Introduction

This *Local Work: Findings* seeks to summarise the findings of research carried out by CLES Consulting and Equal Access Consultancy, which sought to identify the existing opportunities, barriers and capacity of BME Social enterprises (BME SEs) or similarly structured organisations and to determine how they can best be supported in the future; as well looking at other research that has recently been completed on and around the subject of social enterprise and BME tailored support. Thus, this *Local Work Findings* will look to understand why, how and in what ways BME SEs could be supported to enter the sector and further develop within it.

To do this it is important to consider:
+ Why targeted support for the BME sector is important; + research carried out to date;
+ Core barriers to the development of BME SEs;
+ Key tools for the support of BME SEs;
+ The necessity of identifying gatekeepers and stakeholders; and
+ How to tailor support to potential and aspiring BME entrepreneurs, including the ladder of support.

First, however, it is necessary to define what is meant by the term social enterprise and to consider its limitations.

What is social enterprise?

Social enterprises are a key aspect of the Government's agenda, which aims to improve and modernise public services, develop a strong third sector, encourage active citizenship and support the development of sustainable communities. As a result, there has been growing support for the development and creation of social enterprises. The Department of trade and industry defines a social enterprise as:

"Social Enterprises are defined as businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. Social enterprises tackle a wide range of social and environmental issues and operate in all parts of the economy."

The Government believes that successful social enterprises can play an important role in helping deliver on many of the Government's key policy objectives, including: A) helping to drive up productivity and competitiveness; B) contributing to socially inclusive wealth creation; C) enabling individuals and communities to work towards regenerating their local neighbourhoods; D) showing new ways to deliver public services; and E) helping to develop an inclusive society and active citizenship.

The BME community is seen as strongly entrepreneurial, partly because of the high rate of BME business ownership in the UK since the 1970s. BME enterprises also often have a social role contributing to the support of the community in the form of employment, apprenticeship and more general social responsibility. Moreover, BME communities are often found in the most disadvantaged areas. As a result, supporting BME social enterprises to develop their capacity and sustainability is particularly important for the sector as whole, the communities in which they operate and the Government's key policy objectives, as mentioned above.

Why is targeted support for the BME social enterprise sector important?

To understand what type of support is necessary, as well as how and where it should be targeted, requires a mapping of the BME social enterprise sector. In

Author: Micaela Mazzei
Research Consultant
CLES Consulting
Tel: 0161 233 1923

Edited by. Victoria Bradford
Policy & Information
Researcher, CLES
Tel: 0161 233 1927

carrying out the above research it was found that the 'accepted' definition of a social enterprise was severely limited; it did not sufficiently identify existing, or potential and aspiring BME SEs and was not helpful in identifying any particular needs that BME SEs may have. This was because, whilst there is a strong entrepreneurial culture amongst some BME communities coupled with a culture of social responsibility and giving as well as evidence to show social support activities are undertaken by many BME communities, the relatively new term 'social enterprise' was not widely understood by BME communities. As such the narrowness of definition offered by the DTI excludes some aspiring and potential social entrepreneurs. Consequently, in developing support services for BME SEs support organisations must work to map those organisations that are carrying out social enterprise type activities, even if they do not formally fall within the SE sector.

The changing role of the voluntary sector, is also important in rendering the DTI definition of SEs relatively ineffective. This is because with recent developments such as the Government Voluntary Sector Review and the "Change UP "initiative the voluntary sector is moving increasingly towards a 'contract' based culture rather than being dependent on grants. Consequently many more organisations are beginning to fall within the SE sector. In addition, Government is carving out a role for SEs with regards to increasing and encouraging economic development, and local authorities, amongst others, are being encouraged to seek SEs as suppliers of goods and services.

All of which means that the existing definition of social enterprise, as offered by the DTI, fails to capture many of the BME organisations operating or potentially operating in the social economy.

A lack of research

Whilst interest in social enterprise continues to grow, there remains limitations to the intelligence and research, which can provide a full map, data and a description of social enterprise existence and growth in any particular area. In view of this it is even more difficult to find any useful quantitative and qualitative data on social enterprise activity in BME communities. One exception is a recent research study undertaken in the East Midlands [Mapping BME Social enterprise in the East Midlands - Making Money Making a Difference][1]. This project aimed to identify aspiring and established BME social enterprises and highlighted the main characteristics of BME Social Enterprises in the area as well as the core needs, including; specific support services, skills sharing and partnership work. There has also been a general survey of social enterprises in Greater Manchester, carried out by NWDA[2].

Alongside this, the work carried out by CLES Consulting and Equal Access Consulting revealed that a focus on stakeholders (those organisations that are, or aspire to be SEs) and gatekeepers (those organisations that are able to identify the stakeholders) in the BME SE sector is vital to those organisations targeting their support at BME SEs. Nonethelss, there remains considerable room for more research into the topic.

Barriers

The research, although limited, has identified several significant barriers to the development and sustainability of SEs, particularly in the BME community. These barriers include:

+ A lack of information about funding and finance;
+ The difficulty of finding capital and premises;
+ A lack of expertise in contracting and procurement;
+ Restricted access to specialist support ie recruitment and legal advice; and
+ A lack of business development training, advice and networking for social enterprise.

Barriers specifically facing BME communities include:

+ A lack of information and understanding about social enterprise as a business model within BME communities;
+ A lack of accessible and culturally appropriate support, training, finance and information;
+ A need for funding and initiatives to develop ideas specifically targeted at BME communities i.e. on areas of specific interest;
+ A need for identifiable BME "supporters " and "philanthropists" to support ideas for little return/a social end;
+ Few training and development programmes delivered at a neighbourhood level; and
+ A lack of BME network for sharing good practice.

Key tools

The barriers to the development and sustainability of BME SEs, identified by recent research work, indicate the need to provide a more structured system of support to BME SEs, connected with effective signposting. Thus, the organisations providing support for BME SEs should acknowledge the diversity characterising this sector, address the relevance of support provision to BME SEs and focus on locality and opportunity among aspiring BME SEs. There are several key tools in providing valuable support to BME SEs, they must include:

+ Profiling the BME sector in order to understand it better;
+ Explore the potential of BME communities and interest in SEs;

+ Mapping out the existing provision of support for BME SEs;
+ Tailor intervention programmes for local areas.

More detail on these tools is provided below.

Profiling the BME sector

The UK is very diverse with many different ethnic groups differing in terms of culture, religion, language and length of settlement. As well as the more established groups, there is an increasing refugee and asylum population.

The support to BME SEs should start from a clear understanding of the characteristics of the BME communities, their locations and needs. Therefore, characteristics of local BME communities should be investigated and mapped out in order to profile and better tailor services to different needs. This diversity should be understood by the agencies responsible for delivering support to BME SEs. Moreover, support agencies should acknowledge the cultural dimension of the diversity of BME communities.

Indeed, internal training and capacity building on these issues should be promoted, as well as developing systems to monitor and track demographic and economic changes at local area level.

BME communities and interest in SE

The changing role of the voluntary sector as addressed through government initiatives and priorities is an important contextual base in understanding the current changes in the BME voluntary and community sector (VCS). The government strategy is to strengthen and modernise the voluntary and community sector and to extend its role in the delivery of public services.

Recent research has highlighted that barriers preventing BME VCS organisations from developing into social enterprises include:

+ Poor knowledge, understanding and awareness of key issues regarding definition of social enterprise;
+ A lack of awareness about support;
+ A lack of awareness about possible growth opportunities.

Key tools in supporting BME SEs should include gathering knowledge on VCS groups operating at local level, as there is generally a very limited knowledge on BME groups. In particular this knowledge acquisition should include; developing comprehensive databases, ensuring a clear picture of representative organisations and networking, regionally, sub-regionally and locally.

A BME organisation aspiring to be a social enterprise will have specific support needs in order to establish as a sustainable social enterprise. The project undertaken by CLES Consulting and Equal Access Consultancy on 'Supporting BME Social Enterprises in Greater Manchester' has highlighted some of the basic support needed from many BME organisations to ensure that there is a strong base from which to grow. As many BME social enterprises and aspiring social enterprises grow from an existing organisational base it is important that the basic organisation has a viable, established and sustainable infrastructure.

Gatekeepers and stakeholders

Recent research work has also highlighted the presence of stakeholders and gatekeepers at local level providing support and advice to BME SEs. Generally, these voluntary and community groups act as local intermediaries and are aware of the variety of activities and range of work that is carried out in each local area in which they operate. An understanding of the variety and quality of services offered by local agencies and organisations is paramount in order to effectively support BME SEs. Links between stakeholders and gatekeepers should be enhanced as well as the awareness of 'who does what' at local level.

Tailor intervention programmes for local areas

The support approach should be locally focused, aiming at developing programmes for each area. A good understanding of BME SEs and aspiring SEs should be sought, including stakeholders and gatekeepers, as well as a comprehensive overview of the level and quality of support offered by existing organisations. Once this mapping exercise has been carried out then a programme of support should be developed, capitalising on what is already working at local level, thus guaranteeing a complementary approach to supporting BME SE rather than duplicating what is already available.

The ladder of support

The following ladder of support for BME social enterprises has been developed, as a response to the feedback from the survey's and interviews undertaken by CLES Consulting and Equal Access Consultancy about the type of support BME organisations may need in order to become social enterprises. This is by no means a conclusive list and in view of the above this specific social enterprise support would co-exist alongside a generic BME VCS support, and ideally enjoy some level of collaboration.

Step 1
Support needed: information/publicity; events/marketing; advice/support/signposting.
Support Agency's approach: Providing general information on SE in a targeted an accessible way. In partnership with community organisations where more appropriate

Step 2
Support needed: newsletter; information/learning about social enterprise; information about support services; advice and support.
Support Agency's approach: Targeted support and outreach activities; dissemination of information.

Step 3
Support needed: organisational development; skills development; training/capacity building; advice and support.
Support Agency's approach: Targeted training and capacity building programme that adds value to what is already available. Sourcing of start up funds.

Step 4
Support needed: support with funding; information about funding sources; information about service delivery opportunities;
Support Agency's approach: Cluster approach development to support SE. Sourcing of development funds and incubation.

Step 5
Support needed: mentoring/one-to-one support; support with procurement/tendering; brokerage service; advice and support.
Support Agency's approach: One-to-one support development.

Step 6
Support needed: market development support; sustained support services; networking/sharing experience; advice and support.
Support Agency's approach: Ongoing support and exploring new markets and potential mainstreaming.

Conclusion and recommendations

The evidence gathered from the research and the needs identified by the evolving agenda of BME SEs, led CLES consulting and Equal Access Consultancy to draw the following conclusions and make several key recommendations.

Many BME VCS groups already operate in the social economy or aspire to. In addition, BME SEs have the potential to bring significant benefits to their local community and economy. However, limited understanding of the term social enterprise means that support organisations should develop a marketing strategy to raise the profile of supporting organisastions among stakeholders and VCS groups.

It is also crucial to increase the understanding of BME groups and organisations in the region, sub region and local area. Developing a system to monitor the changes in the BME population would also be of benefit to those organisations seeking to support BME SEs, and would allow organisations to liase with gatekeepers and stakeholders in order to establish specific action plans for every area. From this a system to monitor BME social enterprises and tailored outreach programmes could also be developed.

It was also felt that a protocol must be developed with other agencies and organisations already active in the areas of interest so as to acknowledge the work that is already taking place and ensure that duplication does not occur.

Finally, the development and application of the ladder of support approach with BME voluntary and community groups will enhance their potential to enter the social economy and would be of significant use to support organisations and BME SEs alike.

References

1 Kulwinder Kandola (2004), *Making Money Making a Difference*, Nottingham, Voice East Midlands.

2 Asima Iqbal (2003), Greater Manchester Social Enterprise Survey, NWDA, Manchester

CLES Centre for Local Economic Strategies

For details of CLES products or services or to subscribe to CLES, please email info@cles.org.uk or visit
www.cles.org.uk