

A FLOURISHING SECTOR 2014-2017

A Social Enterprise Strategy for Moray



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean



River Findhorn, Moray

A FLOURISHING SECTOR 2014-2017

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EXECUTIVE SUMMARY

This document sets out the Social Enterprise Strategy for Moray. It aims to enable a flourishing social enterprise sector to operate between 2014 and 2017. It is jointly authored by tsiMoray (the Third Sector Interface for Moray) and Highlands and Islands Enterprise. Moray is the fourth – and the first non-urban – local authority area in Scotland in which a social enterprise strategy has been published. A range of stakeholders were consulted during its development, along with research of existing published material. The Strategy links into and supports the Moray Economic Strategy (2012).

The document begins with an overview of social enterprise and its positioning within a national and local authority context. The use of case studies showing three local social enterprises are provided to help understand and appreciate what the term means and the impact these organisations make.

The four strategic objectives identified as key priorities for the period 2013 to 2017 are:

1. Create an environment within which social enterprises are supported and can flourish.
2. Raise awareness of the value of social enterprises to Moray.
3. Increase the strength and capacity of social enterprises to become a strong business model.
4. Through social enterprise, increase Moray's economic, environmental and social wellbeing.

Each objective is broken down into key opportunities, these being the generic issues that are to be explored further. There is a distinct link with these opportunities and each of Moray's Single Outcome Agreements. It is anticipated that the stated opportunities will form the basis of a delivery action plan to cover 2014-2017.

ACKNOWLEDGEMENTS

The authors gratefully acknowledge and thank all those who have contributed towards this strategy. The input of stakeholders is much appreciated as it adds tremendous value to a strategy for social enterprise in Moray. We aim to work closely with all stakeholders to deliver this strategy over the next four years.

The strategy was formally endorsed by the Moray Community Planning Partnership at their meeting on 22 August 2013, recognising that the social economy is one of Moray's key strengths and that enabling the sector to flourish will benefit Moray as a whole.



Findochty Harbour, Moray

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AN OVERVIEW

Scotland benefits from a Voluntary Code of Practice for Social Enterprises¹. It sets down the standards and behaviours by which the social enterprise community recognise each other; its purpose is defined by the steering group as:

‘Whereas a mandatory set of rules runs the risk of inviting dispute and division, it is hoped that this voluntary code can provide the basis for a self-regulating community.’

The Code lays down the criteria against which a social enterprise is expected to operate. It would be exceptional for any business which does not meet these criteria to be considered a social enterprise. The standards, as per the Voluntary Code of Practice for Social Enterprises in Scotland are:

- Social enterprises are businesses operating in markets - usually selling goods and services – whose primary objective is to achieve social and environmental benefit.

- Regardless of its legal form², the constitution of a social enterprise will include the requirement that profits are reinvested in the business or in the beneficiary community, and not distributed to owners/shareholders/investors.
- The constitution will always require that on dissolution, the assets of the social enterprise are redirected appropriately; this could include social enterprises with similar aims and objectives.
- Taken together these two provisions are referred to as the ‘asset lock’, which is the defining characteristic of a social enterprise.
- Social enterprises are distinguished from the private sector by virtue of the asset lock.
- Social enterprises are differentiated from those charities and voluntary organisations in the third sector which do not aspire to financial independence through trading.
- Social enterprises are distinct from the public sector and cannot be the subsidiary of a public body.

SOURCE

¹ <http://www.se-code.net/>

² Social enterprises use many different legal entities. Some are unincorporated, many are companies limited by guarantee and some have charitable status too. Others might be Community Interest Companies or be Scottish Charitable Incorporated Organisations. Whatever model is used, all are run by a core group sharing common goals, rather than a single individual.

THE SCOTTISH CONTEXT

The Scottish Government supports the Third Sector, and in turn social enterprise, in a number of ways. Through Just Enterprise, Ready for Business and the Third Sector Enterprise Fund, £73.5m will be provided over the 3-year period 2012-2015. Via Voluntary Action Scotland, Scottish Government support Third Sector Interfaces (TSI) in each local authority area through an annual financial grant. Each TSI is responsible for supporting and developing the sector within their own local authority area.

No overarching national social enterprise strategy exists, but the Scottish Government has stated its commitment to supporting sustainable, capable and enterprising social enterprises across Scotland. Area-specific social enterprise strategies have been launched in Glasgow, Edinburgh and, most recently, in Dundee. This is therefore the first such strategy outwith a large city in Scotland, for which the Moray community should be proud.

“Social enterprises make an important contribution to our social and economic wellbeing. They help create employment and skills opportunities, improve public services and support some of our hardest to reach communities.”

John Swinney, MSP, Cabinet Secretary for Finance, Employment and Sustainable Growth. Speaking at the 2013 Social Enterprise Gathering in Glasgow.



Coastline to the east of Hopeman, Moray

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THE MORAY CONTEXT

The third sector in Moray is vibrant and diverse. Previous research estimates that the third sector comprises around 1,400 organisations ranging from small locally focussed organisations with little or no regular income, to major charities and social enterprises. Using the most recent research available in relation to the latter³, it is estimated that the local economy benefits from almost £49m in associated income based on c2,400 FTEs employed in the sector. The time committed by volunteers is estimated at 2,272 FTEs and inputs a value of £34.1m.

The Moray Economic Strategy (2012) recognises the social economy as one of its considerable strengths and opportunities, describing it as:

‘A well established and developing social economy with high levels of engagement which can provide a resource to build capacity in service delivery and in product and service development in key sectors.’

Support for the development of social enterprises locally is shared between Third Sector Interface Moray (tsiMORAY), Highlands and Islands Enterprise (HIE), Business Gateway and The Moray Council. tsiMORAY has two part-time social enterprise development managers; these are funded by HIE and a Scottish Government Core Grant. A thriving fellowship exists in the form of Moray Social Enterprise Network, which currently has 60-plus member organisations. The latter make up just some of the social enterprises in existence within Moray.

SOURCE

³ Economic Impact Assessment Value of The Third Sector in Moray. Report for HIE by Steve Westbrook, Economist, and Malcolm Aldridge of Solution Management Ltd. (2010)



Elgin Youth Café

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CASE STUDY: ELGIN YOUTH DEVELOPMENT GROUP

Elgin Youth Development Group (EYDG) was established in 1998 with the vision of providing a safe haven and personal development opportunities for young people from all social, economic, cultural and ethnic backgrounds in the local area.

Following over two years of planning and fundraising, the Elgin Youth Café was opened in 2001, offering a safe space for young people to meet and socialise, away from the pressures of alcohol, drugs, gambling and crime.

Over the last eleven years, EYDG has developed the facilities and opportunities on offer to young people and now provides a wide range of projects and activities including: a Youth Café that is open four nights a week; a community project; after school clubs; a variety of training courses; holiday and evening activities; issue-based sessions in the Café.

EYDG is seen as an example of best practice in the establishment and running of a youth café and often receive visitors from other cafés or councils which are interested in setting up their own charity.

In 2010, EYDG was awarded the Queen's Award for Voluntary Services and the Volunteer Friendly Award.

EYDG is funded by a wide range of trusts, funding bodies and organisations and also generates income from its range of trading activities.

EYDG has currently secured a one year lease for the adjoining building. This period of time will be used to further develop an initial viability study into a robust business plan which demonstrates both need and opportunities for sustainability.



Knockando Woolmill

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THE CONSULTATION PROCESS

Gaining relevant and up-to-date information about the third sector in general and social enterprise in particular is an important element of the consultation process. Having considered the best approach, existing research is already available on which to base a strategy. The following were used as part of an initial desktop consultation exercise:

- Moray Community Health and Social Care Partnership Social Enterprise Strategy (2012).
- Moray Economic Strategy (2012)
- Moray Social Enterprise Network Baseline Survey (2012).
- Moray Community Capacity Building Survey (2012).
- HIE Social Enterprise Sector Profile (2012).
- Christie Commission Report - Commission on the Future Delivery of Public Services (2011).
- Coburn's report on Evaluating the Success Factors for a Thriving Social Enterprise in Scotland (2010).

- Economic Impact Assessment Value of The Third Sector in Moray. Report for HIE by Steve Westbrook, Economist, and Malcolm Aldridge of Solution Management Ltd (2010).
- Scottish Government research: The Opportunities and Challenges of the Changing Public Services Landscape for the Third Sector - Year Three Report (2009-2012).

Following this, a discussion document was put out for wide consultation. Two group meetings also took place with stakeholders at HIE Moray. In addition, one-to-one consultations were undertaken, as well as an invitation to all tsiMORAY database contacts to comment on the discussion document. Feedback from the consultation process has been fully incorporated into the final strategy. A list of those stakeholders who provided feedback is shown at the end of this document.

AIM

We believe that social enterprise works towards creating a more just society. Our vision is to create an environment within which this is better understood throughout Moray. Our goal is to integrate the social enterprise business model within the whole community, for the greater good of the community. In Moray, we recognise that social enterprises can be supported, nurtured and encouraged to:

- make a positive economic impact.
- have effective business models, with a clear focus on social and environmental impacts.
- recognise that they benefit their local communities and understand their role within it.
- have a clear understanding about their contribution towards creating a sustainable Moray.

Given this, we aim to put across the following four strategic objectives:

1. Create an environment within which social enterprises are supported and can flourish.
2. Raise awareness of the value of social enterprises to Moray.
3. Increase the strength and capacity of social enterprises to become a strong business model.
4. Through social enterprise, increase Moray's economic, environmental and social wellbeing.

This Social Enterprise Strategy for Moray will therefore consider routes available to achieve the above. Overall, the strategy will attempt to reposition social enterprise within the context of a dynamic local and national operating environment. The roles of a wide stakeholder range will be looked at to allow this to happen. Doing this will enable social enterprises to contribute even more effectively to public policy agendas and local, national and international social and environmental objectives.



Earthtime

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CASE STUDY: EARTHTIME COMMUNITY INTEREST COMPANY

Earthtime CIC is a unique and innovative organisation established in March 2011 to facilitate outdoor play and education, primarily, but not exclusively, for 2-8 year olds and their families.

As well as offering a nature-based programme of workshops for young people, Earthtime also offer unique outdoor birthday parties, corporate outings and activities, together with a developing range of eco-friendly craft products; these increase its trading income and contribute to the longer term sustainability of the organisation.

Earthtime recently acquired a small building, West Lodge, within Cooper Park in Elgin on a five year lease from Moray Council. Earthtime's aim is to further develop West Lodge as a community hub and increase its portfolio of services to support eco-schools and forest school sessions. It also aims to engage with a wider range of organisations, including groups with challenging behaviour and those disadvantaged through isolation and social deprivation.

In addition to offering valuable services and improving community cohesion, Earthtime also offers volunteering opportunities, improving the skills required for future employability.

KEY STRANDS

Key to this strategy's success will be a tie in with the Moray Economic Strategy, with the Moray Community Planning Partnership acting as the catalyst for encouraging and promoting its importance. The corporate vision of Community Planning in Moray is:

'To increase the quality of life and develop the wellbeing of everyone in Moray.'

Social enterprise, as an enterprising third sector activity, contributes to Moray's Single Outcome Agreement Priorities. This demonstrates the contribution that the Social Enterprise Strategy for Moray will make in respect of:

- SOA 1** Healthier Citizens
- SOA 2** Ambitious and confident children and young people
- SOA 3** Adults living healthier, sustainable independent lives safeguarded from harm
- SOA 4** A growing and diverse economy
- SOA 5** Employability and employment skills
- SOA 6** Community Safety
- SOA 7** Partnership and Organisations Development



Buckie, Moray Coast

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THE FOUR OBJECTIVES

1. CREATE AN ENVIRONMENT WITHIN WHICH SOCIAL ENTERPRISES ARE SUPPORTED AND CAN FLOURISH.

The overall future viability of the social enterprise sector relies on allowing individual social enterprises to adopt an appropriate operational delivery model. The relevant support mechanisms must be in place for this to happen. The model in question will be one within which they are encouraged to trade and make a profit. Like any new start businesses, funding can present challenges, as can positioning within existing competitive markets. We therefore need to explore both sustainable financing opportunities and support to social enterprises at a local development level. Both learning opportunities and business support are relevant here.

Key opportunities:

- a) Recognise and develop the value of one-to-one support, peer-learning, networks, formal partnerships and informal partnerships.
- b) Provide clear advice and information about finance and marketing.
- c) Provision of integrated business support services through tsiMORAY, HIE, Business Gateway and The Moray Council.
- d) Put appropriate systems in place to collaborate throughout Moray and the wider market.
- e) Engage meaningfully with credit unions⁴ and other funding sources to explore funding for new and existing enterprises.
- f) Assist social enterprises to understand the public procurement process.
- g) Create enterprising partnership opportunities.

2. RAISE AWARENESS OF THE VALUE OF SOCIAL ENTERPRISES TO MORAY.

Significant awareness raising is required so that the community fully appreciate how social enterprise uniquely benefits the Moray economy. This profile raising activity will be a fundamental lever towards ensuring that social enterprise is seen as a viable business option. Promotion of a meaningful economic development framework for the sector, in line with the extant Moray Economic Strategy, will therefore foster understanding of the important role social enterprises play within it.

Key opportunities:

- a) Provide a mechanism for accurately measuring the impact social enterprise makes on economic, environmental and social wellbeing.
- b) Foster local awareness of the social enterprise 'brand'.
- c) Influence community decision makers.
- d) Work with schools and colleges and encourage them to set up and run social enterprises throughout their student populations.



Covesea Lighthouse, Moray

3. INCREASE THE STRENGTH AND CAPACITY OF SOCIAL ENTERPRISES TO BECOME A STRONG BUSINESS MODEL.

We would like to create enabling mechanisms for social enterprises to develop and deliver. We aim to develop the strength of social enterprises so they can add significant value to the overall viability, growth and sustainability of the Moray economy. This will contribute towards the development and business growth of social enterprises. The approach will be on helping to develop and promote the capabilities of those involved in running social enterprises to deliver sustainable business outputs.

Key opportunities:

- a) Identify and develop opportunities for access to business development training and support, and peer-to-peer networks.
- b) Develop business-to-business working relationships with other sectors, particularly the private sector.
- c) Identify and develop sector-specific opportunities using the five key themes within the Moray Economic Strategy.
- d) Develop the social enterprise sector so it can work smarter and more efficiently.
- e) Ensure that appropriate support is provided to allow social enterprises to develop and deliver.
- f) Identify and develop Community Asset Transfer opportunities.

4. THROUGH SOCIAL ENTERPRISE, INCREASE MORAY'S ECONOMIC, ENVIRONMENTAL AND SOCIAL WELLBEING.

High levels of effective social capital can be achieved through the use of social enterprises. A successful and well-established social economy in Moray contributes to increasing wellbeing. The Scottish Government recognises:

'...the direct contribution social enterprises make to the growth of Scotland's economy, the wellbeing of its citizens and the improvement of its public services.'

Supporting the development of individuals, groups and communities is a significant factor to enable social enterprises to be, and remain, successful ventures.

Key opportunities:

- a) Social enterprise is a potential vehicle for providing public services; therefore, opportunities to develop this idea should be explored and developed.
- b) Explore alternative income streams available through market development, delivering contracts and service level agreements.

SOURCE

⁴ These are social enterprises in their own right. Their legal status is an Industrial Provident Society.



Findhorn Bay Arts Festival Ltd - Culture day

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CASE STUDY: FINDHORN BAY ARTS FESTIVAL LIMITED

Findhorn Bay Arts Festival Limited (FBAF) was formed in January 2012. It aims to create a bi-annual arts festival to celebrate Moray's cultural assets and Findhorn Bay as an area of outstanding beauty, as well as raising awareness of Moray as a thriving cultural hub.

FBAF will help facilitate arts, heritage, community and cultural organisations and businesses around Findhorn Bay, including the coastal villages of Kinloss and Findhorn, the historic market town of Forres and nearby Culbin Bay, to host free, open house style activities designed to encourage participation in a variety of art forms. It is anticipated that over 65 cultural organisations will participate,

attracting over 2,900 families, individuals, locals and visitors to the area.

FBAF will, throughout the year, continue to connect with the arts community through Culture Café networking and produce events and activities that engage with the community and help to develop cultural tourism.

FBAF will mark the 2014 Year of Homecoming by celebrating the roots of one of history's most famous Scottish Kings; it has been named as one of just 45 Scottish events to receive national funding from Event Scotland for its plans for a modern celebration of both the myth and reality of Macbeth - King of Moray.

LIST OF STAKEHOLDER CONSULTEES

The development of this strategy was informed by the work we do locally in supporting social enterprises and nationally through our links with national networks. In addition to this, we are grateful for the many informal conversations and consultation meetings we have had with our members and a range of stakeholders. In particular, we acknowledge the support of the following stakeholders for their formal feedback on the earlier drafts of this strategy:

Business Gateway
Findhorn Foundation
Moray Community Health & Social Care Partnership
Moray Council on Addiction
Moray Waste Watchers
Mr Alastair Kennedy (Elgin Resident)
National Health Service, Grampian
ReBOOT
The Moray Council (Elected Representatives and Officers)

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