

## CABINET

<b>Date of Meeting</b>	Tuesday, 21 <sup>st</sup> November 2022
<b>Report Subject</b>	Social Enterprise
<b>Cabinet Member</b>	Cabinet Member for Climate Change and Economy
<b>Report Author</b>	Chief Officer (Planning, Environment and Economy)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

Audit Wales have recently completed a review of support for the social enterprise sector by Welsh local authorities. They have issued several recommendations and created a self-assessment tool for local authorities to use. Flintshire County Council already has a well-established structure to support the sector and was recently awarded the Social Enterprise Place accreditation to reflect our achievements. However, the Audit Wales report provides the Council with the opportunity to reflect on its performance and to improve the service.

This report presents a proposed response to the Audit Wales report recommendations, a self-assessment exercise undertaken by the Council using the Audit Wales template and finally a revised Social Enterprise Action Plan which reflects any areas for improvement identified.

### RECOMMENDATIONS

1	Members are asked to review and approve the draft response to the Audit Wales report ' <i>A missed opportunity</i> ' – <i>Social Enterprises</i> .
2	Members are asked to review and approve the draft Social Enterprise Action Plan which has been developed following the publication of the report above.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING SOCIAL ENTERPRISE IN FLINTSHIRE</b>
	<u>Background</u>
1.01	Social enterprises are businesses that trade in goods and services like any other enterprise, but their profits are reinvested in social causes. They take a variety of legal forms depending upon their need. Social enterprises vary in scale from multi-national companies to small one-person enterprises.
1.02	<p>Three example social enterprises are summarised below to illustrate the range of services being delivered by the sector:</p> <p><b>Harmony Stables Community Interest Company</b></p> <p>This is a riding stables on the outskirts of Buckley that creates opportunities for members of the public to partake in equine rehabilitation; allowing members of the public who don't own a horse to learn about horse welfare, rehabilitation and training (ridden and on the ground).</p> <p>The company provides the opportunity for members of the public, specifically those with additional needs, to partake in equine assisted learning (ridden and non-ridden); benefit by increased confidence, learn new skills, and improve mental and physical health, through working with the horses in a supported environment.</p> <p>The company will provide the opportunity for members of the public to ride the horses on a paid-for basis, generating the revenue to cross subsidise the opportunity for members of the public with additional needs to take part in activities that otherwise they could not afford.</p> <p><b>Sport for Champions Community Interest Company</b></p> <p>This is a Flintshire based social enterprise operating nationally. The company promotes the importance of leading a healthy lifestyle to school children across the UK, sponsoring Team GB and well-known athletes to attend schools to promote sports.</p> <p>The enterprise raises funding for schools through sponsorship deals with private companies to secure the necessary revenue to pay professional athletes to attend the schools to promote sports. Focus is placed on current high profile sporting events to secure maximum buy in from pupils.</p> <p>The company secures sponsorship from private companies and takes the costs of delivering the events from the deals they secure. Of the money raised above operating costs, 60% goes to the schools as an unrestricted budget, the remaining 40% is used to pay the charges and expenses of the athletes visiting the schools.</p> <p><b>Shelby's Place Community Interest Company</b></p>

	<p>This is a social enterprise in the centre of Buckley which provides a safe space for young children specifically for, but not restricted to, those with additional needs, to play and learn.</p> <p>Based in the rooms behind a retail outlet, the company delivers craft workshops for young children and their parents, giving them the opportunity to benefit from therapeutic activity whilst learning new skills</p> <p>The company has developed a supervised sensory area. This is used to stimulate children with additional needs through the media of lighting, music and touch in order to develop their skills and interaction with others. This will also enables parents to focus on other siblings during these play periods.</p> <p>As well as charging fees to access the workshops and play areas, the company rents shelf space from a retail outlet for local artisans, the income from which cross subsidises the opportunity for children with additional needs to attend.</p>
1.03	<p>In 2013, the Council recognised the value of social enterprises in meeting the needs of local communities and in diversifying the economy but identified that there were relatively few in the County. The Council started to employ a specialist Social Enterprise Development Officer to provide one to one support to enterprises to help them to become establish, develop and grow. The Council has, since the creation of this post, supported the development of approximately 100 new social enterprises as well as providing support to grow and sustain existing social enterprises</p>
1.04	<p>The Council's free impartial social enterprise support is accessible regardless of whether the business is already established or a new start-up venture. The support provided includes, but is not restricted to, pre-start development, business, and financial planning; identification of appropriate legal structures and business registrations; preparing for investment and cash flow forecasting in addition to support with bid/tender writing; introduction to crowd funding; revenue modelling; marketing and governance and the development and delivery of bespoke training to meet business needs.</p>
1.05	<p>A number of social enterprises deliver services on behalf of the Council. For example, Double Click Design and Print Community Interest Company (CIC) deliver support to individual affected by mental health issues to help them develop the confidence and skills to secure meaningful employment. Dangerpoint in Talacre provide safety education through an agreement with the Council which provides the opportunity for schools to visit the centre and take a structured guided tour around the life-like scenarios. Social enterprises also contribute to Council service delivery in Social Services and waste recycling.</p>
1.06	<p>Flintshire Council has worked collaboratively with social enterprise leaders from across the county to develop a support network. The now well-established Flintshire Social Enterprise Partnership meets regularly to give members the opportunity to share experiences, celebrate successes, develop collaborations, network with like-minded organisations, and share models of best practice with other members. A key outcome from the</p>

	network has been the development of the Social Enterprise Stakeholder Group who work with collaboratively with the Local Authority on projects such as securing 'Social Enterprise Places' and the development of the 'Flintshire Social Impact Toolkit.'
1.07	In 2020, Social Enterprise UK officially recognised Flintshire as a registered 'Social Enterprise Place.' This registration acknowledges the range, quality, and level of social enterprise activity within the county and serves to raise the profile of Flintshire and the sector at a national level.
1.08	Working in partnership with the Social Enterprise Stakeholder Group, an innovative "Flintshire Social Impact Toolkit" was designed, developed, and piloted with the sector. The on-line toolkit identifies the social value of work being carried out and the financial impact that Flintshire based social enterprises are generating as a result of their daily activities. This toolkit demonstrates the financial value of the social impact generated by social enterprises within Flintshire. During the 18 months pilot project, using seven social enterprises, the toolkit identified almost £3m of social benefit within Flintshire. By 2024/25 we intend to increase the number of toolkit users to 30. To date in the financial year 2023/2024 the Impact Toolkit has identified £738k of social value achieved in Flintshire.
	<u>Audit Wales report and response</u>
1.09	In December 2022 Audit Wales published their report "A missed opportunity – Social Enterprises". The report followed their review of the support provided to the sector by local authorities in Wales. The report is available at <a href="https://www.audit.wales/publication/missed-opportunity-social-enterprises">https://www.audit.wales/publication/missed-opportunity-social-enterprises</a> .
1.10	The report highlights some of the good practice that the Council has in place to support the sector, but also highlights areas for improvement for local authorities across Wales.
1.11	<p>The proposed formal response to Audit Wales on each of its recommendations is set out below.</p> <p><b>R1</b></p> <p>To get the best from their work with and funding of Social Enterprises, local authorities need to ensure they have the right arrangements and systems in place. We recommend that local authority officers use the checklist [Appendix 1] to:</p> <ul style="list-style-type: none"> <li>• self-evaluate current Social Enterprise engagement, management, performance and practice;</li> <li>• identify opportunities to improve joint working; and</li> <li>• jointly draft and implement an action plan with timeframes and responsibilities clearly set out to</li> <li>• address the gaps and weaknesses identified through the self-evaluation.</li> </ul> <p><b>Proposed response</b></p>

Flintshire County Council, in response to the Audit Wales report, has completed a self-evaluation process on its work with social enterprises in consultation with the sector. This used the template provided by Audit Wales (Appendix 1). The Council, in response to the findings of the self-assessment, has worked with the sector to update the social enterprise action plan (Appendix 2). This will be submitted to the relevant Overview and Scrutiny Committee for discussion and presented to Cabinet for approval.

## **R2**

To drive improvement we recommend that the local authority:

- formally approve the completed Action Plan;
- regularly report, monitor and evaluate performance at relevant scrutiny committees; and
- revise actions and targets in light of the authority's evaluation and assessment of its performance.

### **Proposed response**

The Social Enterprise Action Plan will be presented to the relevant Overview and Scrutiny Committee for discussion and will be formally approved by Cabinet. Progress on supporting social enterprises is already reported to Cabinet and Scrutiny as part of the Council Plan monitoring. However, as set out in the Action Plan, opportunities to raise the awareness and understanding of social enterprises amongst elected members will be created through specific events and more detailed reporting.

## **R3**

To ensure the local authority delivers its S.16 responsibilities<sup>1</sup> to promote Social Enterprises we recommend that it reports on current activity and future priorities following the evaluation of its Action Plan including the Annual Report of the Director of Social Services.

### **Proposed response**

Progress towards delivering the action plan, including how the Council has fulfilled its Section 16 responsibilities, will be formally reported to Cabinet and Scrutiny on an annual basis.

1.12

Section 16 of the Social Services and Well-Being Act (Wales) this legislation was passed on 6th April 2016. The Act is based on the principles of giving voice and control to service users and carers, prevention and early intervention and to achieve well-being outcomes through co-production. It therefore gives service users more say and control over the support they receive to achieve well-being. The purpose of the Act is to require local authorities to promote the development and

	availability of care and support services, including services for carers, and preventative services that are provided by social enterprises, co-operatives, user led organisations and third sector organisations. It aims to promote preventative services within the community and reduce the escalation of critical need and reduce or delay the need for longer term care and support. It is also designed to give service users more control over their interactions with professionals as well as give them choice and invite advocates to support them to express their views, wishes and feelings.
1.13	Following approval of the formal response to Audit Wales by Cabinet, this report will be presented to the Audit Committee for ratification.
1.14	The Council, in response to the Audit Wales recommendations, has undertaken a self-assessment exercise (Appendix 1) for its support for social enterprises and has, in consultation with the sector, produced an updated Social Enterprise Action Plan 2023-2025 (Appendix 2) which is presented for discussion and approval.
1.15	The Action Plan sets out four aims: <ul style="list-style-type: none"> <li>• Aim 1: Social enterprises will be better able to support each other</li> <li>• Aim 2: Social enterprises will be better able to evidence their impact</li> <li>• Aim 3: Social enterprises will have a higher profile</li> <li>• Aim 4: Social enterprises will deliver more services on behalf of the public sector</li> </ul>
1.16	The Action Plan includes a range of actions to deliver against these aims. Progress will be reviewed with the Flintshire Economic Recovery Group and Social Enterprise Stakeholder Group and reported to Cabinet and Scrutiny as part of the regular Council Plan reporting process.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	No resource implications arise directly from this report. The actions contained in the Action Plan make use of available Council resources.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>								
3.01	<b>Ways of Working (Sustainable Development) Principles Impact</b> <table border="1"> <tr> <td>Long-term</td> <td>Supporting social enterprises helps to create community-led sustainable capacity to address local needs without ongoing grant support.</td> </tr> <tr> <td>Prevention</td> <td>No major impact</td> </tr> <tr> <td>Integration</td> <td>No major impact</td> </tr> <tr> <td>Collaboration</td> <td>The Council is working closely with the sector to co-design the available support and shares expertise with other local authorities across the region.</td> </tr> </table>	Long-term	Supporting social enterprises helps to create community-led sustainable capacity to address local needs without ongoing grant support.	Prevention	No major impact	Integration	No major impact	Collaboration	The Council is working closely with the sector to co-design the available support and shares expertise with other local authorities across the region.
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Prevention	No major impact								
Integration	No major impact								
Collaboration	The Council is working closely with the sector to co-design the available support and shares expertise with other local authorities across the region.								

Involvement	The Council is working closely with the sector to co-design the available support.
<b>Well-being Goals Impact</b>	
Prosperous Wales	Social enterprises make a significant contribution to addressing all of the Well-Being goals through a sustainable and community-led business model.
Resilient Wales	
Healthier Wales	
More equal Wales	
Cohesive Wales	
Vibrant Wales	
Globally responsible Wales	
Risk management	
Risk	Mitigation
Public sector resources limit the availability of support to the sector	The Action Plan has been developed, as far as possible, within the constraints of current resources.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	The production of the revised Social Enterprise Action Plan included consultation with representatives from the sector.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Social Enterprise Self-Assessment Appendix 2 – Draft Social Enterprise Action Plan

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Audit Wales report ‘A missed opportunity’ – Social Enterprises’ <a href="https://www.audit.wales/publication/missed-opportunity-social-enterprises">https://www.audit.wales/publication/missed-opportunity-social-enterprises</a>

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<b>Contact Officer:</b> Niall Waller Enterprise and Regeneration Manager <b>Telephone:</b> 01352 702137 <b>E-mail:</b> <a href="mailto:niall.waller@flintshire.gov.uk">niall.waller@flintshire.gov.uk</a>

8.00	GLOSSARY OF TERMS
8.01	<p><b>Audit Wales</b> - works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p><b>Community Interest Company (CIC)</b> - a limited company, with special additional features, created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage. (UK Government)</p> <p><b>Social Enterprise UK (SEUK):</b> UK's membership body for social enterprises. SEUK lead the world's largest network of businesses with a social purpose who together are helping to create a fairer economy and a more sustainable future for everyone.</p> <p><b>Social Value</b> - Social value is a board term used to describe the social, economic, environmental and cultural impact of our collective decision making and business operations</p> <p><b>The National TOMs – Themes, Outcomes and Measures –</b> is a framework for delivering excellence in measuring and reporting social value</p>