process

The original objectives for the Project as set down in the application to the BLF were recast into social accounting format as the basis for these social accounts (see section following).

The period of these social accounts covers the period of the Project, namely 1 October 2004 to 30 September 2005. However, in order to complete the process before the end of the Project the social accounts have been prepared during August and September 2005.

The facts and figures used in these social accounts have been compiled from the records maintained by the SSEC Project and prepared by Emma Hutton. Alan Kay and John Pearce of CBSN managed the stakeholder consultations and, together with Emma, formed the social accounting group. The interpretations and conclusions have been agreed and formulated by the social accounting group.

These social accounts will not be submitted to a social audit panel for verification as that would necessarily happen after the end of the Project. However they will be used as the basis for reporting to the BLF and to all stakeholders involved, including the wider membership of CBSN.

2 Mission, values, objectives and activities

The Mission and Objectives & Activities for the SSEC Project were based on the original application made to the BLF in 2003 and subsequently “tweaked” into social accounting format. They were first discussed by the social accounting group and then presented to the Coalition for approval in March 2005.

The SSEC has not yet formulated Values. Therefore it was not possible to consult stakeholders about them as part of the social accounting process.

Mission:

The Scottish Social Enterprise Coalition (SSEC) project exists to create a coalition bringing together into a working and co-operative framework all those organisations active in the growing social enterprise sector in Scotland.

Objectives:

- 1 To establish and build the SSEC as a sustainable, independent body by...**
 - Formalising the structure of the SSEC with a membership based on, and representative of, the social enterprise sector in Scotland
 - Producing a three year strategy and business plan after consultation with the membership and others

- 2 To promote the sector and build relationships between the SSEC and policy-makers and decision-makers in Scotland by...**
 - Developing a range of practical tools and publications (case study documents, a newsletter, new Sector supplement, articles and “think-pieces”)
 - Developing the SSEC website
 - Organising a major event for the social enterprise sector and others in Scotland
 - Representing the social enterprise sector to government, local authorities and other appropriate agencies
 - Continuing to represent the Scottish social enterprise sector and the SSEC on the board of the Social Enterprise Coalition UK

- 3 To assist in the development of cross-sectoral services within the social enterprise sector in Scotland by...**
 - Facilitating inter-trading
 - Signposting enquiries to appropriate agencies

3 Stakeholders

The following stakeholder table was worked up initially by the social accounting group and subsequently approved by the Coalition Working Party. It separates the “key stakeholders” from “other stakeholders”.

Key Stakeholders	Other Stakeholders
<p>Members <i>Full members</i> – national and local intermediary organisations (c. 15) <i>Associate members</i> – individual social enterprises and supporters (10 – 15)</p>	<p>Potential members</p>
<p>SSEC Committee (10) Martin Meteyard (Chair) Kevin Robbie (Vice chair) Angus Hardie Sara Maclean Brian Tannerhill Diane Henderson Kath Critchley Iain Gulland Pauline Hinchion Declan Jones</p>	
<p>Staff (2) Emma Hutton (Development Officer) Vic Morris (Administrator – p/t)</p>	
<p>CBS Network Board Members (7) John Pearce Alan Kay Alan Tuffs Elspeth Barker Jeannette Timmins Mark Saddington Martin Meteyard</p>	
<p>Policy-Makers (people SSEC wants to influence) (3) Communities Scotland (Geoff Pope) Highlands and Islands Enterprise (Chris Higgins) Scottish Enterprise (Alistair Thornley)</p>	

<p>Partners and Allies (4) SEC UK (Mahua Nandi) SCVO Equal (Pauline Graham) New Sector (David Parker) Social Enterprise Institute (Declan Jones)</p>	<p>Royal Bank of Scotland</p>
<p>Funders</p>	<p>Community Fund</p>
	<p>Others Signposted enquirers</p>

The social accounting group determined which stakeholders should be considered as “key” and included in the consultation process for these social accounts. This was approved by the Working Party and by the Board of CBSN.

4 Scope and methodology of the social audit

4.1 Omissions

All the key stakeholders have been consulted for these social accounts.

Where specific, planned activity has not taken place or where there is no quantifiable data relating to it, is explained in the detailed analysis of these social accounts in Section 6.

4.2 Methodology

The quantitative data used to report on performance with respect to the stated Activities is based on information gathered routinely by the Coalition Project. This includes regular progress reports to the Working Party/Management Committee and the CBSN Board. No new systems of recording were established for the purposes of creating these social accounts.

The following table shows how the different stakeholder groups were consulted and the response rates achieved.

Stakeholders	Consultation method	No. consulted	No. of responses
Coalition members (not Committee members)	Questionnaire sent by e-mail		
a. Full members		9	2 (22%)
b. Associate members		11	3 (27%)
SSEC Committee	Questionnaire sent by e-mail	10	5 (50%)
SSEC staff	Questionnaire sent by e-mail	2	2 (100%)
CBSN Board	Questionnaire sent by e-mail and completed collectively at a Board meeting	7 Board members	4 attended the meeting (57%)
Policy-makers	Questionnaire sent by e-mail and completed by telephone interview	3	3 (100%)
Partners and Allies	Questionnaire sent by e-mail and completed by telephone interview	4	3 (75%)

The questionnaires were formulated by Alan Kay in consultation with Emma Hutton and John Pearce and were circulated by the SSEC Project office. All questionnaires were analysed by Alan Kay and John Pearce who also carried out the telephone interviews.

The full Social Accounting framework developed for the SSEC Project is attached as an appendix together with sample copies of the questionnaires used.

5 The report on performance: analysis of the Social Accounts

5.1 Mission

The Scottish Social Enterprise Coalition (SSEC) project exists to create a coalition bringing together into a working and co-operative framework all those organisations active in the growing social enterprise sector in Scotland.

All stakeholders were asked to score to what extent the SSEC Project had achieved its mission during the first year on a 1 – 10 scale:

Stakeholders	1	2	3	4	5	6	7	8	9	10	NA
SSEC Full and Associate Members							2	3			
SSEC Committee								3	2		
SSEC Project staff							1	1			
CBSN Board						4					
Policy-makers							1	2			
Partners and Allies						1		1	1		
Totals						5	4	10	3		

Policy makers considered that the Project has *“performed well in a notoriously difficult”* sector, has coalesced the sector enabling it to speak with one voice, has represented the sector well and raised its profile. They also emphasised the Coalition should clarify who it speaks for – only social enterprises and social enterprise intermediaries (ie – not the voluntary sector).

Partners and allies echoed these thoughts and agreed that the SSEC staff had worked well and effectively. SSEC was compared well to similar bodies elsewhere in the UK. However, one person noted it was *“early days yet”* and noted that internal discussions had exposed divisions – *“is the SSEC our voice or just another voice?”*

CBSN directors observed that on the plus side the Coalition has been created, a constitution has been agreed and funds have been raised for the next two and a half years. However, they felt that it appears that members are not yet really pulling together, indeed some appear not yet be convinced of the usefulness of the Coalition.

5.2 Values

As the SSEC has not yet finalised its Values it was not possible to consult stakeholders about them.

The SSEC discussed values at an away-day held in September 2004 and the process of formulating and agreeing the values of the Coalition is continuing work in hand.

5.3 Objectives and activities

Objective One: To establish and build the SSEC as a sustainable, independent body by...

- Formalising the structure of the SSEC with a membership based on, and representative of, the social enterprise sector in Scotland
- Producing a three year strategy and business plan after consultation with the membership and others

a) What the SSEC Project has done

Following consultation and discussion with the founding members of SSEC, a formal constitution was drawn up including a formal membership structure. The constitution was adopted by members in March 2005 and a Management Committee elected.

Membership is open to all national and regional social enterprise intermediary organisations and Associate Membership is open to individual social enterprises and those supporting social enterprise, whether organisations or individuals.

A proposal to replace the unincorporated association with an incorporated company limited by guarantee will be put to an EGM of members on 8th September 2005.

The Development Officer held an initial round of consultation meetings with members in the early stages of the project to explore and identify the common aims and objectives of members for SSEC. A report entitled "Strategy, structure and resources" was presented to a meeting of founding Members in December 2004.

Following this and as the project developed, the Development Officer, in collaboration with a Business Planning Sub Group of the management committee, prepared a three year strategy and business plan for the SSEC. This will be circulated to all members by the end of the project.

b) What the stakeholders think

All stakeholders were asked to score their view of how well SSEC has achieved this Objective on a 1-5 scale, where 5 is very well and 1 is very poorly:

Stakeholders	1	2	3	4	5	DK	NA
SSEC Full and Associate Members				5			
SSEC Committee			1	3	1		
SSEC Project staff			1	1			
CBSN Board			4				
Policy-makers			1	2			
Partners and Allies			2	1			
Totals			9	12	1		

SSEC Members (M), Committee Members (C) and Project Staff (S) were also invited to score the specific Activities of each Objective. In the following table the first score line is for members, the second for Committee members and the third for staff:

Activities		1	2	3	4	5	DK
Formalising the structure of the SSEC with a membership based on, and representative of, the social enterprise sector in Scotland	M				4		1
	C			1	4		
	S			1	1		
Producing a three year strategy and business plan after consultation with the membership and others	M			1	2		2
	C			1	2	2	
	S					2	

Stakeholders generally agreed that a good start has been made: *“The project has certainly gathered momentum now that there are staff to drive it forward. It has achieved a great deal considering the challenges of the project”*. Several put that in the context of it being *“early days”* and more time being needed.

Internal stakeholders (Members, Management Committee and Staff) referred to internal debates about membership which had slowed down the incorporation process and they still were not entirely resolved. Outstanding issues were to what extent SSEC is *“representative”* and whether it should engage more with social enterprises rather than the intermediary organisations.

Stakeholders expressed concerns about two aspects of sustainability. First, the need to be financially independent of public funds in the long-term and second, how to be sustainable in terms of members.

One **Partner and ally** referred to the *“distance to be travelled”* in bringing together a coalition and to build *“trust amongst partners”*.

CBSN directors commented on *“the huge future task to get so many disparate groups and organisations to work effectively together”*. Related to this, CBSN directors drew attention to the fact that members may have become disenfranchised once the

Committee was established and suggested a pattern of regular members' (rather than committee) meetings might serve to engage members better.

c) **Commentary**

Stakeholders generally applauded the achievements of the SSEC, acknowledging the relatively short period of the Project and sometimes difficult circumstances: the establishment of the Coalition as an entity; agreeing a structure for incorporation; raising funding for continued development; completing a strategy and business plan by the end of the Project.

Issues which emerge for further consideration are:

- To what extent, or how, the Coalition can be recognised as “representative” of the sector
- Whether the Coalition should comprise only intermediary organisations or whether it should build a membership base with Scottish social enterprises
- How the Coalition can ensure its members, who are not on the Committee/Board, remain fully informed about and engaged with the work of the Coalition

Objective Two: To promote the sector and build relationships between the SSEC and policy-makers and decision-makers in Scotland by...

- Developing a range of practical tools and publications (case study documents, a newsletter, new Sector supplement, articles and “think-pieces”)
- Developing the SSEC website
- Organising a major event for the social enterprise sector and others in Scotland
- Representing the social enterprise sector to government, local authorities and other appropriate agencies
- Continuing to represent the Scottish social enterprise sector and the SSEC on the board of the Social Enterprise Coalition UK

a) **What the SSEC Project has done**

During the course of the Project, the Development Officer has co-ordinated and led a number of activities to fulfil this objective. Support has been provided by the Administration and Finance Officer and SSEC members. The activities are as follows:

- Design and production of an 8 page supplement in New Sector magazine to showcase social enterprises, outline the support organisations for social enterprise in Scotland, and highlight key policy issues for the sector.

- Wrote a 1500 word article in Social Enterprise magazine (August 2005) providing “scene setter” for social enterprise in Scotland, highlighting current policy context and comparison with sector across UK.
- Ongoing and ad hoc contributions to members bulletins (e.g. SEDI, Social Firms Scotland and others).
- Writing and distributing a “policy bulletin” highlighting key news stories and policy issues for social enterprise. This is targeted at MSPs, public agencies and other stakeholders (distributed to mailing list of approx 250 contacts).
- Re-design of, and production of content, for new SSEC website.
- Sponsorship and collaboration on national social enterprise conference in Edinburgh in June 2005 (led by Social Enterprise Institute - SSEC member).
- Hosting a well-attended parliamentary reception for around 90 delegates on the theme of “celebrating social enterprise and the social economy” with a series of guest speakers and significant networking.
- Engaging in a programme of meetings and relationship-building with stakeholders and policy makers across political and policy spectrum (approximately 40 meetings).
- Active partnership in Social Economy Scotland development partnership which brings together key public agencies and other stakeholders.
- Consultation responses and submissions to Scottish Parliament Enterprise Committee Business Growth Inquiry (resulting in being asked to provide oral evidence to committee), Rural Development Committee Inquiry, Scottish Labour policy consultation on “Growing Scotland's Economy”, Scottish Liberal Democrat consultation on future policy, Big Lottery Fund consultation on future funding, Communities Scotland and Enterprise Network's proposed Memorandum of Understanding.
- Active participation in SEC Board meetings throughout the life of the Project and drawing up of formal “partnership agreement” with SEC.

b) What the stakeholders think

Stakeholders	1	2	3	4	5	DK	NA
SSEC Full and Associate Members			1	4			
SSEC Committee				2	3		
SSEC Project staff				1	1		
CBSN Board				4			
Policy-makers			2	1			
Partners and Allies				3			
Totals			3	15	4		

Activities		1	2	3	4	5	DK
Developing a range of practical tools and publications (case study documents, a newsletter, new Sector supplement, articles and “think-pieces”)	M C S		1		5 3 2	1	
Developing the SSEC website	M C S			1 3	3 1 1	1 1	1 1
Organising a major event for the social enterprise sector and others in Scotland	M C S			1 1	2 2	2 2	2
Representing the social enterprise sector to government, local authorities and other appropriate agencies	M C S				2 3 1	3 2 1	
Continuing to represent the Scottish social enterprise sector and the SSEC on the board of the Social Enterprise Coalition UK	M C S			2	1 3	1 2 2	1

Stakeholders are generally very positive about achievements under Objective Two and very much acknowledge the hard work of the Development Officer (and her predecessor on the Bridge to the Social Economy Project). Respondents from south of the border in particular commented on how good Project staff have been to work with.

Some stakeholder quotes summarise views:

“The presence of the SSEC has noticeably strengthened through presence at events, liaison with politicians etc and an excellent New Sector supplement”.

“Publications, articles and briefing papers have been exceptionally good tools for promoting the SSEC to policy-makers”

“Successfully piggy-backed onto other events (eg Heriot Watt conference)Stunning success in terms of securing parliamentary amendment”.

CBSN Directors thought that work under this Objective was one of the strengths of the Project and a major achievement demonstrating “how a Coalition can do things that individual organisations cannot do”. They also suggested more effort might be made in relation to Local Authorities.

A **policy-maker** acknowledged that SSEC has “forced SEN, HIE etc to think about its attitude to social enterprises” and that it has “created an umbrella organisation which has a responsibility to set the debate about the future of social enterprise in Scotland”.

c) Commentary

Stakeholders are very positive about achievements under this Objective and the work that has been done has been well-received.

It has also become clear that a Coalition is able to influence people or agencies and to do things as a collective of organisations in a way that organisations individually would find much harder, if not impossible.

Objective Three: To assist in the development of cross-sectoral services within the social enterprise sector in Scotland by...

- Facilitating inter-trading
- Signposting enquiries to appropriate agencies

a) What the SSEC Project has done

During the Project, discussions were held with a number of Partners (Senscot, Forth Sector, Community Enterprise Ltd, Social Firms Scotland etc) on plans for a series of inter-trading events. A project plan and budget have been produced and the bulk of funding secured. Due to workload pressures, the events were postponed from September 05 to Spring 06 and forward planning is ongoing.

During the Project, all enquiries have been signposted to appropriate agencies. The level of enquiries has been low.

b) What the stakeholders think

Stakeholder	1	2	3	4	5	DK	NA
SSEC Full and Associate Members		1	1	1	1	1	
SSEC Committee		1	1	1		2	
SSEC Project staff			1				1
CBSN Board						4	
Policy-makers			1	1		1	
Partners and Allies			1			2	
Totals		2	5	3	1	10	1

Activities		1	2	3	4	5	DK
Facilitating inter-trading	M C S	1	2	2 3	2		1 2 1
Signposting enquiries to appropriate agencies	M C S		1	1 2 2	1	1	1 3

Most stakeholders acknowledge that this area of work has, rightly, not been a priority and the **Development Officer** and a **Partner and ally** and a **Policy-maker** point up that for the Coalition to engage in this work may be duplicating, or at least confusing, what others already do. Indeed, the **Partner and ally** is absolutely clear that it is not the role of a Coalition to develop practical tools and inter-trading.

c) Commentary

Little has been done under this Objective and stakeholder responses reflect both that and some uncertainty about whether such work should be within the remit of the SSEC at all.

5.4 Impact

Stakeholders	1	2	3	4	5	6	7	8	9	10	NA
SSEC Full and Associate Members						2		2			
SSEC Committee							4	1			
SSEC Project staff							2				
CBSN Board						4					
Policy-makers							1	2			
Partners and Allies						1	1				1
Totals						7	8	5			1

Stakeholders are generally positive about the impact made by the SSEC giving a “clear, articulate, effective voice for the social enterprise sector” especially given the short time-frame of the Project: “It has been a short time to make a huge impact but I feel the seeds are there, whereas there was very little co-operation/agreement before”. One **Committee Member** again raises the need to move beyond engagement with intermediary organisations to the “wider sector”.

Although one **Partner and ally** refers to it being an “M8 organisation” others acknowledge the efforts made by the Development Officer to “reach out to the North”.

A **Staff Member** refers to the importance of members being active rather than depend on staff, and staff and ally stakeholders talk about the need to develop a “coalition of the willing” – or from the other side “the perceived lack of commitment to the very concept of the

Coalition among its members". Is this sense of "negativity" "because of a lack of interest in the Coalition (in which case the question is why bother?) or because of vested interests (in which case the question is how to tackle them?)" "...although a framework for coalition-working does exist, it does not feel like a co-operative one and it often feels like the opposite". In this context one southern **Partner and ally** suggested that the creation of a Co-operative Development Agency (CDA) in Scotland surely went against the working together trend of Coalition.

5.5 Future Priorities

All stakeholders were asked to list up to three priorities for the SSEC over the next five years. We have been able to cluster the suggestions into seven areas of emphasis of which the first three received the most mentions across the range of stakeholders consulted.

First: To build the membership of the Coalition and develop a sense of real ownership by the members, including better communications between and active participation by members and a sense of mutual purpose. (Two people also suggested the importance to promote inter-trading).

Second: To represent the views of the social enterprise sector and influence/lobby Parliament, politicians, the Executive and other policy-makers (and focus on the opportunity of the 2007 elections; develop a "*fit with public policy*"; produce policy papers).

Third: To raise the profile of social enterprise, celebrate successes, demonstrate its worth (through social accounting), identify its unique benefits (and undertake relevant research and publish a magazine).

A fairly close **fourth** priority was to build self-sustainability and independence for the SSEC (with members making significant contributions).

The remaining clustered suggestions, in order, were:

Fifth: To establish clear, agreed objectives for SSEC (Its "*niche*") – and ("*promote social enterprise as an alternative vehicle for the economy*" as one person put it).

Sixth: To differentiate social enterprise clearly from the broader economy and focus on enterprise (although it was also suggested that a priority should be to build better relations with all sections of the social economy, especially the SCVO).

Seventh: To develop networking within the sector (exchange of information, facilitate debate) and encourage/support the establishment of more social enterprises.

5.6 Other comments

Two "*other comments*" are worth noting. One policy-maker wondered aloud whether social enterprises in the 2000s might be setting themselves up for a fall (with their claims

and aspirations) as community businesses had done in the 1980s but acknowledged that the political context is now quite different and that within that the SSEC has a vital role to play.

The Development Officer reflected that despite the problematic issues of the project's year *"all members have stuck with SSEC one way or another and we do now...have a fairly good foundation to build our next 3-5 years work on"*, a conclusion that sums up the general view of all stakeholders consulted.

6 Other views of stakeholders

6.1 Staffing and management arrangements

The SSEC Project has employed a full-time salaried Development Worker and a part-time (three days per week) self-employed Finance and Administration Worker, who was already working two days a week for CBSN. In the original design of the SSEC Project it had been proposed to establish a Project Management Committee which would consist of three persons from the SSEC Working Party and two from the CBSN Board and that responsibility for managing the Project and staff would be the responsibility of that Committee. Unfortunately both the SSEC and CBSN had difficulty in finding members with time to devote to another Committee so in practice management of the Project relied on ad hoc liaison between the Chair of the SSEC Working Party and the Convenor of CBSN, who undertook the role of line manager for the Coalition Project staff. In addition, the CBSN Convenor attended, when possible, meetings of the SSEC Working Party to whom the Project Development Worker submitted a regular report. The Development Worker also attended and reported to the CBSN Board.

In April 2005 when the SSEC Working Party adopted a constitution as an unincorporated association a representative of CBSN was not amongst those elected to the new Management Committee. At the same time the Convenor of CBSN resigned because of pressures of his full-time employment. In order to fill the resultant line management gap and, at the same time, both transfer management responsibility to the now constituted Coalition and retain CBSN's ultimate responsibility for the Project, the CBSN Board co-opted the SSEC Chair as a Board member and he assumed line management responsibility for the Project Development Worker. In turn she formally became line manager for the Finance and Administration Worker. The CBSN Board was invited to attend SSEC Committee meetings as a participant observer. This new management arrangement for the Project was both clearer and more satisfactory and reflected the evolution of the Coalition from ad hoc Working Party to an unincorporated organisation with a constitution and management committee.

Working arrangements for both CBSN and the SSEC were further unsettled and confused during the life of the project by uncertainties of tenure at the CBSN office which resulted in April 2005 with an office move from Shandwick Place to Albany Street in Edinburgh.

a) Views of the Project staff on staffing and management arrangements

We asked the two staff members of the SSEC Project a series of questions about their job, support, working conditions, communications and training (see copy of questionnaire in the Appendices.)

Both reported that they enjoy the work they do while one considers her job to be very interesting and the other only middlingly so. Both report only a middling clear sense of their responsibilities and both consider that issues of their health and well-being at work

are not taken seriously. These last points are linked to *“the difficulties of being employed by one organisation while developing, and being at least partially responsible, to another, with no consistent link or relationship between the two organisations creating therefore a situation which has been stressful from the start”*.

While both members of staff give a middling score regarding being part of a supportive team, one is positive about honest feedback on performance by management while the other is not. Similarly one is very positive about peer support in the team and one rather more uncertain. Both report feelings of isolation and lack of support (despite the job being *“interesting and challenging”*) and point to an improvement since *“line management was clarified”* for the Project staff. One staff member also comments that *“little or no clear objectives have not really helped and I’ve felt like I’ve been leading the project by the nose most of the time”*.

Considerable dissatisfaction about general working conditions, hours and work pressure is expressed by one member of staff who is also equivocal about her pay while the second member of staff is rather more positive. The pressure and stress of the job is related to its one year nature and it is suggested that *“more could have been done to recognise the likely pressures of the job and pre-empt those”* and that *“even a fairly rudimentary induction process, coupled with some clarity over line management and support arrangements would have helped to manage expectations for both me and others”*.

Both members of staff see communications within the organisation (understood to be CBSN rather than SSEC) to be poor so far as they are concerned and report that they do not well understand the work of other sections. Neither feels at all able to influence the decision-making of the organisation while one does consider that her ideas and suggestions are taken seriously and the other is reasonably satisfied with involvement in decisions which affect her work.

Both are very proud to work for the SSEC Project and speak highly of it to their friends. However, both also report that their morale is generally rather low – *“Morale is very up and down because significant headway is very often followed by retrogressive steps. Frustrating.”*

One emphasises the perceived problem of the relationship between CBSN and SSEC, likening it to *“divorcing parents”* and explains that she does not feel part of CBSN, commenting that she is *“longing for the day when the two organisations are clearly separated”*.

One member of staff has received between two and five days training which was considered very worthwhile, the other one half day which was also worthwhile. Both consider that they might have received additional training.

An appraisal process has not been offered to the member of staff who is self-employed while for the other *“the departure of my line manager halfway through the process caused problems in terms of appraisal”*.

c) **Commentary**

It must be acknowledged that the management and support arrangements were, until the changes introduced in May 2005, unsatisfactory and both CBSN and SSEC must accept responsibility for that. The problem was almost certainly exacerbated by CBSN not playing a really active role in the SSEC Working Party and by the eventual resignation of the CBSN Convenor in mid-project. However, it should be explained that CBSN never intended to play a very active role and had seen its major contribution as winning the grant for the Project which would then be driven forward by the SSEC Working Party. It is maybe true that CBSN underestimated the capacity of the Coalition to assume that responsibility immediately.

For the future SSEC must ensure that management lines continue to be clear and that adequate support is available to SSEC workers. The SSEC may also learn from the Project that it is important for staff to feel fully engaged in the decision-making processes but with a Committee or Board that really does lead.

6.2 **The working of the SSEC**

We asked the SSEC Management Committee members a series about how the SSEC functions as an organisation.

There was general agreement that the role of the Committee is not to be responsible for day-to-day management, but should be about deciding policy and strategic direction, acting as advisors to the organisation, giving support to the staff and assuming ultimate legal and financial responsibility. However, a majority (three of five) did think that the remit of the Committee could be clearer: *"...the Committee...has not focussed on the remit – this will take time as it makes the transition from loose forum to effective management committee"*.

There was general agreement that the Committee works well in terms of information received, papers and minutes circulated timeously, members finding it easy to participate and meeting sufficiently often to discharge its duties. However, there was a slight hint that the meetings could be better run and one person did raise a point about problems of attendance and members' participation outwith attending meetings: *"Some problems about attendance and participation...nor is it just about meetings!"*

Opinions were quite divided over whether the Committee is well balanced as regards gender, professional and non-professionals (three did not know), age and size. Two people commented on the need for *"greater representation from people running social enterprises"* and another on the geographical imbalance – describing SSEC as *"an M8 organisation"* rather than truly Scottish.

Committee members and staff were asked to identify three things which would improve the current workings of the SSEC. The answers clustered around three themes (not in order of priority):

First: an external focus to develop a clear role with a narrow focus for action and engage better with social enterprises to develop a collective voice for the sector, especially taking advantage of current political interest in social enterprise.

Second: an internal/external focus to engage Management Committee/Board members more as ambassadors for SSEC, bringing in resources, opening up networks and promoting the sector.

Third: an internal focus to get the new structure in place, build a stronger Board with a clear remit, get the new staffing in place and strengthen the links with the “grassroots” and above all achieve a “clearer sense of SSEC being its members” and its “members being its champions not its detractors”.

6.3 Impact on CBS Network

We also asked CBS Network what the positive and negative impacts of “hosting” the Coalition Project might have been to CBSN.

The CBSN directors identified that the Project had been part of its intended evolution as an organisation and contributed well towards its wish that an organisation exist in Scotland to act as a unifying force across the social economy. The Project had also helped secure CBSN’s office presence in Edinburgh and had improved networking possibilities.

The CBSN Board acknowledged that the working relationship between SSEC and CBSN had not been as warm as it might (should?) have been despite CBSN having raised the funding for the Project. This feeling was exacerbated when a CBSN representative was not appointed, at least for the life-time of the Project, to the newly-formed Management Committee of the SSEC in April 2005.

7 Environmental impact

CBS Network does not have a formal environmental policy but does implement day-to-day practices such as reuse of paper and envelopes and the purchase, when practical, of paper made from recycled or sustainably produced materials. Coffee and tea used in the office are fair-trade labels.

As a sub-tenant CBSN has only minimal control over the energy efficiency of and energy usage in its premises. However, care is taken to turn off lights and electrical appliances when not needed.

During the Project, a mini environmental audit of office practices was carried out and it is the intention of SSEC to formalise its environmental auditing when it moves to premises where it has more control of its work in this area.

8 Economic impacts

The SSEC Project cannot be considered to have had any significant economic impact worth reporting. However, in the long-term it is to be expected that an effective Social Enterprise Coalition will be instrumental in seeing the growth in Scotland of the social economy and social enterprises especially such that they form a growing part of the national economy.

When procuring external services, priority has been given to procuring from social enterprises where possible.

9 Compliance

As a Scottish Charity and a company limited by guarantee CBSN fulfils the necessary requirements of accounts filing and reporting. For this Project CBSN will be submitting an end of grant report to the Big Lottery Fund.

CBSN has contemporary equal opportunities and health and safety policies in place and effective.

Through this social accounting process CBSN will report to its wider stakeholders on the effectiveness and value of the SSEC Project which has been its main contribution to the social economy sector in Scotland during the past year.

10 Financial information

The Big Lottery grant for the project broke down into the following discrete elements:

Recruitment costs	1,250.00
Staff salary costs etc.	41,226.00
General running costs	2,000.00
Rent, rates and premises	4,000.00
Travel & subsistence	2,450.00
Website & publications	4,500.00
Event costs	3,150.00
Monitoring & evaluation	1,000.00
Total	£59,576.00

In addition to the project budget, a number of SSEC members have contributed significant in-kind support during the Project year:

- Significant time commitment from members, management committee and particularly Chair/Vice Chair to support the development of SSEC
- In kind support to the development of staffing structure, job descriptions, terms and conditions, operational procedures, etc.
- In kind support to develop the Memorandum & Articles for the incorporated body
- In kind support to host meetings including providing catering

11 Main issues and achievements, conclusions and recommendations

The considerable achievements of the Coalition Project during the one year of its existence, and given there was not a seamless transfer from the former Bridge Project, speak for themselves. The intended outputs, especially of Objectives One and Two have been well fulfilled, and the outcome of a funded and incorporated Scottish Social Enterprise Coalition has been realised together with evidence that such a Coalition can both bring social enterprise bodies together and can exert an influence on policy direction and on other agencies. That is not to say that there are not certain important – and tricky – issues to address in the months ahead. The four priorities revealed from the stakeholder consultations for these social accounts sum these up:

- 1 To build the membership of the Coalition and develop a sense of real ownership by the members, including better communications between and active participation by members as well as a sense of mutual purpose. Three specific issues to address are:**
 - to resolve the ongoing debate about whether SSEC should have only intermediary organisations as its members or whether it should build a membership of all social enterprises;
 - to ensure that the SSEC is neither actually nor perceived as an “*M8 organisation*”; and
 - to ensure that effective support is available to staff and a clear balance struck between Board and Executive leadership.
- 2 To represent the views of the social enterprise sector and influence/lobby Parliament, politicians, the Executive and other policy-makers (and focus on the opportunity of the 2007 elections).**
- 3 To raise the profile of social enterprise, celebrate successes, demonstrate its worth and identify its unique benefits. (And, it must be noted, not to seek to provide direct services to social enterprises as that is the remit of other agencies, usually members of the SSEC anyway).**
- 4 To build self-sustainability for the SSEC (with members making significant contributions) so that its independence is not compromised.**

12 Strengths and weaknesses of the Social Accounting Process

In general the social accounting process has worked well although the response rate from SSEC Members and from Management Committee members was somewhat disappointing. The external stakeholders contacted were all very willing to contribute their views.

We feel the findings do give a robust critique of the Project and identify a number of issues for the SSEC to consider both regarding policy and strategy and in relation to organisation as it goes forward into its next phase of development.

There are insufficient funds in the budget to take these accounts to a social audit panel, nor is that possible within the time-frame of the Project. Nonetheless the report should be of value to the SSEC and its incoming new members of staff.

13 Future plans for the next Social Accounting Cycle

These social accounts relate to the one year Project hosted by CBSN. The SSEC Board will discuss and decide whether to use social accounting in the future to monitor its performance and evaluate its effectiveness.

14 Dialogue and disclosure

A copy of the completed social accounts will be circulated to all those stakeholders who were consulted and they will be on the agenda for discussion at both a Board meeting of SSEC and of CBSN.

The completed social accounts will be placed on the CBSN and SSEC websites and they will be included in the directory of social accounts maintained and publicised by the Social Audit Network.

The social accounts will also be submitted to the Big Lottery Fund (BLF) along with the final report on the Project.

We believe the social accounts will be a valuable induction document for the incoming SSEC team.