

Recommendations

Each of these recommendations works to address the goal of doubling the size of the social economy in ten years. Delivering these recommendations will require some coordination from within WMCA, ideally with one person having overall responsibility.

What does this mean in practice?

Within three months:

1. WMCA should work with Social Enterprise UK to explore resourcing a local secondment from the social enterprise sector to lead this work.
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1 | Boost the collective identity of social enterprise by strengthening and growing its platforms

What will this achieve for social enterprise in the region?

This recommendation is about building greater understanding of social enterprise, and strengthening the links, support mechanisms, and platforms that already exist for social enterprise and its leadership. The Taskforce is clear that strengthening and scaling successful initiatives is preferable to starting something from scratch.

What does this mean in practice?

Within three months:

1. WMCA representatives to meet with the organisers of CityDrive, Coventry Social Enterprise Forum, BSSEC, the graduation ceremony for the School for Social Entrepreneurs, and any other key social enterprise events to assess their future plans, how those plans will be funded, and where WMCA can provide or seek support or resource.
2. WMCA representatives to meet with organisers of key SME events in the region – such as Venturefest West Midlands²² – to assess their appetite and bandwidth to do more to distinguish and promote social enterprise.

Within six months:

1. WMCA and its partners will have identified what is possible in terms of support and resources, and creates a short paper to outline its commitments. This could include some or all of the following:
 - Using WMCA media channels and contacts to raise the profile of these social enterprise events, businesses, and campaigns;
 - The Mayor, Portfolio Holders, and senior officers to support key events by participating as keynote speakers, panellists, and judges;
 - Allowing WMCA staff – particularly budget-holders and those from Procurement – time to attend key events, and to meet people who run social enterprises.
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²² See: <https://www.venturefestwm.co.uk/>

- Direct sponsorship of elements which are relevant to WMCA's goals in the region – for example, an event which explored built environment social enterprises, which can both contribute to the region's wider capital programme and invest into local citizens by enabling them to develop those skills through placements or employment.
2. WMCA to use the paper to help assess implications for its cyclical business planning.

Within one year:

1. Commitments as outlined in the paper are delivered on.
 2. Process is enshrined into 'business as usual' via the business plan, and the previous year's activity is used to inform the following year.
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2 | Develop a collaborative, ten-year business case for social enterprise business support

What will this achieve for social enterprise in the region?

There are some excellent programmes for supporting social enterprises to start, grow, and sustain, but they are relatively small scale, and vulnerable to shifts in their funding portfolios. The region needs a funded business plan on the same timescales as its overall goal to ensure that business support for social enterprises is both adequate to growing the sector, and targeted to ensure that it reaches people who need it most.

What does this mean in practice?

Within three months:

1. WMCA to commit to enshrining this goal in the Local Industrial Strategy (LIS) delivery plan.
2. WMCA to meet with existing providers of social enterprise business support to understand their current resource base and existing business plans.
3. WMCA or a representative to meet with providers of existing business and employment support – including Local Enterprise Partnerships (LEPs) – to assess their understanding of social enterprise and social enterprise business support.

Within six months:

1. WMCA and social enterprise partners have developed an estimate of the business support 'gap', the starting point of the overall business plan.
2. WMCA to enter into discussions with BEIS, DCMS, and the Office for Civil Society to broker a Government contribution to this plan, in line with the West Midlands Local Industrial Strategy.
3. WMCA to enter into discussions with Trusts, and philanthropic funders to broker additional contributions to this plan.
4. WMCA to enter into discussions with the social finance and investment sector, which directly benefits in pipeline deals coming forward as a consequence of the provision of business support, but typically does not fund support services.

Within one year:

1. WMCA Board to have approved a ten-year business plan for social enterprise, which will draw resources from a variety of sources, including Government, LEPs, Trusts and philanthropic funders, and social funders.
 2. The first investments into social enterprise business support are made as a consequence of the ten-year business plan.
 3. Providers of existing business support will know what a social enterprise is, and will know where to signpost them.
 4. Any implications of the ten-year business plan for social enterprise will be worked into WMCA's cyclical business planning process, and into its capital programme.
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3 | WMCA Office of Data & Analytics to develop and disseminate a consistent approach for data collection on social enterprises

What will this achieve for social enterprise in the region?

As it stands, any target relating to measuring public sector spending with social enterprise, or the size of the overall social economy, is nearly meaningless because there are multiple definitions of social enterprise, and data is not consistently collected. Defining and collecting the right data will ensure that the headline commitment – to doubling the size of the social economy – can be delivered. It will also ensure that social enterprise business support can be targeted appropriately.

What does this mean in practice?

Within three months:

1. WMCA Office of Data & Analytics (ODA) to have met with SEUK, ONS, and the organisations collecting data for local baselines such as the Birmingham Social Enterprise City steering group (including BSSEC and iSE) to establish the right balance between comprehensiveness and resource intensity with regards to collecting data on social enterprises.
2. WMCA ODA to have had an initial meeting with the ongoing Social Value Taskforce, which involves public sector procurement leads from across the region, to get a sense of what would help public bodies to collect the right data.

Within six months:

1. WMCA to be measuring its own procurement spend with social enterprise, applying the measurement retrospectively where possible.
2. WMCA ODA to report a notional figure of the size of the social economy in the West Midlands.

Within one year:

1. WMCA procurement spend and overall size of the social economy to be reported to WMCA Board and Overview & Scrutiny as part of the overall monitoring of this report.
2. Social Value Taskforce members to be measuring their procurement spend with social enterprise, and will have started using their local social value policies to push this approach to measuring social enterprise spend further down their supply chains

4 | WMCA will use its convening role to encourage all regional public sector bodies and publicly-funded projects to spend at least 5% of their commissioning and procurement budget with social enterprise

What will this achieve for social enterprise in the region?

Public bodies and large, publicly-funded projects and events will spend more money on social enterprise products and services, and as a consequence, will deepen their understanding of what it is possible to buy from social enterprise. This will serve some key priorities: helping people to overcome addiction, supporting people with multiple and complex needs, contributing to the built environment, boosting the circular economy, and in the creation of those ‘foundational’ businesses which bolster local centres, and provide employment opportunities for the people who live there. These opportunities could span education, social care, asset-based community development, regeneration, and creative / digital media – all areas where social enterprise is strong.

What does this mean in practice?

Within three months:

1. As above, WMCA ODA will attend a meeting of the Social Value Taskforce to get a sense of the challenge of measuring social enterprise spend. The Social Value Act has enabled public sector bodies to use their commissioning to boost local businesses, but currently – as a rule – do not differentiate between SMEs and social enterprises.
2. WMCA Social Value Taskforce to reflect on the practicality of this goal, and its implications for small and large commissions (i.e., below and above OJEU level).

Within six months:

1. If required, the Social Value Taskforce will update the WMCA Social Value policy to reflect the specific commitments on social enterprise spend and social value impact.
2. WMCA Inclusive Growth Unit to embed this target into any piloting of inclusive growth approaches in Town Centres and other regeneration programmes. This could include social enterprise incubators and coworking spaces.
3. By agreement, Social Value Taskforce members will sign up to the target, and will start its own plans to meet, or exceed it²³.

Within one year:

1. WMCA and other public bodies will be implementing plans to meet the 5% target, with progress reported to WMCA Board and Overview & Scrutiny.
2. WMCA will be confident that its social value policies are robust enough to derive maximum social value from the investments it is responsible for.

²³ Note that without the consistent measure of social enterprise spend, it is impossible to know how close different public bodies are to meeting or exceeding this target, and it will be ‘stretched’ if appropriate.

5 | WMCA and partners to lead a campaign to encourage closer links between social enterprises and the wider private sector

What will this achieve for social enterprise in the region?

More businesses will more purchase products and services from social enterprises, and there will be opportunities for private sector businesses to learn from social enterprise, and vice versa. Given that social enterprise leadership tends to be more diverse, this is an opportunity for social enterprise to help WMCA deliver the Leadership Commission recommendations. In short, this is about ensuring that social enterprises and the broader private sector can more regularly operate collaboratively, in the same spaces.

What does this mean in practice?

Within three months:

1. Leadership Commission Delivery Co-ordinator to brief the Mayor and his team on how existing delivery around the Inclusive Leadership Pledge could support this campaign, and to highlight any risk areas

Within six months:

1. WMCA to work with business support organisations to design a campaign that encompasses the following:
 - Commissioning and procuring from social enterprise, including the 5% pledge that the public sector will be working towards;
 - Bringing more social enterprises into private sector supply chains.
 - Seconding private sector staff into social enterprise and vice versa;
 - Social enterprise representation on corporate boards, and vice versa;
 - Business opportunities for social enterprise intermediaries to broker these relationships;
 - Other support as deemed appropriate.
2. WMCA Marketing and Communications to work with social enterprise and business support organisations to design and deliver a Communications plan to support the campaign, bearing in mind the need to ensure alignment with other business engagement work.

Within one year:

1. Case studies and other good news stories start to emerge as businesses and social enterprises participate in the campaign, and are shared at events like CityDrive.
2. Businesses start to sign up to the 5% spend with social enterprise target.

6 | Work with social finance and investment partners to assess gaps, barriers, and improvements that could boost the impact of social investment, as well as increasing demand

What will this achieve for social enterprise in the region?

Social enterprises do not always have the confidence to seek investment, or to borrow money to scale up. Part of the answer to this lies in Recommendation 2 (business support), but it is also ensuring that the right financial products are out there, and that each business is able to assemble the 'capital stack' that suits their development needs. This work will ensure that we understand where WMCA should convene social finance partners to 'fill the gap', and where it is necessary to remove barriers to existing products. This work has already started.

What does this mean in practice?

Within three months:

1. WMCA to build on plans and conversations with social finance and investment partners to establish to turn the gaps and barriers that have been identified via the Social Economy Taskforce into a specification for a piece of detailed work on boosting demand for social finance, and for 'bridging the gaps'. This could include the following elements:
 - A revolving loan fund;
 - A fund to underwrite community and co-operative share issues;
 - A fund to enable WMCA and any future partners to act as an institutional investor;
 - A 'Community Bond', a proposal for which has already been developed by members of the Taskforce²⁴.
2. Commission an appropriate social finance and investment partner to undertake that work.

Within six months:

1. Work to have been reported back to PSR and WMCA Boards, and provided to Overview & Scrutiny. WMCA Board will assess any risks involved in the next steps of setting up or otherwise coordinating the creation of investment funds.

Within one year:

1. Social enterprise confidence in taking on investment or debt is boosted via business support, improved signposting, and by closer relationship with corporates.
2. A start date for investments from any new funds is known.

²⁴ See: Appendix 1