

EXPLORING SOCIAL ENTERPRISE IN NINE AREAS IN IRELAND

FINAL REPORT

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Ann Clarke & Anne Eustace
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CHAPTER ONE INTRODUCTION

1.1 Introduction

PLANET – the Partnership Network is the representative voice for area-based Partnerships (‘Partnerships’) in Ireland. PLANET is a co-operative that is an independent network financed entirely by its members. The Partnerships work to promote social inclusion through the development of disadvantaged areas and communities. They are funded under the National Development Plan through the Department of Community, Rural and Gaeltacht Affairs, Pobal and other sources.

PLANET is supported by a number of national Policy Groups involving PLANET members. These Policy Groups address common concerns that are shared among members in the area of enterprise, labour market initiatives, community development, childcare, education and training. These Policy Groups develop PLANET policy based on the practical experience of members working at local level.

In 2005, PLANET made a policy submission to the government calling for the development of a national policy to strengthen and support the Third Sector. This included mapping of the sector.

The Third Sector comprises enterprises or organisations established with a social remit, including social enterprises. The key features of these organisations are:

- They are autonomous organisations established by local citizens.
- They are driven by social objectives and a desire to benefit the local community.
- They engage in continuous productive activity – goods and/or services.
- They have participative structures and decision-making.
- They reinvest any profits back into their enterprise.
- They provide local employment.

In 2009, in association with Clann Credo (social finance provider), the Dublin Employment Pact (DEP) and the Ulster Community Investment Trust, the Third Sector policy group of PLANET commissioned Eustace Patterson Limited to map social enterprises in nine pilot areas: Counties Mayo (North East), Kerry (South), Monaghan and Wexford, Limerick city and Ballymun, Clondalkin, Dun Laoghaire/Rathdown and Tallaght in Dublin. The area-based Partnership companies in each of these nine pilot areas actively supported the research through the Steering Group, championing the survey of enterprises into their locale and hosting the workshops.

1.2 Terms of Reference

The aims of the research were to explore to what extent, and how, the contribution of social enterprises operating within the Third Sector might be measured, encouraged and supported. The study was to identify the extent and nature of social entrepreneurial activity within the nine pilot areas.

The specific objectives of the study were as follows:

- To build a database of all social economy organisations in these areas which in some degree engage in trading to achieve their defined economic and social purpose.
- To provide an in-depth analysis of the qualitative aspects to social enterprises, including reference to their organisational structure, management ethos, management style, decision making process, scale, strategy and financial position.
- To develop a number of comprehensive case studies, demonstrating the dynamics of social enterprise activity in practice.
- To promote and publicise the potential of social and community enterprises to contribute to the development of the local economies throughout these areas.
- To identify barriers to the establishment and growth of social and community enterprises.
- To identify the opportunities within Ireland which might be most appropriately taken up by the social economy, as based on research both within Ireland and internationally.
- To make recommendations about how the growth of social enterprises may be encouraged both at local and national level.
- To estimate the benefits likely to accrue to communities accessing their services.

1.3 Methodology

The research approach was consultative in that it involved a steering group comprising representation from the nine areas and ongoing interaction with the area-based Partnership companies in each of the nine pilot areas. The research was participative in that it involved a survey of social enterprises followed by a series of interactive workshops and examples of social enterprise in action.

The focus was on:

- Identifying the number, type and scale of social enterprises in the nine areas.
- Identifying the key features of these organisations and highlighting best practice.
- Identifying the benefits they bring to local communities.
- Identifying how they operate within local communities and the dynamics involved.
- Identifying barriers to further development and proposing solutions to overcome these barriers.
- Exploring sustainability, what it means to social enterprises and how it might be achieved.
- Identifying opportunities for development and proposing how they might be promoted and encouraged.

The key research tasks that were undertaken included consultation with PLANET, DEP and Clann Credo. A review of relevant literature and web sites was carried out to provide background material and to place the Third Sector in context. This also

informed the design of research instruments. The nine Partnership organisations in the pilot areas were contacted in order to draw up a list of social enterprises for inclusion in the mapping exercise. Each of these enterprises was invited by the consultants to take part in a telephone and/or email survey in order to obtain information that could be used to develop a database of social enterprises.

The type of information gathered included:

- Type of enterprise, location and length of time in business.
- Goods and/or services provided.
- Number of employees broken down between paid part-time, paid full-time and volunteers.
- Organisational and management structure, ethos and style.
- Financial information including sales, profits and sources of funding.
- Main challenges.
- Benefits to the local community

This information formed the basis for the development of database of social enterprises in the nine areas.

The Partnerships developed an initial list of 176 social enterprises in their areas and of these 106 agreed to take part in the survey, a response rate of 60%.

The Partnership companies were also asked to nominate three social enterprises in their areas that they believed were good working examples of social enterprises in action. The purpose of these case studies is to demonstrate what a social enterprise is, how it operates, the goods/services provided and the dynamics of its interaction with the local community. The consultants then selected one enterprise from each of the nine Partnership areas and invited them to work with them to draw up a cameo depicting their business. Nine case studies were developed in consultation with these enterprises.

Eight workshops were facilitated by the consultants in different locations around the country. Members of the area-based Partnership companies were active in organising these events and local enterprise officers and social enterprises took part. In all, 87 people participated across the eight workshops. The workshops were designed to be interactive, exercise based and inclusive. The principle theme was sustainability for social enterprises. The topics discussed included the benefits, dynamics, challenges and sustainability of social enterprises. This process provided qualitative information that supported the survey and case studies. It also provided a forum for discussion about the way forward in terms of encouraging growth and sustainability in the Third Sector.

The data gathered from the survey was compiled into an SPSS¹ database and quantitative information was analysed using SPSS and Excel spreadsheets. The fields for incorporation into the database were agreed with PLANET in advance. Qualitative data gathered from the survey and workshops was analysed thematically.

¹ Statistical Package for the Social Sciences

1.4. Structure of the Report

Following this introduction, chapter 2 examines the background and context for the Third Sector and the development of social enterprises. Chapter 3 summarises the key findings from the survey of social enterprises in the nine Partnership areas. Chapter 4 describes social enterprises in action through nine case studies of social enterprises operating across different sectors and different parts of Ireland. Chapter 5 identifies the community dynamics and benefits of social enterprises. Chapter 6 examines the challenges encountered by social enterprises and Chapter 7 presents some solutions in response to these challenges. Chapter 8 draws together the conclusions and outlines a set of recommendations for consideration.

CHAPTER TWO BACKGROUND & CONTEXT

2.1 Introduction

This chapter explores the policy context in which the Third Sector operates. It examines definitions of social enterprises. It also summarises some models of support in operation in other countries that might usefully inform Ireland.

2.2. Definition of Social Enterprises

Social enterprises are part of what is termed the Third Sector or Social Economy. The Third Sector is comprised of organisations that are independent of the State, but may receive funding from the State, and may also contribute to the delivery of public services. They have primarily social objectives and reinvest any surpluses they generate in pursuing these objectives.

The literature reveals considerable debate over the definition of social enterprise. There are many definitions of what constitutes a social enterprise. It is evident that there is much confusion over the terms ‘social economy’, ‘third sector’ and ‘social enterprise’. Many define social enterprises by listing the key characteristics that distinguish them from private or State enterprises². These characteristics include:

- Enterprises established to tackle a social or environmental need and addressing this need is central to the purpose of the enterprise.
- Enterprises that engage in traded activity.
- Any profits made are reinvested to sustain and further the social or environmental mission of the enterprise.
- Ownership is within a community or amongst people with a shared interest.

In its submission to the government in 2005, PLANET articulated a definition of social enterprise. PLANET argued that a social enterprise is one that has:

- An explicit aim to benefit the community.
- Continuous activity producing goods and/or offering services.
- A high degree of autonomy, i.e. not managed by public authorities or other organisations.
- A significant level of economic risk.
- Hires a minimum amount of paid workers.
- Is launched by a group of citizens.
- Decision-making power is not based on capital ownership, e.g. by having one man one vote or voting that is strictly limited to a defined percentage of votes.
- A participatory nature which involves people affected by the activity, e.g. consumers, workers.
- Limited or no distribution of profits.

² See for example OECD (1996), www.socialenterprises.org FÁS (2000)

2.3. Policy Context

At international and national level there is a strong rationale for the Third Sector as a necessary part of a country’s infrastructure and economic activity³. Reasons put forward for this necessity include: to address market failures by the private sector and delivery failures by the State; as a component of labour market activation; to support urban and rural regeneration, and as a means of delivering state investment by sub-contracting public expenditure in disadvantaged areas.

At EU level, the European Commission established a Social Economy Unit in 1989 to undertake a variety of actions to support the development of not-for-profit organisations. In Britain, policies and structures have been established to develop the social economy. The U.K. Cabinet Office published its first strategy for social enterprise in 2002. This led to an action plan for social enterprise launched in 2006 and the establishment of the Cabinet Office for the Third Sector (www.cabinetoffice.gov.uk/third). It sets out to foster a culture of social enterprise, to improve the business advice, information and supports available to social enterprises, to address financial barriers and to enable social enterprises to work more effectively with government.

The Scottish Executive developed a specific set of policies to promote the social economy and undertook a major review of these policies and supports provided to the sector in 2003. As a result it identified a number of key actions that were needed to stimulate further development of the sector. These are discussed in section 2.5 below.

In Northern Ireland, the Department of Enterprise, Trade and Investment took a lead role in co-ordinating a strategy across departments and agencies, culminating in the first Strategic Action Plan on the social economy in 2003. In addition, under the Peace II programme over Stg£55 million was allocated to Local Strategy Partnerships for the development of local social economy initiatives.

In Ireland, the National Economic and Social Forum in 1995 recognised the employment potential of the social economy and in 1997 PLANET developed two position papers on how the sector could be developed and supported. In 2000, a specific working group was set up under *Partnership 2000*, to examine the social economy. It recommended the establishment of a social economy programme with a budget of €52m, which would use existing resources wherever possible, such as Community Employment (CE). The Social Economy Programme was set up by the Department of Enterprise, Trade & Employment in 2000 to be administered by FÁS.

FÁS published a framework document, which defined the social economy as *‘that part of the economy, between the private and public sectors, which engages in economic activity in order to meet social objectives’*. The focus of the programme on providing employment grants effectively meant that it operated as a Community Employment scheme and an opportunity to significantly develop the sector was lost. In its evaluation of the programme, WRC Social & Economic Consultants found that the programme had limited capacity to support the development of enterprises. This was because the skills base that was eligible for support was too low and there was

³ See for example EU (1993), NESF (1995), OECD (1996), Working Group on Social Economy (2000)

insufficient start-up support and enterprise training. It also did not address market failures and the long term sustainability of enterprises supported under the programme was in doubt.

In 2006, the government approved the implementation of the Social Finance Initiative. This established a new not-for-profit company limited by guarantee with no share capital to act as a wholesale supplier of funding for social finance. This company, Social Finance Foundation (www.sff.ie) provides loan finance at affordable interest rates to community-based projects and micro-enterprises. It operates through Social Lending Organisations such as Clann Credo. In 2007, the banking sector, through the Irish Banking Federation, provided seed capital of €25 million to the Social Finance Foundation. In 2009, an additional €72 million was secured from the banks by the Social Finance Foundation by way of a twelve-year loan agreement at discounted interest rates.

2.4. Growth in the Sector

Internationally, the main sectors covered by social enterprises are healthcare, social care, education, energy, transport and recycling⁴.

Eurostat's⁵ first census of social enterprises estimated that the sector accounted for between 4% and 7% of economic activity in the EU and employed over 5 million people.

In the U.K., the social enterprise sector has been growing quickly and is now included in the census of business. For example, the 2006 census indicated that there were over 55,000 social enterprises in the U.K. with a combined turnover of Stg£27 billion. Social enterprises accounted for 5% of all business and one-third of new entrepreneurs⁶. The main sectors that social enterprises were found in were health, social care, education, energy, transport and recycling. In Scotland, the social economy sector, including social enterprises, is estimated to account for 4% of GDP and to employ 100,000 people and 700,000 volunteers⁷.

In Northern Ireland, the social economy in 2001 was estimated to employ 30,000 (5% of all employees), a similar number to construction or tourism⁸. In 2007, the Northern Ireland Executive Department of Enterprise, Trade & Investment commissioned another survey of social economy enterprises in Northern Ireland. Chapter 3 compares the findings from the Northern Ireland survey with this PLANET survey.

The evaluation of Ireland's SEP in 2003 showed that 857 organisations applied for support of which 601 were eligible. Only 336 were supported as funding was less than the recommended level put forward by the Partnership 2000 Working Group. These 336 organisations employed over 2,000 people.

⁴ www.socialenterprises.org.uk

⁵ Eurostat is the statistical office of the European Communities. It is responsible for providing the EU with statistics at European level and for enabling comparisons between countries.

⁶ UK Department of Trade & Industry www.tso.co.uk

⁷ Scottish Executive www.socttishexecutive.co.uk

⁸ Stutt and Murtagh, DETI, 2001, 'The Social Economy in Northern Ireland'

Initial results of the first ever large-scale survey of non-profit organisations in Ireland conducted by the Centre for Non Profit Management in the School of Business, Trinity College Dublin⁹ were published in 2006. This survey was based on 4,300 valid responses from non profit organisations around Ireland. Initial analysis provides information on age, legal status, organisational structure, human resources, financial resources, governance, relationship, roles and values. Organisations were classified using the International Classification of Non Profit Organisations.

The five most common sub sectors identified in the research were development and housing, education and research, sports and recreation, social services and arts, culture and heritage. Responding organisations were engaged in a wide range of activities including education, sports, recreation, economic, social and community development, cultural, artistic, environmental and social services. Having a community focus, responding to community needs, drawing in people from the community were important roles performed by Irish non-profit organisations and community value was found to be the most important value cited by respondents.

2.5. Models of Support

Models of support for social enterprises fall into two main categories: those being developed by governments and those being developed by the Third Sector.

2.5.1 Networks

Networks are emerging right across the globe, mainly from within the Third Sector and are often internet-based. For example, in Australia there are Social Enterprise Hubs, which support the development of social enterprises. In Britain, the Social Enterprise Coalition is a national body established to promote social enterprise. Other networks include the Social Enterprise Alliance, Social Enterprise Ambassadors and the Social Edge.

In the Republic, PLANET has its own policy working group on the Third Sector and Clann Credo and DEP have committed to administering a Task Force for social enterprises in the Dublin area to promote and develop social enterprise.

2.5.2 Private Philanthropy

Philanthropy by private individuals or organisations is a source of support for social enterprises. It can take the form of financial support or investment of time and skills. In Ireland there is Social Entrepreneurs Ireland. It was established in 2005 and has provided nearly €3 million in funding to over 100 social entrepreneurs. It runs an annual awards programme and web site.

2.5.3 Policy Groups

In 2003, the Northern Ireland Executive’s Department of Enterprise, Trade & Investment (DETI) set up a Social Economy Policy Group, a Social Economy web site, a Social Economy Network and a Social Economy Forum.

The Social Economy Policy Group (SEPG) was set up to develop and implement the second integrated strategic plan for the development of the social economy. Its

⁹ ‘The Hidden Landscape – First Forays into Mapping Non profit Organisations in Ireland’, Donoghue, F., Prizeman, G., O’ Regan, A., Noel, V., Trinity College Dublin. (2006)

membership is drawn from across the range of departments with a supporting role in developing the social economy.

The Social Economy Network (SEN) is a representative body for the social economy sector. It was established as a company with a full-time director. Its purpose is to promote the social economy, to represent the views of the sector, to share and disseminate good practice, and to facilitate access to support and sustainable development. It organises an annual conference on the social economy.

The Social Economy Forum is a joint meeting of the representatives of the SEPG and SEN. It provides a policy platform to exchange information and views between the social economy sector and the public sector.

A recent report¹⁰ commissioned by the Dublin Employment Pact and Clann Credo draws attention to the positive energy and commitment within social enterprises in the Dublin region to developing an effective strategy to develop and support the Third Sector. The author sets out the strategic components of a supportive infrastructure for social enterprises. These include the following components:

- A clearly defined sector
- An organised sector
- Adequate finance
- A positive policy/legislative/regulatory context
- Effective government support including grant aid, procurement, training and advice.
- Effective support agencies
- An interested academia

The report recommends the setting up of a Task Force to develop, agree and implement a social enterprise strategy for Dublin. The Dublin Employment Pact and Clann Credo have committed to pursuing this recommendation.

2.5.3 Directories & Trade Fairs

Other initiatives in Northern Ireland include an online trade directory listing businesses in Northern Ireland with not-for-profit objectives, which was launched in 2008 - www.bigblackbook.org. In 2008, the Ulster Community Investment Trust Ltd (UCIT) organised and hosted the first NetWORKS Trade Fair for social enterprises held in Belfast. This was funded by the Special EU Programmes Body (SEUPB), International Fund for Ireland (IFI), Belfast City Council, Invest Northern Ireland and UCIT. The funding was administered by Co-operation Ireland on behalf of the SEUPB.

2.5.4 National Strategies

Governments are developing national strategies for the Third Sector and for social enterprises. National structures are being put in place to co-ordinate the implementation of such strategies and development of the Third Sector. For example, in the UK the Office of the Third Sector was set up in 2006 to support the

¹⁰ 'Developing and Supporting Social Enterprises in the Dublin Region – The Basis for a Comprehensive Strategy', John Everett. June 2009.

development of the sector in the U.K. Two strategies for the Third Sector have been developed to date and within these, action plans for social enterprise. Commitments made by the British government to the development of the Third Sector have included the application of a three-year funding cycle, the creation of a Community Assets Fund worth Stg£30m and allocation of specific funding under its Safer & Stronger Communities Fund.

2.5.5 *Legal Structures*

In the U.K., including Northern Ireland, a new legal structure called a Community Interest Company (CIC) was developed for organisations that combine social purpose with commercial activities. The advantages of this structure¹¹ are:

- The CIC can be limited by guarantee or by shares.
- It provides limited liability for its members/shareholders.
- If limited by shares it can expand by selling shares.
- There are no restrictions on the level of profits it can make.
- It can have the risk-taking features of a company and access the debt market for loans or bonds.
- It must produce an annual CIC report as well as annual accounts that are available to the public thereby providing transparency.
- It has an ‘asset lock’ to prevent the CIC giving away its assets for less than the market value except when the assets are used to benefit the community or are transferred to another asset-locked organisation such as a CIC or charity. It also provides protection against demutualisation or windfall profits being paid out to members or directors without all the checks and balances of mutuality or charitable status.
- It is overseen by the CIC Regulator.
- It has greater flexibility in terms of its structure, governance and activities than a charity.
- It provides continuity of purpose and if it is dissolved its assets will be preserved for the community and not distributed to members/shareholders.

There have been 2,321 CICs set up in the U.K.¹² since 2002.

Scotland has legislation pending to establish a new corporate entity called a Scottish Charitable Incorporated Organisation.

2.5.6 *Social Finance*

The Institute of Social Entrepreneurs in the United States (www.socialent.org) has defined three types of funding models for social enterprise as follows:

1. *Dependency Model*: where the enterprise relies mainly on grants and donations with minimal earned income.
2. *Sustainable Model*: where there is a mixed revenue stream of grants, donations and earned income (including public sector contracts).

¹¹ Department of Enterprise, Trade & Investment, Northern Ireland Executive, ‘Benefits of CICs’, www.detini.gov.uk

¹² Cabinet Office of the Third Sector, 2008, ‘Social Enterprise Action Plan. Two Years On’.

3. *Self Sufficient Model*: where the enterprise generates all its income from its earnings.

Most of the social enterprises in Ireland fall into the second model.

Traditional sources of lending and investment often have difficulties measuring the risks and rewards of social enterprises because of their mixed revenue streams and the social returns they seek to generate. As a result, special lending organisations have developed in many countries in response to the special needs of the Third Sector. These organisations lend or invest in social enterprises. Social finance differs fundamentally from conventional forms of finance because it requires investments to do more than just generate a financial return. Investments must also deliver tangible improvements in the community. Assessment and lending criteria are, therefore, much broader than in the conventional banking sector. The Social Finance Initiative in Ireland was set up to provide accessible and affordable finance for the Third Sector and micro-enterprises. It operates through a number of social finance providers in Ireland, the largest of which is Clann Credo.

2.5.7 Requirements for Sustainability

In its review of the social economy, the Scottish Executive set out a number of measures that were needed to develop and ensure the sustainability of social organisations, including social enterprises. These are of relevance to Ireland also and include:

Financial

- Reducing dependency on grant aid by widening the availability of appropriate financial products for the Third Sector.
- Developing the capacity of social economy organisations to access and benefit from financial products.
- Developing funding support mechanisms that encourage social economy organisations to accumulate reserves without undermining public accountability requirements.
- Developing the asset base of social economy organisations in order to increase their ability to access alternative funding such as bank loans.

Public Service Contracts

- Encouraging public services to consider social economy solutions as an option to delivering such services and ensuring that social economy organisations are given an equal opportunity as other suppliers to bid for work.
- Allowing relevant overhead costs to be included in bids for public service contracts.
- Simplifying and improving the efficiency of grant payment structures.

Development Support

- Supporting social economy organisations to improve their marketing capacity and to address misconceptions about their capabilities.

- Developing a learning culture that promotes leadership and management excellence.
- Structuring supports so that they are accessible and relevant to the needs of social economy organisations, including the development of a market for the provision of support services as well as public sector provision.

The Department of Enterprise, Trade & Investment's Working Group on Sustainability (2003) in Northern Ireland recognised the size and importance of the social economy and social enterprises. It outlined a number of areas that were necessary for sustainability. These included:

- Management capacity and improved organisational decision-making.
- Access to various sources of finance (including grant aid, loans and philanthropic donations).
- Access to public contracts, investing in human capital, networking and marketing.

2.6 Summary

There is considerable debate in the literature over what constitutes a social enterprise. The key defining features appear to be that social enterprises are autonomous organisations, that they have a social remit, that they engage in some level of traded activity to support this social remit and that they reinvest any surpluses or profits generated by the business to further their social aims.

The Third Sector covers a diverse range of activities including healthcare, social care, education, energy, transport and recycling. In many countries the Third Sector is a vibrant and growing part of the economy that is recognised as such and supported by Government, for example through policy development, new legal structures, funding and public procurement. The Sector itself has also developed mechanisms such as networks and trade directories to support social enterprises.

CHAPTER THREE FINDINGS FROM SURVEY OF SOCIAL ENTERPRISES

3.1 Introduction

This chapter presents a summary of the quantitative findings from the survey of social enterprises in the nine partnership areas. It describes the range, type and size of social enterprises.

3.2 Location

The survey of social enterprises was conducted in nine areas. A total of 106 completed questionnaires were returned. Table 3.1 shows the number of responses from each of the areas. Just under half (45.5%) of responses were from the Dublin area. The remainder (54.5%) were from a mix of urban/rural areas in counties Mayo (North East), Wexford, Monaghan, Kerry and Limerick city.

Table 3.1: Number and Percentage of Social Enterprises (n=106) in Each Area

<i>Area</i>	<i>Frequency</i>	<i>Percentage</i>
Monaghan	24	23%
Mayo North East	18	17%
Tallaght	17	16%
Dunlaoghaire/Rathdown	13	12%
Clondalkin	10	9%
Ballymun	9	8.5%
Limerick City & South Kerry	9	8.5%
Wexford	6	6%
Total	106	100%

3.3 Business Sector

The survey responses show the diversity of enterprise activity engaged in and breadth of services and supports provided to communities. Table 3.2 shows the spread of activity/services across social care, childcare, sports and leisure, environmental services, education and training media, community arts, heritage, accommodation/housing, and transport. Of note is the relatively high percentage of organisations providing childcare which includes the full range of preschool and afterschool childcare and early education services.

Also of note is the 28% who fit the category 'combination'. These are social enterprises whose business straddles a range of activities. In the main these are

community development organisations providing a broad range of services to their communities. For example, these might include social care (care of the elderly or people with disabilities), education and training, childcare and youth facilities, all of which are encompassed and provided within one large multipurpose venue. Good examples of such *multipurpose* enterprises are described in the cameos in chapter four.

Table 3.2: Social Enterprises by Sector (n=105)

<i>Sector</i>	<i>Frequency</i>	<i>Percentage</i>
Combination (of some or all below)	30	28%
Childcare	31	29%
Media/arts/heritage	10	8%
Rental/accommodation/housing	6	6%
Environmental services	5	5%
Sports & leisure	5	5%
Social care	5	5%
Education & training	4	4%
Transport	4	4%
Other	5	5%
Total	105	100%

3.4 Length of Time in Business

The survey results show that many of the enterprises are well established, having been up and running for some time. Over one third (37%) have been in business over ten years and over half (52%) have been in business for between five and ten years. The remaining 11% are relatively new, having started up in the last five years.

Table 3.3: Year Started Business (n=105)

	<i>Frequency</i>	<i>Percentage</i>
1970 – 1975	6	6%
1976 – 1980	2	2%
1981 – 1985	5	5%
1986 - 1990	10	9%
1991 – 1995	16	15%
1996 – 2000	27	26%
2001 – 2005	27	26%
2006 – 2009	12	11%
Total	105	100%

3.5 Central Social Purpose

The majority of those surveyed conveyed a well thought through statement of the intention driving their enterprise and their central social purpose.

The overriding message of social purpose was about responding to community needs, addressing identified gaps and enhancing services to their communities. There is a strong underlying commitment to social inclusion, enhancing quality of life, building community spirit and making services affordable and accessible to all. There is also a firm sense of enterprises being led by people with vision, energy and commitment to their community and/or a particular passion or cause.

In many instances the needs are very specific, having been identified through careful needs analysis, community audits and many years of community development and planning, e.g. childcare, eldercare, care for people with disabilities, information, training, education, arts, culture, theatre, social and youth supports.

The following are some examples of the central social purpose for their business as articulated by social enterprises.

'To provide facilities for the education, economic, cultural and social advancement of all the people in our community with particular emphasis on the elderly, those with disabilities or those in some way vulnerable'

'To bring arts out into the public, to make art accessible to all, for all and to be enjoyed by all'

'To provide a focal point and central meeting place for local community and community organisations.'

'To provide jobs and to facilitate the ongoing growth of the local community.'

'To provide childcare training for local women in response to research findings that identified the needs for early childhood education and care locally.'

'To provide quality and affordable childcare to enable local people to return to education and/or employment.'

'To provide community sports and leisure facilities.'

There are also some examples of social enterprises responding to very specific needs of communities and addressing gaps in service and support provision. For example, street theatre, provision of enterprise space/units for small businesses, accessible transport, provision of relationship counselling, addiction services/supports, community legal services, meals on wheels, care of stray dogs, responding to illegal dumping of white goods, information provision, sports and leisure facilities, preservation of historic buildings and venue hire.

3.6 Income & Employment

This section presents quantitative data gleaned from the returned questionnaires. Respondents were asked to provide financial data for 2008. The majority (90%) of respondents provided full financial data but in some instances full sets of accounts were not available.

3.6.1 Income

The total income for the enterprises surveyed for the financial period 2008 was €41.2 million¹³.

3.6.2 Paid Employees

The total number employed in the enterprises surveyed was 1,589. The average number of employees per enterprise was 15. The majority (73%) were female and the remainder (27%) were male. Just over half (53%) were employed part-time and the remainder (47%) work full time in the enterprises.

3.6.3 Volunteers

The total number of volunteers giving of their time and experience to the enterprises surveyed is 1,257. This is an average of twelve volunteers per enterprise.

3.7 Profitability

3.7.1 Profitability in 2008

The total expenditure for 2008 was €38.5 million. The majority (75%) of enterprises either broke even or made a modest surplus during 2008.

Just over half (52%) of enterprises surveyed indicated that they made a surplus. The total surplus made was €2.7 million. Of those that made a surplus, the majority (82% or 40 enterprises) made a relatively small surplus of less than €50,000. The remaining enterprises (9) generated surpluses of between €50,000 and €500,000.

A total of 24 responding organisations reported a loss for the financial year 2008. The losses reported totalled €304,000 and thus tended to be relatively small across individual enterprises, i.e. mean loss of €12,500.

3.7.2 Distribution of Profits

The results reinforce the sector's commitment to investing any profits for the greater good of the organisation and/or their intended social objectives. Of those enterprises that yielded profits for 2008, the majority (63%) reinvested in their existing enterprise. Seven percent used the profit to further their aims (e.g. by expanding their existing enterprise or developing new enterprises) and 17% used the profit for a combination of both furthering their aims and reinvestment in their existing enterprise.

3.8 Sources of Funds

3.8.1 Day to Day Activities

Just over half (58%) of total income was generated through grants (including services bought by the State) and 36% was income earned through enterprise

¹³ N=95 enterprises that gave financial data.

activity (e.g. sales of goods and services, fees). The remaining 6% was generated through fundraising (2%), donations (2%) and bank or credit union loans (2%). The principal sources of grant aid were Community Employment funded by FÁS and the Community Services Programme funded by Pobal.

3.8.2 *Capital Expenditure*

Just under half (49% or 51) of enterprises indicated that they had capital expenditure during 2008, i.e. expenditure on buying or extending premises, buying land or buildings, equipment, machinery or motor vehicles. The total capital expenditure was just over five million euro (5.1m). The principal source (73%) of capital funding was grant aid. A further 13% was financed through bank loans, 11.5% was funded from accumulated reserves and the remaining 1.5% was funded through fund raising and donations.

3.8.3 *Access to Sources of Finance*

The survey results show that the principal sources of finance for the majority of enterprises are income earned from their enterprise activities coupled with grants from state agencies and/or government departments.

Table 3.4 shows the sources of day to day funding. The majority (85%) of enterprises indicated that they have received grants from government departments and state agencies. Principal sources include Pobal, the Health Service Executive (HSE) and FÁS. Some (27%) enterprises benefit from fund raising and 21% receive donations from philanthropic organisations. There is less reliance on commercial banks and credit unions. Only a very small number (8%) have availed of loans from banks, credit unions or social finance providers.

Table 3.4: Sources of Day to Day Funding for Social Enterprises (n=106)

Income	88%
Grants	85%
Fund Raising	27%
Donations	21%
Loans	8%
Other (e.g. sponsorship)	9%

Respondents were asked to indicate the sources of funding that gave the most favourable and least favourable responses to requests for funding. Only 49 organisations responded to this question about least favourable sources of funding. It is possible that this is due to a mindset that is fixed on earning an income and reliance on grant aid rather than exploring other sources of finance. It would seem from discussion with enterprises that many are cautious in relation to finances and thus reluctant to consider commercial bank loans or indeed loans of any description.

The tables below show the results in terms of most and least favourable responses from potential funders. It seems that over half (54%) feel positive about the response received from state agencies whilst 22% are less so. Twenty-nine percent indicate less favourable responses from commercial lending institutions, whilst 10% indicate a positive response.

Table 3.5 : Most Favourable Responses from Funders (n=82)

Grants from state agencies	54%
Combination	17%
Commercial banks	10%
Fund Raising	5%
Social Finance Provider (e.g. Clann Credo)	4%
Donations from Philanthropists	4%
Credit Union	2%
Other	4%
Total	100%

Table 3.6 : Least Favourable Responses from Funders (n=49)

Commercial banks	29%
Grants from state agencies	22%
Combination	16%
Fund Raising	8%
Donations from Philanthropists	10%
Other	15%
Total	100%

3.9 Governance

3.9.1 Legal Structure

The majority of social enterprises (91%) are companies limited by guarantee. The remainder (9%) are either unincorporated (4), co-operatives (1) or other (3, e.g. part of a host organisations, self employed). The majority (59%) have charitable status.

The predominance of companies limited by guarantee with charitable status may be a factor in sources of funding available to these enterprises. It was evident from our discussions with enterprises that historically the co-operative structure would have been a more common structure but requirements of state sources of funding had meant a growth in the limited company model. This effectively rules out credit unions as a potential source of finance (they can lend to co-operatives but not to limited companies).

3.9.2 Boards of Directors

The majority (91%) of social enterprises have a Board of Directors. The remainder have some form of management committee or manager. The number of members on boards varies across the responding enterprises. The highest number on any board is twenty-three and the lowest is 2. The average number of members is eight. The majority (61%) of Boards meet monthly, 22% meet quarterly, 3% meet weekly and the remainder (14%) have various different arrangements, e.g. annually or biannually.

3.9.3 Management

In terms of day to day responsibility for the running of the enterprise, the majority (74%) employ a full time project manager or leader and 11% employ a part time manager or project leader. The remainder (14%) have various different arrangements such as designating responsibility to the entire board or a sub-committee of their board or a designated member of staff.

3.10 Comparison with Northern Ireland

In Northern Ireland, the DETI carried out a survey of social enterprises in 2007¹⁴. Initially 884 organisations were invited to take part in a postal survey. Of these, 537 responded positively (61%). However, only 396 considered that they fitted the definition of social enterprise that the DETI had provided. This definition was as follows:

'a business that has a social, community or ethical purpose, operates using a commercial business model and has a legal form appropriate to a not-for-personal-profit status'

The findings summarised below are taken from the responses provided by these 396 enterprises.

3.10.1 Business Sector

The survey in Northern Ireland used broad classifications that were compatible with the national census. Just over half of the respondents were classified as community businesses and another one-quarter were credit unions.

¹⁴ Department of Enterprise, Trade & Investment, 2007, 'Findings from DETI's First Survey of Social Economy Enterprises in Northern Ireland', DETI: Belfast

Table 3.7: Classification of Social Enterprises in Northern Ireland

Type of Organisation
51% community businesses
25% credit unions
9% housing associations
7% local enterprise agencies
9% ‘other’

The main sectors that responded to the Northern Ireland survey were ‘property and business services’ (29%) and ‘financial intermediation’, e.g. credit unions (26%). The PLANET survey did not include credit unions in the sampling process. Another difference is the high proportion of childcare enterprises in the PLANET sample. In addition, many of the Southern enterprises were multi-functional organisations that had a range of social enterprise projects under one umbrella organisation.

Table 3.8: Type of Business

Northern Ireland	Republic
29% property and business services	29% childcare
26% financial intermediation	8% media, arts, heritage
12% health and social work	6% property/accommodation
11% education	5% environmental services
4% production and construction	5% sports, leisure
3% wholesale and retail trade	5% social care
	28% multi-functional

3.10.2 Age

Forty-four percent of the sample in the North were established after the Peace & Reconciliation Programme of 1994 and are thus 15 years old or less. The PLANET sample is also comparatively young with nearly two-thirds in business for ten years or less.

3.10.3 Central Social Purpose

Seventy-four percent of respondents in the Northern sample indicated that they were set up to help people other than through employment. Twenty-one percent indicated that they were set up to provide employment and 4% had an environmental remit.

3.10.4 Size

The 396 respondents in the Northern sample had a combined turnover of Stg£355 million for the financial year 2005/2006. The average turnover was Stg£896,000, compared to an average turnover of €387,000 for the PLANET survey. While the majority of Northern Ireland enterprises had a turnover of less than Stg£0.5million,

there is a significant cohort of larger enterprises within the responding group, much more so than for the PLANET survey.

Table 3.9: Size of Social Enterprises in Northern Ireland

Turnover	Employees	Volunteers
Stg£ 355m combined	6,683 paid employees	79% of organisations have volunteers
33% under 100k	1,207 full-time males	5,000 volunteers
40% 100k-500k	2,665 full-time females	Average 13 volunteers per organisation
14% 500k-1000k	554 part-time males	
13% over 1000k	2,257 part-time females	

The combined number of paid employees in the Northern Ireland survey was 6,683. The average number of employees was 17, slightly higher than the PLANET survey average of 15.

In addition, these enterprises had 5,000 volunteers, an average of 13 volunteers per organisation, similar to the PLANET survey where the average was 12, although 21% of Northern Ireland enterprises had no volunteers.

The proportion of female employees in the Northern Irish sample at 74% was significantly higher than for the workforce as a whole in Northern Ireland (which is 51%). The PLANET survey group had a similar proportion of female employees (73%).

Table 3.10: Comparison with Republic of Ireland

	Northern Ireland	Republic
Average turnover	Stg£ 896,000	€ 389,000
Average number of employees	17	15
Average number of volunteers	13	12
% female employees	74%	73%

3.10.5 Profitability

Seventy-two percent generated a profit or surplus in 2005/2006, compared with just over half of the PLANET survey for 2008. The median profit/surplus in the North was Stg£37,000, compared to €5,000 in the South.

Table 3.11: Profitability

	Northern Ireland	Republic
Proportion of sample who generated a profit/surplus	72%	52%
Average profit/surplus	Stg£ 37,000	€ 5,000

3.10.6 Sources of Funds

The main source of funds for the Northern sample was earned income, with a much lower reliance on grant aid than their Southern counterparts.

Table 3.12: Source of Funds

	Percentage of Turnover	
	Northern Ireland	Republic
Earnings from traded activities	68%	36%
Grants and donations	28%	58%
‘Other’	4%	6%

3.11 Childcare Sector

The survey carried out for PLANET has a significant proportion of childcare enterprises – they account for at least 29% of the number of respondents (some respondents also had childcare facilities included as part of a community facility and did not separate these enterprises out).

These childcare enterprises had a combined income €5 million and expenditure of €4.8 million. The total number employed is 323, of which 97% are female. The majority (192 or 60%) are employed part-time and 131 are employed full-time, with an additional 106 volunteers. The majority of these childcare enterprises broke-even or made modest surpluses (less than €5,000 on average).

It was evident from the discussions held by the researchers with the project leaders that responsibility for finances and strategic development tended to lie with management committees rather than the project leaders, whose primary focus was on providing childcare and managing the day to day operations. The majority are set up as companies limited by guarantee but a small number are unincorporated. There are examples of co-operation between local childcare services, e.g. Ballymun and Tallaght. The rationale is that this is the way to maximise efficiency, respond to local needs and achieve sustainability into the future.

3.12 Summary

The survey conducted in the nine Partnerships areas received responses from 106 social enterprises. These organisations had strong social remits based on meeting identified community needs and enhancing services to local communities. The highest proportion (29%) of services was in childcare. Many other areas of activity were engaged in including social care, sports and leisure, community regeneration, recycling, education and training, arts and heritage, housing and transport. The majority of these enterprises are relatively young and have been in business for ten years or less, partly reflecting various policy instruments established to support the Third Sector.

Total income generated by these 106 enterprises amounted to €41.2 million in 2008 and total expenditure amounted to €38.5 million, resulting in the sample producing an overall surplus of €2.7 million. Surpluses were reinvested in the existing enterprise and/or were used to develop new social enterprises.

The survey sample employed 1,589 and also harnessed the time and commitment of 1,257 volunteers.

When compared with research findings for Northern Ireland, there are similarities but also differences. In the North, many organisations were also established in response

to policy initiatives and are, like their Southern counterparts, relatively young. Volunteer activity is also an important feature of social enterprises in the North, as it is in the South. However, Northern enterprises tend to be larger and to be more profitable. Northern enterprises also generated a higher proportion of their income by way of traded activity than the Southern sample, with the latter are more heavily dependent on grants. This has important implications for sustainability into the future.

CHAPTER FOUR SOCIAL ENTERPRISES IN PRACTICE

4.1 Introduction

This chapter presents nine case studies of social enterprises in action across different sectors and different parts of Ireland. The purpose of this chapter is to show the diversity of these organisations and to give a sense of the day to day activities of social enterprises. The enterprises depicted are:

- Clondalkin Community Recycling Initiative (CCRI)
- Limerick Enterprise Development Partners
- Lisdoonan Recreation and Development Association (County Monaghan)
- PARTAS (Tallaght)
- The Community and Family Training Agency (CAFTA) (Ballymun)
- Kilmovee Community Housing Ltd (County Mayo)
- Accessible Community Transport Southside Ltd (ACTSLtd) and the Local Initiative for Transport Services (LIFTS).
- County Wexford Community Workshop (Enniscorthy) Ltd - CWCW(E) Ltd
- Fledglings Childcare

These case studies give an insight into the types of enterprises that operate within the Third Sector. These include childcare, recycling, accessible transport, care for people with disabilities, multifunctional community centres, employment regeneration, education, training and community development. All the enterprises are viable, professional businesses facing the same day to day challenges as any other business in the private sector. The features that differentiate these enterprises from their private sector counterparts are that they reinvest any profit that they make back into their enterprises, they are community centred, strategic, responsive and driven by a clearly articulated social need.

4.2 Case Study One - Clondalkin Community Recycling Initiative

This case study is an example of an organisation that identified a need in a local community for a service to address household electrical and electronic waste and that has since expanded out its range of services and the geographical areas it services.

Clondalkin Community Recycling Initiative (CCRI) is a company limited by guarantee, set up in 2002 by the Environment Working Group of Clondalkin Partnership with funding from FÁS under the Social Economy Programme and from the South Dublin County Council (SDCC) and Clondalkin Partnership. It is currently supported by Pobal under the Community Services Programme (CSP) of the Department of Community Rural and Gaeltacht Affairs. WEEE Ireland, SDCC and Clondalkin Partnership continue to support the enterprise.

CCRI was originally set up to assist SDCC to tackle the problem of illegal dumping of old household appliances in the Clondalkin area. It has three main objectives: to collect, reuse and recycle Waste Electronic and Electrical Equipment (WEEE); to create and sustain local employment, and to create a sustainable social enterprise through reinvesting any surpluses generated by the business in supporting other recycling or environmental projects. CCRI also has an educational/environmental awareness component to its business and has developed innovative re-uses for elements of domestic appliances.

CCRI has a waste facility permit and a waste collection permit. It runs a free kerbside collection to capture historic WEEE. This service is offered to 1,200 households weekly and is supported by WEEE Ireland where CCRI collects free of charge directly from homes and premises in the SDCC area. It will assist older people and people with a disability to clear WEEE out of their garages and sheds.

Collection can be organised on-line through the CCRI web site or by phone as well as the weekly kerbside collection routes. A drop-off facility for residents and licensed retailers and suppliers is also provided. Since 2007, over 36,000 households have availed of the CCRI service with more than 700 tonnes collected through the kerbside collection in 2007 and 2008.

In partnership with WEEE Ireland, CCRI provides WEEE Management Support to industry under the National Compliance Scheme. CCRI informs residents of their legal entitlements regarding waste recycling, especially the elderly, and what can be recycled. This has empowered many people to take part in recycling. Increased awareness has led to more recycling of small electrical items and batteries, items that would have ended up in black bins in the past.

Education is also provided through occasional schools-based programmes. In 2004, CCRI ran an art competition with the theme of recycling. The winning image was used in CCRI advertising and on its information postcards. In 2008, CCRI worked in conjunction with Global Action Plan (GAP) to provide practical gardening workshops for first class pupils in Rowlagh National School. CCRI provided 12 re-purposed planters, planting compost and hundreds of spring bulbs, as well as the time, to assist the six year olds to plant up their mini Spring gardens. CCRI also provided free material to a local women's art's programme, organised by Clondalkin Partnership, which entailed the women creating fashion items from recycled materials. This culminated in a fashion show to raise awareness of the possibilities for recycling in a creative way.

CCRI has pioneered the innovative re-use of appliance drums (e.g. washing machine drums) as flower planters. It started using these drums to plant flowers around its own premises in April 2007. The feedback from visitors was so positive that CCRI decided to market these drums for both domestic and commercial use as flower and plant containers. It has also donated drums to local schools and community projects for gardening projects. Stewarts Hospital, which provides services to people with disabilities, also received a donation of 10 drums in order to test whether these planters are suitable for use in their gardening projects. They were used en masse to plant up strawberries.

In response to enquiries from the public and community groups, CCRI is currently working with the Environmental Protection Agency, the University of Limerick and REHAB on a research project examining the potential for reuse of second hand WEEE goods sent for recycling that could be repaired and reused, e.g. washing machines, fridges, lawn mowers, etc.

CCRI is very engaged with the local community. For example it has made its truck available to local families and community groups free gratis that need to move heavy items or furniture who could not afford the cost of hiring a removals company.

Where possible, CCRI also links with other CSP and social projects/businesses. For example, in developing its range of re-purposed products it is using services provided by Sunflower Recycling's subsidiary recycling company, Busy Bees, for upholstery. The Shuttleknit Company in Wicklow, another social enterprise, is collaborating on embroidery.

CCRI currently has 11 full-time employees, most of whom are from the local area. It has a total income close to €0.5m, one-third of which is earned from its commercial activities, with the balance coming from grant aid. It reinvests any surpluses it makes in developing the business and building up reserves. It plans to extend its service to other Dublin Local Authority areas in the near future.

CCRI provides a service to help people who could not otherwise take part in WEEE waste recycling. It raises awareness among residents and businesses about recycling and the National Compliance Scheme. It works with the local community to support social inclusion and has developed innovative re-uses for WEEE products.

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4.2 Case Study Two - Limerick Enterprise Development Partnership

This case demonstrates how in the face of adversity local people saw an opportunity to develop the local community after a factory closed down by using the assets to generate commercial income that supports the central social purpose of the enterprise.

Limerick Enterprise Development Partnership (LEDP) is a company limited by guarantee with charitable status established in 1999 following the closure of the Krups factory in Roxboro in Limerick city. This site has been renamed the Limerick Enterprise Development Park.

LEDP is a partnership between Limerick City Council, Shannon Development, Paul Partnership, the Roman Catholic Diocese of Limerick, the Community Foundation for Ireland, and Limerick Enterprise Network. It was set up to retain employment in the local area.

LEDP's objectives cover employment regeneration, education, training and community development.

LEDP has developed considerable commercial activity to underpin its social agenda. It is totally self-sufficient and has achieved this through rental of units to commercial enterprises such as Chorus/UPC and Aldi, community organisations such as Dyslexia Awareness Association, education providers such as the University of Limerick Access Office, training agencies such as FÁS and statutory agencies such as Limerick Southside Regeneration Agency.

LEDP directly employs six people. However, over 700 people participate daily in the Park in employment, training and education activities and around €20m annually is generated in wages and salaries from the activities on the Park. The site also has its own restaurant.

A large crèche, The Family Tree, was set up on the site in 2005. It includes a private crèche and a community crèche. With 4,000 square feet of space, it provides a variety of play areas for children attending who range in age from 3 months to 5 years. The crèche can cater for 60 children and employs 16 staff. It was originally supported by Pobal, but is now self-sufficient.

LEDP reinvests any surpluses it makes in the Park, developing new projects and supporting local communities through grant aid, mainly for education and training projects. On site training initiatives that specifically target children from disadvantaged areas include the Bluebox Learning Centre, which promotes education through drama and music, Corridor Art, which uses art as an educational medium and the AK Ilen boat building project, which trains young people in the craft of traditional boat building.

LEDP provides financial and mentoring support to community enterprises and new micro-enterprise start-ups. Mentoring support is provided through the Community Time Bank. This enables individuals and community groups to avail of expert advice from professionals such as accountants, solicitors, marketing experts, etc. These experts donate their time free of charge. Currently, the Bank has access to 80 professionals with over 2,500 hours donated. Over 1,500 contacts have been arranged by LEDP since the inception of the Community Time Bank.

LEDP manages two funds. The Enterprise Development Loan Fund, which was set up by LEDP in 1999 and is supported by donations from state agencies, local companies and private individuals. The Fund helps people who are starting a business for the first time or who have no financial track record or who have had difficulty accessing capital from conventional sources of finance. The Fund provides interest free loans up to €15,000 over a maximum of three years. The total Fund is €500,000 and it leverages a further €500,000 from First Step¹⁵, giving a total fund of €1m. All loan applicants also receive assistance from the Community Time Bank.

The second fund is the Social Finance Foundation Loan Fund. This is a national €25million fund set up by the Minister for Finance to provide low cost finance to projects that may have difficulty accessing conventional sources of finance. All of the funding for the Social Finance Foundation comes

¹⁵ First Step provides micro-finance (i.e. loans under €25,000) to projects or individuals who want to set up in business who have difficulty accessing conventional sources of finance.

from the banking sector. In July 2007, the LEDP was appointed as a Social Loan Organisation to administer the fund in Munster. Loans are for a maximum of three years and €15,000.

To date LEDP has leveraged €60m of capital investment on its site in Roxboro. It has created local employment and secured a site that generates economic activity for the area. It brings local people together and supports community development

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4.3 Case Study Three - Lisdoonan Recreation and Development Association

This case study demonstrates how a community can be regenerated by local people with passion, commitment and the drive to enhance and develop their local area.

Lisdoonan Recreation and Development Association (LRDA) was set up in the small village of Lisdoonan near Carrickmacross in County Monaghan. Today the population of the area stands at 1,211 people living in 292 houses. However, fifteen years ago it had around 600 inhabitants in 226 houses, and very few local services or facilities. A group of local people came together to address this situation and LRDA was born. It is a company limited by guarantee with charitable status. It has a voluntary board of management and until recently, it had no employees.

The group identified a need for a community centre. Between a combination of local fund-raising, National Lottery funding and grant aid under the PEACE I programme, sufficient finance was raised to build the community centre. The group had no on-going source of funding for the day-to-day operation of the centre so they decided to develop a bar in the community hall to fund this and new activities. Over the years, the bar has hosted funerals, wedding receptions, christening and birthday parties. It also provides a meeting point and social outlet for local farmers. The community centre provided space to a local resident to run a Montessori school, which still operates out of the centre. The surpluses generated by the bar enabled the LRDA to build up capital reserves to develop other projects.

In the current year, it has built 251 metres of stone wall, landscaped the village, built a grotto beside the church and provided wheelchair access to the church. LRDA also maintains over 3 miles of hedges in and out of the village and the upkeep of two graveyards.

Funding was received from the Health Service Executive (HSE) to develop a day care service for the elderly. Through a combination of local fund-raising and grant-aid from the HSE the LRDA contracts a bus to bring older people in the locality to the day centre for social events and activities such as dancing and bingo. The community centre provides them with light refreshments and a hot meal. Up to 60 people attend the community centre bi-weekly.

Conversations between the HSE and members of the LRDA board of management led to the latter being invited by the HSE to investigate good practice into the provision of housing for elderly people. Older people were consulted about their needs and plans were drawn up of the preferred layout of houses for older people living on their own. In 2001, LRDA applied to the Department of the Environment for funding to build 14 two-bedroom houses for the elderly. Some negotiation was required to ensure the planning granted met the needs of elderly people as expressed by them in the needs analysis, but LRDA was successful in getting grant aid of €2.7million to build the houses, an additional 5% was raised locally.

The complex of 14 houses includes a communal house with kitchen facilities, laundry room, meeting room, guest bedroom, able-bodied and disabled toilet facilities and a spare room. The rationale behind this communal house was to encourage older people to get out of their own homes to socialise with

others. The houses use geo-thermal heating to minimise heating costs, the first project in Ireland to do this. Eighteen people currently live in the complex. To be eligible for a house, an applicant must either be on the local authority waiting list or be returning from abroad under the Safe Home programme. LDRA has the right to rent one-third of the homes to whomever it wishes.

A separate company, Lisdoonan District Housing Association, was set up to own and manage the housing complex. Residents pay rent to this company. Surpluses are used for the upkeep of the estate and provision of a sinking fund.

The housing project also brought to the fore the need for affordable social housing for young people in the area. In 2006, LRDA decided to build 6 affordable houses for young local people. The houses were built and then sold by LRDA to local applicants at a profit. This profit was then used to develop a community shop.

The community shop was opened in 2007 and is the first of its kind in Ireland. It is open every day including Sunday. It provides a range of services including groceries, Post Point, bill pay facilities, mobile phone credit, etc. It also has a small café area and provides a home delivery service. The building has a first floor retail outlet that is rented out. It supports local suppliers as much as possible, e.g. vegetable growers and meat producers, and currently employs 10 people. The aim of the shop is to provide as many services to local people as possible and to generate profits that can be used to develop more community projects.

LRDA is an example of a social enterprise that has used assets to generate surpluses that can be re-invested in the development of new projects for the local community.

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4.4. Case Study Four – PARTAS

This case study shows how a social enterprise can act as an effective delivery agent for State services and programmes and how it has developed alliances and networks with other organisations with an interest in social enterprise.



PARTAS was established during the economic recession in Ireland in the early 1980's and the closure of the Telectron plant in Tallaght in 1984. It was set up as an informal lobbying group (called Get Tallaght Working or GTW) to highlight the unemployment situation within the area and to lobby state agencies to move some of the essential public services to West Dublin.

In 1986, the group became a Co-Operative Society and appointed its first enterprise officer based initially in Main Street, Tallaght. In subsequent years, GTW highlighted the lack of affordable workspace in the area and following negotiations with the IDA, GTW was requested to manage a number of industrial units at the Telectron site. With support from St Vincent de Paul and FÁS, the factory was transformed into GTW's first, managed, enterprise centre.

In 2001, the company changed its name to PARTAS, from the mythical Partolonians, for whom Tallaght is their resting place, and who are often referred to as Ireland's first entrepreneurs.

Today, PARTAS is now a company limited by guarantee with charitable status, however, it continues to use Co-Operative principles and all permanent staff and members of the local community can apply to be members of the company. The mission statement of PARTAS is as follows:

'Our aim is to build an inclusive and thriving community by being a leading source of excellence in the development of local enterprise and of the social economy'.

Its objectives cover enterprise development including the operation of enterprise centres; developing the local social economy; improving opportunities for sustainable employment and acting as a voice for change.

There are a number of strands to its operations. In 2008, it had a total income of around €2.2m from a combination of commercial activities, EU projects and tenders to deliver grant aided programmes.

PARTAS has a range of initiatives to support enterprise development. These include four Enterprise Centres (Bolbrook, Brookfield, Killinarden and Tallaght Village), which provide start-up units and support through Enterprise Development Officers and provision of micro-finance. Advice, support and assistance is provided to various PARTAS programmes, projects and clients, including micro-enterprises, the self employed, existing businesses and individuals availing of the Back to Work Enterprise Allowance. The Bolbrook Enterprise Centre also provides secretarial services, meeting rooms, conference facilities and an IT training room for hire.

The Tallaght Trust Fund Ltd (TTF) set up in 1987 and is managed by PARTAS. Benefiting from private sector contributions to promote economic development and enterprise in Tallaght, TTF operates as a revolving loan fund (i.e. repayments fund future loans) for loans of up to €10,000. PARTAS also has developed a good working relationship with First Step and South Dublin County Enterprise Board.

The PARTAS Social Economy Unit provides mentoring support to organisations in Tallaght to develop and manage social economy initiatives. It also provides advice to organisations around the country interested in developing the social economy and has contact with key players at local, national and European levels.

PARTAS currently employs 65 people, including people who are on Community Employment or Job Initiative Schemes, who work in reception, administration, maintenance and cleaning and security. They receive on-job training in excess of the requirements for these schemes. Eighty-five percent have progressed to jobs in the last three years.

PARTAS has successfully tendered to manage a number of EU funded projects and industry-led training networks. The Emerge Skillnet is an Ethnic Business Training Network arising from an EU project of the same name. The Emerge Skillnet is for ethnic entrepreneurs and employees and its mission is to enhance the skills of people in employment in industry to support competitiveness and employability. The Dublin Business Women's Skillnet aims to increase the effectiveness and employability of women in Irish businesses and is attended by female entrepreneurs, owner managers, employees and women trying to get back into the workplace. PARTAS also delivers a range of training courses either in its own Enterprise Centres or on the premises of its clients. Training includes courses in business management and skills, information technology, personal development, human resource management, financial literacy and career development.

In 2009, PARTAS was designated lead partner on a three-year Interreg project entitled *WINSENT* (Wales Ireland Network for Social Entrepreneurship), to facilitate the emergence of social entrepreneurs and related employment opportunities in designated regions of West Dublin and North Wales. PARTAS is also lead partner in the creation of *WISEA*, (Wales Ireland Social Entrepreneurship Alliance), an all-Ireland/Wales alliance of social entrepreneurs and related stakeholders.

The funded-partners consist of PARTAS in Tallaght, BASE in Blanchardstown, four public funded County Councils - two in Ireland (Fingal and South Dublin) and two in Wales (Denbeighshre and Isle of Anglesey).

The main activities will be carried out in Tallaght, Blanchardstown, Kildare and Meath in Ireland and Denbighshire and the Isle of Anglesey in Wales. Enterprise Development Officers will be located in

four offices; Tallaght, Blanchardstown, Denbighshire and the Isle of Anglesey. The team also consists of a Project and Finance Manager and Administrator who are based in Tallaght alongside the Policy and Research Officer who will be working part-time on the project.

WINSENT will generate sustainable benefits in marginalised communities in the form of jobs, skills, a reservoir of information for research and lobbying purposes, and a self-sustaining network of like-minded individuals. New social enterprises will be created in addition to the expansion of existing organisations. By introducing a social entrepreneurship approach, the impact of traditional community-based projects will be revisited in a dynamic, innovative manner.

WISEA has a remit beyond the geographical focus of *WINSENT*. It will bring together academics, funders, entrepreneurs, enterprise agencies, and consultants for the purpose of sharing best practice, policy formulation, lobbying and enterprise opportunities. The Alliance will generate income from membership fees, philanthropic funding and commercial revenue and aims to be self-sustaining beyond the term of the Interreg project. *WISEA* will provide a support network for social entrepreneurs and related stakeholders including virtual and physical clusters across Ireland and Wales.

The PARTAS Social Economy Unit provides mentoring support to organisations in Tallaght to develop and manage social economy initiatives. It also provides advice to organisations around the country interested in developing the social economy and has contact with key players at local, national and European levels.

PARTAS currently employs 65 people, including people who are on Community Employment or Job Initiative Schemes, who work in reception, administration, maintenance and cleaning and security. They receive on-job training in excess of the requirements for these schemes. Eighty-five percent have progressed to jobs in the last three years.

PARTAS delivers a range of training courses either in its own Enterprise Centres or on the premises of its clients. Training includes courses in business management and skills, information technology, personal development, human resource management, financial literacy and career development.

In summary, PARTAS has created and supported local employment, supports enterprise development and the development of the local social economy and is working to promote techniques and methodologies that will support social auditing and entrepreneurship.

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4.5 Case Study Five - Community and Family Training Agency

This case study shows an organisation that was set up in response to a specific community need, building on this need to grow and develop a range of education and training services for the local population.

The Community and Family Training Agency (CAFTA) was established by the Little Sisters of the Poor in 1987 to train people who were delivering home help service to people in their homes. Over the years new courses were developed and a number of local organisations grew out of CAFTA including the men's centre and STAR which supports young people coming out of drug addiction.

CAFTA's mission statement is as follows:

'CAFTA is dedicated to working for personal and social change. We empower individuals, families and communities by creating opportunities through education, training and support to all people of Ballymun and other communities'.

CAFTA currently offers a full range of education, training and support courses pitched to different age groups and levels within the Ballymun regeneration context and the wider community. Each course shares a common grounding in family and community development. In 1997, CAFTA set up the Little Rascals crèche as a support for mothers attending its courses. It employs nine staff and provides sessional day care.

CAFTA engages actively and closely with local residents to ensure that they can take ownership of the new Ballymun and networks with agencies locally, regionally and nationally to ensure a co-ordinated approach towards social sustainability in the new Ballymun.

CAFTA employs 32 people, including 18 people on Community Employment. Many of its full-time staff and some of its Board members are local residents who have experienced the regeneration process for themselves, and they bring this wisdom to the courses and to CAFTA. In 2008, it had an income of around €1.1million comprised of a mix of grant aid, fee income and income generated from tendering to deliver training contracts.

CAFTA is a registered FETAC provider. It runs an NCI Certificate course in Community & Family Support FETAC Level 5 and a Certificate course in Community Development & Leadership FETAC Level 7 for NUI Maynooth.

CAFTA works with Ballymun Regeneration Limited to provide training for residents experiencing the changes that a regeneration brings. There are three main strands: transition programmes, parenting courses and home management courses.

CAFTA have been delivering the Housing Transition Programme to residents of the Ballymun flats prior to moving into their new homes for the last ten year. The programme aims to facilitate the development of relationships between participants, statutory bodies and community groups and to support participants with any anxieties or concerns about moving by helping new neighbours to get to know each other. A Children's Transition Programme was added in 2005 with the aim of supporting young people in the move from the flats to their new homes.

The Post Transition Programme was developed for residents who have moved into their new homes. It aims to support residents in identifying their interests and issues with a view to sustaining the new Ballymun and to encourage and assist residents in engaging with local decision making forums.

Parenting courses started in 2005. CAFTA identified a need through the delivery of these courses for counselling to parents at an affordable cost and it sourced a number of counselling hours through Cross Care and the Dublin Counselling Institute.

The Home and Self-Management course was designed to make contact with marginalised individuals in the local and surrounding areas of Ballymun. It aims to build participants' self worth, to improve home management skills, to inform participants of community services available and to encourage participants to have a positive involvement in the community.

In 2007, CAFTA won the five-year contract to deliver the Incredible Years programme for Young Ballymun. CAFTA piloted the programme in Ballymun to gauge its effects for parents and subsequently secured the funding, which is comprised of Atlantic Philanthropies and the Office of the Minister for Youth Affairs & Children.

CAFTA has been the sponsoring body for a FÁS Community Employment Training Programme. This programme supports the Crèche and the reception of CAFTA as well as supporting projects in the area while ensuring that CAFTA maps a clear training and progression route for the CE participants.

CAFTA regularly reviews and evaluates each individual course and the overall work of the organisation, both internally and externally.

In 2008, CAFTA was commissioned by the Limerick Regeneration Agency to draft a comprehensive template for the development of a Transition Training/Support Programme for residents involved in the Regeneration Projects in Limerick City.

CAFTA supports and trains local residents and their children, provides local employment, provides access to third level education and empowers local people to become involved in their community and decision-making that affects their lives.

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4.6. Case Study Six - Kilmovee Community Housing Ltd

This case highlights the diverse range of services that a social enterprise can respond to in a local rural community.

Kilmovee Community Housing Ltd is a company limited by guarantee with charitable status. It has been operating since 1993 providing a diverse range of services and supports to the rural community of Kilmovee in North East Mayo. Its buildings include eight social housing units, a community centre, a health centre, heritage centre, meeting rooms, a post office, a games room and a laundry. It provides a range of services and supports including day care for the elderly, meals on wheels, a mother and toddler group, heritage information, education and training facilities, sporting and social activities and youth supports.

Since its inception the organisation has been growing and developing in response to community needs. There was an existing community centre in the village and this closed down in the 1980s. This left a gap in that there was a firm need for a focal point for the community, a central building with a range of community services and supports. This need was identified through a local house to house survey over a twenty mile radius. This survey was initiated and conducted by a small group of eight volunteers from the community who were taking part in a Community Development Diploma course. They came together and with vision, energy and leadership worked to make Kilmovee Community Housing Ltd a reality. The survey yielded a response rate of 55% and validated the need for a community centre, social housing and related services. Finance, over the years, has come from a range of sources including St Nathy's Diocesan Trust, local fundraising and funding from Mayo County Council, FÁS, Department of Environment, the HSE West, Pobal and the National Lottery.

Kilmovee Community Housing Ltd is the result of energy and commitment of a range of vested interests within the community. The land on which the social housing units and community centre sits was donated by St Nathy's Diocesan Trust. The Trust also gave the organisation the proceeds from the sale of the old community centre. The management committee organised a giant fundraising drive in 1989 and this generated a profit of IR£22,000. This paved the way for the organisation to apply for planning permission and set in train the plans to bring their vision to fruition. Planning permission for eight social housing units and a community centre was approved in 1991. Funding of IR£188,000 was received from the Department of Environment through Mayo County Council for the construction of these buildings. The buildings are architecturally designed and have the community centre as their centre point. One part of their building was refurbished to accommodate the HSE who lease it from Kilmovee Community Housing Ltd for facilities to provide health care to the community. These health care services include a nurse present daily, a doctor twice a week and the Community Welfare Officer one day a week.

Kilmovee Community Housing Ltd provides multi-functional space for many community services and activities. At the time of this research all housing units were occupied, two by families, five by elderly members of the community and one by a lone parent. All tenants pay affordable rent, which is income for the organisation. The organisation also provides a wide range of other services and supports to the local community some free and others, such as the laundry and room hire at affordable rates. These include the Post Office, which was the community's response to the closure of the village post office. The community centre operates the post office on behalf of An Post on a sub contractual arrangement which earns some income for the organisation. The Post Office brings people into the centre be it for

their pensions, children’s allowance, postage, etc. This has social benefits as well as practical benefits which would have been lost to the community had they lost their post office.

In 2009, the Community Centre underwent a further development to expand its facilities and now has a main hall used for sports and drama, 2 large meeting rooms, an office, a heritage room and a games room for Foróige youth activities. The heritage room was funded by a millennium grant and the Rural Social Scheme. It is designed and decorated like an old style Irish traditional cottage. Members of the community and visitors can access information on local heritage, historic details and attend monthly heritage nights, with story-telling and music. The centre is multi functional and has a diverse range of facilities and services to attract in and support all age groups within its community. The diversity of the services and supports means that there is something on in the centre at almost all times of the day and everyday of the week for the benefit of the community. These activities include sports, Irish dancing, bingo, art classes for children, summer camps, youth club, recycling facilities, health services, mother and toddler or elderly care. The philosophy of the organisation is to be community centred, to provide for the social, health and community needs of the area and to be welcoming and warm to all comers.

Kilmovee Community Housing Ltd recognised the benefit of having a national social programme in the area. In 2006/7 the Committee employed a full time Development Worker out of their own funds to develop programmes and services and also to put together information to make an application to the Department of Social and Family Affairs for a Family Resource Centre. Following predevelopment work, the Family Resource Centre Programme was granted to the Kilmovee area and a separate limited company was established, Cárdeas, Kilmovee Family Resource Centre. This project was initially based in the Community Centre Office but has since moved to the Curates House adjacent to provide additional community office space and meeting rooms. Kilmovee Community Housing Ltd and Kilmovee Family Resource Centre work closely together as each complements the work of the other.

Kilmovee Community Housing Ltd currently employs seven people, four funded through the Rural Social Scheme (RSS) and three in 2009 through the Community Services Programme (CSP). In 2008 its income was around €80,000 comprising a mix of grant aid, donations from philanthropic organisations and income through house rents, venue hire and laundry which was almost 50% of the total income. The organisation has a Board of Directors comprising eight members, the majority of whom were part of the original team that activated the funding drive for the centre back in 1989. The organisation highlights accessing funding, recruiting the right employees, managing staff and dealing with bureaucracy as the principle challenges that it has encountered. By supporting a vibrant community centre, Kilmovee Community Housing Ltd has encouraged many other community groups to establish themselves within the Kilmovee area such as Kilmovee Community Council, Kilmovee swimming pool, Kilmovee GAA pitch and sports facilities, Kilmovee Bingo.

Kilmovee Community Housing Ltd is continuously learning and looking for innovative ways to respond to community needs and achieve sustainability. The organisation is mindful of the rural community that it serves and the isolation that members might feel being seven miles from the nearest big town and the services that it offers. The Board are committed to continuous improvement and have a vision for the future that includes a care home in the community for elder members, a library, a gym, a community garden and possibly an astro turf pitch. They are conscious of the importance of being forward thinking, learning from their mistakes, responding to emerging needs and opportunities and working to bring the community along with them. They are realistic in recognising that the future is uncertain and are keen to enhance their sustainability and always ‘have a plan B’ if a plan has to change for some unforeseen reason.

Kilmovee area is a good example of how an isolated rural village has identified and put in place services to establish a vibrant community which caters for all sectors of that community – parents, toddlers, children, youth, older people, carers, farmers, employed and unemployed -through arts, cultural and heritage, educational and sports, health and social activities. Central to this is the provision of the community centre and social housing and the way it has been established by Kilmovee Community Housing Ltd as a social economy model which, whilst accessing funding from other sources, has sufficient resources from rents, leases and services such as the laundry and room hire to support itself into the future.

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4.7. Case Study Seven - Accessible Community Transport Southside Ltd and the Local Initiative for Transport Services (LIFTS)

Two cases are presented here to provide examples of contrasting models of social enterprise to address the same need for transport services.

Accessible Community Transport Southside Ltd (ACTS Ltd) was set up in July 2001 as a not for profit limited company with charitable status. It began operating in February 2002 following approval from FÁS as a social economy project in the Dun Laoghaire County Council area of south Dublin. In November 2004 it amalgamated with South West Dublin Accessible Transport and in so doing expanded to cover the Dun Laoghaire and South Dublin County Council. It is supported by all the local area-based Partnership Companies.

The mission statement for ACTS Ltd is as follows:

To provide a flexible, customer focused, accessible and affordable transport service for individuals with disabilities and people with mobility difficulties.

The aims of the company are to provide a door to door demand responsive transport service; to have a visionary approach to developing a community bus service building on the identified needs of disadvantaged communities; to contribute to the social and economic development of south and west Dublin, particularly in relation to creating employment opportunities and to work with local, existing transport providers and relevant agencies to develop a comprehensive, local transport network.

ACTS Ltd provides door to door demand responsive accessible transport for people with disabilities and mobility difficulties across south and west Dublin. The company employs fifteen staff, fourteen men and one female. This includes a full time manager, drivers and administration staff. Safe and reliable transport of their customers is of paramount importance. All drivers are professional trained in Disability Awareness and occupational first aid.

ACTSLtd operates a fleet of nine accessible minibuses, one with fifteen seats and the rest with eight seats. All vehicles are adapted for wheelchairs and each has the capacity for three wheelchairs.

ACTSLtd brings people to work, training centres and day care. In off peak times (10am to 2,30pm) or in the evenings the company responds to other types of bookings including taking people to medical or dental appointments, shopping or social events. ACTSLtd provides a service seven days between the hours of 7am and 10pm. An out of hours services is also available. Customers pay a contribution fare rate that meets the costs of running the service.

Operational funding is received through the Community Services Programme (CSP) which is administered by Pobal on behalf of the Department of Community Rural and Gaeltacht Affairs. All employees are funded under the CSP and their salaries are topped up by ACTSLtd. Capital funding has also been received over the years from a range of other sources including Dormant Accounts, the Disability Unit of the Department of Justice, Equality and Law Reform, the People in Need Trust and the Rapid Programme Louglinstown/Shanganagh. The company has also received social finance from Clann Credo.

Income including grants and income earned from fares was around €600,000 for 2008. Expenditure for the same year was in excess of €600 including depreciation of vehicles. The company is committed to reinvesting any profit made back into the business.

The main challenges that the company has encountered over the years include finance, cash flow, getting capital to purchase vehicles for its fleet, containing costs, such as insurance and managing the volume of bookings.

ACTS Ltd provides an important service to the many people with disabilities who have used the service since 2002. It has over 1,400 members and over 1,000 of these are wheelchair users. It addresses a gap in transport services for vulnerable people and is addressing the social inclusion needs of people with limited mobility.

ACTS Ltd is always looking for ways to respond to customer needs, promote its service, upgrade its fleet and to be sustainable over time. The organisation has a board of directors representing the disability sector, community groups, Travel Club members and the local area-based Partnership Companies. The Board has a clear vision for the future of the company and the provision of a responsive transport service to customers. Based on the experience over the past seven years the Board believes that the time is right for a transport service for their sector of the population to be established on a firmer more sustainable footing in the Dublin area. There is a call for greater recognition of the potential for social enterprise in the transport sector.

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LIFTS Community Project started with one employee and a single bus in September 2002. It is a not for profit company limited by guarantee. It is committed to social inclusion and serving the community. LIFTS currently has four mini-buses.

LIFTS provide mini-bus services on a hire basis to community, corporate and commercial clients. The company also provides mini-bus services to a number of schools across the Dun Laoghaire area. The service is available twenty-four hours a day and seven days a week and will travel to any part of the country.

LIFTS employ four staff, all men. Three are employed full time and one is employed part time. There are five volunteers who provide their services to the company.

The company has received support over the years from the Southside Partnership and the Dun Laoghaire Rathdown County Council. Income including grants and income earned from clients was around €200,000 for 2008. The majority of the company's income was earned from the project's business activities. Expenditure for the same year was in excess of €197,000. The company is committed to reinvesting any profit made back into the business.

The main challenges that the company has encountered over the years include finance, cash flow, getting the right blend of people to serve on the Board, dealing with bureaucracy and meeting the requirements of funders.

The company believes that it brings a range of benefits to the local community. These include providing school transport, which ensures that students attend school and therefore increase their chance of achieving a high standard of education. The organisation provides local employment, injects money into the local economy and subsidises activities within the community, e.g. summer projects and childcare outings. All transport is provided free of charge to Mount Wood Community Development Project (CDP) so that the cost of summer Projects can be kept low thus giving more people access to the services provided by the CDP.

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4.8. Case Study Eight – County Wexford Community Workshop (Enniscorthy) Ltd

This case demonstrates how a social enterprise can meet the needs of a particular target group by developing and expanding the range of services it provides.

County Wexford Community Workshop (Enniscorthy) Ltd - CWCW(E) Ltd was set up in 1975. The organisation is multifunctional providing a wide range of supports, services and therapies for people with disabilities.

The primary aim of the organisation is to enhance the quality of life of members of the community with disabilities. This is achieved through education, training, employment, sporting activity, therapy, advocacy, day, residential and social care.

The range of services and supports provided by CWCW(E) include St Anthony's Pre-School - an early intervention pre-school; St Anthony's Day Care Unit for people with moderate intellectual disabilities; Sensory Garden; sheltered occupational services for people with disabilities; vocational training in the areas of horticulture, catering, retail and offices skills; Beech Haven Day Care; self advocacy; residential services; respite services; Astro Active – a community based multi-sports facility; Bellefield Design – a craft and gift shop, and a restaurant and coffee shop

CWCW(E) has a sister company Kilcannon Industries which was established in 1983. This venture was aimed at providing further employment opportunities in a commercial environment and on an integrated basis for those who had progressed beyond the Bellefield Design workshop. Kilcannon Industries has grown and developed over the years and now includes garden centre, nursery, restaurant and meeting/training rooms for hire.

CWCW(E) is a company limited by guarantee with charitable status. There is a board of directors comprising normally twelve members which meet monthly. Members are representative of the community and families of people with disabilities. There is a policy of a four year term of office for each board member and a third of the board retire each year. The organisation employs two hundred people, 70% female and 30% male. The majority (90%) of employees are grant aided through Community Employment and Community Services Programme. The majority (130) are full time and the remainder (70) part time. The organisational structure includes a CEO, two front line managers, one human resource executive, an accountant and support staff.

The total income for 2008 was in the region of €6 million. This includes grant aid (approximately 80%) from the HSE, FÁS, Pobal and Wexford Area Partnership. It also includes income from fundraising and earnings from enterprise activity, e.g. the coffee shop, rental of sports facilities, sales from garden centre and furniture design shop. The company tends to break even most years and has a commitment to reinvesting any profit back into the business.

In recent times the organisation has realised a long held dream with the construction of a multi sports facility on the site. This is a community based facility for use by those with disabilities and members of the community alike. Capital funding was received from the Department of Arts, Sports and Tourism and Dormant Accounts for this exciting venture. This development is of significant benefit to people with disabilities in the South East Area as well as the local community in Enniscorthy. It is a much needed facility for training for preparation for Special Olympics events for both local and county based athletes.

The organisation, just like any other, has encountered challenges over the years and developed and enhanced its structures and services in response. Sourcing funding and managing the paperwork and processes relating to funding are ongoing challenges. Other challenges relate to responding to the need of services users, the increasing demand for services in particular residential care places and achieving a balance between care and commercial goals for the greater good. CWCW(E) has a clear vision, good leadership, a strong organisational culture, a commitment to working together, adopting a team approach, generating ideas and building a vision for the future. There is a firm commitment to the vulnerable group that they work with and for and going the extra mile to respond to their needs.

The vision for the future is to sustain and build on current successes, to continue to advocate for people with disabilities and to provide progressive, worthwhile and beneficial supports and services. The way forward is to work in closer partnership with other agencies with a shared vision. Work is well underway to developing a county strategy to achieve this.

Contact Details

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4.9 Case Study Nine – Fledglings Childcare

This case highlights a new model of childcare provision that uses the commercial franchise concept to address the issue of sustainability.



Fledglings Childcare is part of An Cosán. An Cosán is the integrated centre of The Shanty Educational Project Ltd which was founded 22 years ago by Ann Louise Gilligan and Katherine Zappone. The fundamental principle of the founders was that “*education is the key to eradicating poverty*” and over the last two decades The Shanty has provided an extensive range of second-chance education and training opportunities for thousands of women and men in Tallaght West.

In 1999, the government provided a grant of €1 million to build An Cosán, where Rainbow House, the organisation’s in-house early years education and care centre, delivers a high quality service which enables many parents to avail of education and training. Fledglings Training (formerly the Childcare Enterprise Centre) is part of An Cosán. It provides courses for adults including FETAC Childcare Levels 4 and 5, FETAC Childcare Supervisory & Management Level 6 and other courses including Childminding and Parenting.

The board of An Cosán has been committed to the development of social enterprise and funding was allocated to researching enterprise opportunities. As a result of this research the unmet need for early childhood education and care was identified. An innovative social enterprise solution was developed and Fledglings Childcare was created and registered as a social franchise to provide affordable, high-quality early years education for parents and children. Within An Cosán, a sub-committee of the board, the Fledglings Childcare Working Group, was set up to steer the project. It meets monthly and reports back to the board of The Shanty Educational Project Ltd. The project will be externally evaluated at the end of each year of operation.

Fledglings Childcare aims to cultivate an atmosphere of social enterprise and financial independence so that adult participants are motivated to set up sustainable social enterprises in early years education. It will achieve this by supporting and mentoring potential entrepreneurs as they go through the process of setting up their own social enterprises. Initially they will be directly employed by An Cosán but, in the medium term, they will take over their own early years education services under a Fledglings Childcare franchise contract.

The Business Incubation Programme is at the heart of the Fledglings Childcare project and it provides the support and mentoring services mentioned above. A manual is currently being developed which includes the High/Scope early years education curriculum as well as all the policies and procedures

under which Fledglings Childcare will operate. This Business Incubation Programme is fully-funded by the Office of the Minister for Children & Youth Affairs (OMCYA) for the three years from 2008 to 2010.

Under the contract with the OMCYA, Fledglings Childcare has committed to opening 10 early years education centres using the social franchise model. An Cosán has already reached agreement on three locations for Fledglings Childcare facilities. The first opened in September 2008 at Fettercairn. The second opened in February 2009 in Brookfield Youth & Community Centre and the third will open in September 2009 in the Christina Noble Children's Foundation EcoHouse at Deerpark in Kiltipper. When operating at full capacity, these three locations in Tallaght West will provide over 100 new early years education places and 24 new jobs for early years educators and ancillary staff.

As not-for-profit, community-based early years service providers, the Fledglings Childcare locations have obtained capital funding and staffing subventions in order to offer tiered pricing based on parents' ability to pay. As the buildings are already funded, capital expenditure is only required for equipment and for outdoor play areas. In general, Fledglings Childcare will be implemented on the basis of peppercorn rents to achieve break-even under OMCYA tiered pricing structures.

Fledglings Childcare is modelled on the concept of commercial franchises under which the centre will provide a variety of services to the social entrepreneurs in the community. These include site-finding, marketing, accounting, payroll, taxation, volume purchasing, insurance and architectural services. In addition, each early years education location will be intensively trained in implementing the Fledglings Childcare manual using the High/Scope method. Each Fledglings Childcare facility will remit a small percentage of income back to the centre as a franchise fee so that, in time, the central costs are covered and the project achieves sustainability.

Each franchisee will be allocated a highly-experienced and qualified early years education practitioner to act as mentor. These mentors will maintain weekly support and supervision contact with each Fledglings Childcare facility in order to monitor standards and to support the social entrepreneurs in the provision of high-quality early years education services to the community. Fledglings Childcare will set up local boards of management comprising early years education specialists, parents and local community representatives.

Fledglings Childcare facilities will offer the full range of early years education services including full-time, part-time and sessional care for children aged from 3 months to 5 years as well as an After-School Service for school-age children aged from 5 years to 13 years, where space permits.

The next stage in the development of the project is to complete the development of the Business Incubation Programme, to expand the panel of mentors and to roll-out the franchise model to other locations in Ireland.

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5.10 What the Case Studies tell us about Social Enterprise?

The case studies demonstrate the multi-faceted nature and diversity of social enterprises. They highlight how each was established to meet a specific community need. They show how social enterprises work with the statutory sector and how they can complement the activities of local authorities and statutory agencies as well as address gaps in services.

Some, like the LEDP, have used physical assets to generate income that will support their social objectives. Others, like PARTAS and CAFTA, have tendered for State

contracts to deliver services that meet identified needs and have developed networks and alliances to support their work. Some, like Fledglings Childcare, have developed innovative models for the provision of services. Others, like CCRI, ACTSLtd, LIFTS and CWCW(E) have responded to a gap in local service provision and generated new business as a result. Some, like Kilmovee and Lisdoonan, have been the drivers of regeneration in rural areas.

The case studies draw our attention to the effective ways in which social enterprises work in partnership with other local organisations to further their aims and objectives. They see themselves as an integral part of a local network involving their customers, the local community, other businesses, Partnerships, local authorities and State agencies.

Social enterprises are significant employers of local people and a conduit for State programmes such as Community Employment and the Community Services Programme. There is a commitment to the 'whole' person and to going the distance in supporting people to progress in training, education and employment and ensuring the community is involved. The case studies demonstrate the social inclusion ethos of social enterprises and how they reach out to all members of a community from the very young to older members. They are particularly responsive to the vulnerable, marginalised and isolated groups in our communities.

The case studies also illustrate the organic and iterative process by which these organisations have grown. Most started very small and grew by responding to community needs as they arose. All have a central theme that drives their social remit, whether this is education, childcare provision, catering for particular groups of people such as those with disabilities or older people. All strive to identify and serve the needs of local communities.

The case studies illuminate the importance of the vision, commitment and drive of the promoters in developing these community enterprises and in setting up new services. Many of these services are delivered by a relatively small number of paid employees and draw in local volunteers. They are versatile, flexible and responsive and provide very good value for money.

CHAPTER FIVE BENEFITS OF SOCIAL ENTERPRISES

5.1 Introduction

This chapter highlights the benefits of social enterprises and the value that they can bring to their communities. It draws from the survey of enterprises and is validated through the workshop discussions.

5.2 Economic Contribution to the Local Economy & Community

All of the social enterprises that took part in the survey were service providers. None were engaged in manufacturing. Total expenditure by these enterprises amounted to €38.5 million and they employed 1,589 (47% full-time and 53% part-time). The researchers estimate the full time equivalent jobs to be 1,215. In addition, the researchers estimate that these enterprises support a further 670 jobs indirectly in Ireland when wages and salaries, spend and tax take are taken into account.

In addition, all of the expenditure of these organisations, €38.5 million, is in the Irish economy, most of it in local economies, through the purchase of local services and through employing local people. There is therefore no transfer of this expenditure to other countries.

The companies galvanise 1,215 volunteers to support their activities, and have obtained monetary support from their local communities through fundraising drives and donations, thereby realising two key objectives: value for money in service delivery and active citizenship.

The sector has a high proportion of employees on labour market activation programmes such as Community Employment. These employees are provided with meaningful employment, personal development and training.

5.3 Benefits for the Community: Survey Findings

The majority (95%) of enterprises that participated in this research cited multiple benefits to their communities. These benefits are broken down individually and presented in Table 5.1 below.

Table 5.1 : Benefits of Social Enterprise (n=106)

	<i>Percentage 'Yes'</i>
Providing affordable services/products to communities	79%
Bringing people together	76%
Creating local jobs	75%
Providing goods/services previously not available locally	74%
Putting money into the local economy	56%
Buying from local suppliers	48%
Helping the environment	30%

The results show that the benefits to community are many. The benefits are economical, educational, psycho-social and environmental. Thus, they are multifaceted and layered and difficult to quantify with the traditional tools at our disposal. The benefits arise from circulation of money in localities, creation of employment, provision of accessible and affordable social care and support, a sense of well being and better quality of life, inclusion and community spirit. The results above and the following quotes serve to convey the value of the social enterprises:

'A place to meet, a place for youth to gather and practice their band routines and the feeling that the local community owns the hall' (community youth facility).

'Employment for local people, bringing people, families from rural areas together' (community facility).

'Providing our elderly with a comfortable environment to live in' (social housing and care).

'Helping parents who need help, childcare, play, health eating, giving parents the confidence and support for them to return to work' (childcare and parenting support).

'Personal development for people in crisis' (community counselling service).

'Providing jobs, training, education and community enterprise' (community enterprise centre).

'Providing a safe social space for people to meet' (community centre).

'Providing a healthy food outlet and training courses for parents and children on cooking healthy inexpensive foods' (education and training).

'Provision of dependable social services and an anchor for the more vulnerable of our society where trust, reliability and guarantee of a friendly helpful service' (social care).

'Bringing families from different backgrounds together and ensuring children have an enjoyable, safe, secure and productive introduction into the wider social community. Providing a confident start for preschool children on their educational journey through life irrespective of social background, ethnicity or gender' (community crèche).

'Providing accessible and affordable transport for people with disabilities or limited mobility' (accessible transport).

'Facilitating local volunteer groups and individuals in our community so that they can focus their energies and efforts towards improving our community for the betterment of all....ultimately bringing us all together' (community radio).

'Teaching kids respect for themselves, their community, animals and work' (community youth project).

'Local access to a complete and tailored response to respond to drug problems in the community including affordable therapy for young people' (community drugs project).

'Delivering high quality street arts across the country' (youth street theatre group).

5.4 Workshop Discussion

Alongside the survey results the workshops confirmed that social enterprises form a sector in their own right and are worth promoting as such. This sector is different, it can stand alone and is worthy of its own support strand. This could be achieved, with relative ease and little cost, by building on existing support structures.

The sector is outcomes driven as opposed to profit driven and its emphasis on achieving social benefits for the greater good is what sets it apart. While it is always a challenge to quantify social benefit this research draws our attention to these benefits. These benefits are quantified through the survey in that the majority of respondents highlighted the same core community benefits as outlined in Table 5.1 above. The benefits of the social enterprise sector were confirmed and validated through the workshop discussions and are presented in detail below.

5.4.1. Service Provision

Workshop participants emphasised the following points about service provision by the social enterprise sector:

- It provides services to all members of the community, e.g. taxi for people with disabilities, crèches, free newsletter. This is particularly important in a rural environment with dispersed population where services might not exist except for social enterprises.
- It provides services the State should be providing, in a more cost effective manner.
- It delivers services the private sector would not deliver as it is not totally profitable or which the State cannot provide.

5.4.2 Economic Spin-Off

Spin-off benefits arising from social enterprise identified by the workshop participants included the following:

- It provides local and targeted employment and involvement.
- It has passion, social conscious and commitment to serving local clientele.
- It provides work experience to young students.
- It keeps money circulating within the community. For example, a community centre renting training rooms means money going back into community as opposed to going to a local privately run hotel (at a bigger cost). Another example is recycling of money going into a garden centre and reinvested into facilities for people with disabilities and then cycled around again to provide services for the community.
- It gives the long-term unemployed, lone parents, people with disabilities, etc. a chance to get back into the labour market that they might not otherwise have.

5.4.3 *Diversity*

Workshop participants noted the diversity of the social enterprise sector and highlighted the following:

- It is diverse and spread across many different businesses and services, e.g. crèches, youth projects, training for people with disabilities, gardening therapy for those with mental health problems, environmental projects, housing, transport, media, the arts, retail, heritage centres, community centres, meal services, etc.
- It includes some more unusual and often 'invisible' but important enterprises, e.g. heritage centres which combine a mix of services and supports including cultural, agricultural, tea rooms, facilities to trace family history. As a result, sometimes enterprises do not fit naturally into criteria set for funding.

5.4.4 *Innovation & Creativity*

Workshop participants believed that social enterprises provide creative and innovative solutions to local needs and emphasised the following points:

- It provides innovative responses to social needs, e.g. street theatre for young people.
- There is creativity in delivery of services as money is not the driving factor, e.g. re-purposing of recycled electrical and electronic waste.

5.4.5 *Responsiveness*

Participants believed that a key strength of social enterprise is its responsiveness and they made the following points:

- It engages in a constant cycle of responding to the community and giving back to the community in terms of services, supports, places to go, community spirit – social enterprises are not just there for themselves as a normal business would be.
- It responds to social needs, e.g. suicide prevention, working with young people at risk, people with mental health problems, long term unemployed men, people with disabilities.

5.4.6 *Ethos*

Participants were of the view that social enterprises have an ethical approach and social conscience that underpins the ethos of the sector as follows:

- It is driven by a social need or social mission.
- Sustainability in the sector is more than just about profit.
- It is based on good inter-personal relationships.
- It is based on traditional values.
- It effects social change.
- It helps people access services when they cannot access other comparative services (e.g. private provision because of the cost).
- It operates ethically, morally and has quality values such as honesty, integrity, trust, people centred, quality service provision, whole person approach, supports people who need support.
- It gives back to the community.

- It meets the needs of the community.
- It focuses on what is best for client/customer irrespective of the availability of funding or profits.
- It acknowledges the family/community as an interconnected system or unit.
- It reinvests profits into social development.

5.4.7 *Value for Money*

Participants believe that social enterprises provide good value for money as follows:

- It provides value for money – it is unlikely that the State could deliver these services in a more cost effective way. It also generates a commercial income so that social enterprises are not totally reliant on State funding
- It generates spin-off benefits that are impossible to cost, e.g. free removal of furniture, time that volunteers or Board members give, free donations to school planting projects.
- It can go to the community and fund raise to keep some level of service going.
- It leverages other sources of money.
- It helps the State to achieve its objectives, e.g. by taking on CE and JI, by providing training and education, by being socially inclusive, by supporting voluntary activity and active citizenship.

5.4.8 *Building Community Assets & Social Capital*

Participants emphasised that social enterprise was more than just being about making a profit and that building social and community capital was just as important. The main points made were as follows:

- It develops local infrastructure.
- It has multifunctional buildings and services, e.g. service provision but also support/training and a place for people in the community.
- It develops social capital in different areas (locales and services) to meet national needs, e.g. in Ireland its childcare, in other countries it might be healthcare.
- It provides qualitative benefits that are hard to measure, e.g. providing services that will keep and attract new people to an area, providing social outlets that can reduce mental health problems, providing cheap transport that cuts down on costly single person journeys (financial and environmental cost).

5.4.9 *Community Engagement & Inclusion*

Participants highlighted the role that social enterprises play in bringing local communities together and in supporting local people. The key points were as follows:

- It enables active citizenship through the use of volunteers.
- It enables statutory bodies to engage with the local community – to be the 'human face' of government.
- It has local provision of services that should be affordable thereby enabling people who might not access them in the past to do so now.
- It has community ownership – formally through Articles of Association and having local residents on Boards and informally through the community feeling

that they own the building or service. The organisation and what it does is viewed by the community as being a core part of that community and part of them.

- It services disadvantaged people – the private sector would not service them as they would not be able to make a profit.
- It has community development experience – most social enterprises in the Republic of Ireland come from this background.

5.5 Summary

The workshop discussion afforded the participants an opportunity to articulate the benefits of social enterprise. They noted its breadth and diversity. Its responsiveness to identifying and responding to community needs. Also highlighted were its commitment to inclusion and community gain, its ethics and ethos and the value for money it provides in service provision and the economic benefits to local communities.

The participants were passionate about their organisations and the services they provide and the people and communities they serve. Many made the point that it is important to recognise that some of their activities will never produce a commercial return (if they did, the private sector would have already stepped in) and will require State support. They believe that they are the most effective and efficient way to deliver these services on behalf of the State in a cost effective and responsive manner.

Apart from meeting local needs and providing new services, social enterprises also draw in local people to be volunteers on their Boards and to work as volunteers in their services, thereby making a significant contribution to active citizenship.

CHAPTER SIX

CHALLENGES TO THE DEVELOPMENT OF SOCIAL ENTERPRISES

6.1 Introduction

This chapter examines the challenges and barriers to the development of social enterprises and how they might be managed. It draws from the survey of enterprises and workshop discussions.

6.2 Survey Findings

Enterprises were asked a series of questions about the challenges that they faced at the time of the interview/survey and also challenges they envisaged into the future. Many were preoccupied with funding and this is to be expected given the time of the survey and the downturn being experienced in the economy.

Table 6.1 depicts the challenges encountered by enterprises in order of frequency cited. Overall, the most frequently cited challenges relate to finance, funding and containing costs. Just over half (52%) found dealing with bureaucracy a challenge. This refers in the main to the paper work, funding criteria and application process associated with accessing finance, particularly grant aid. Many enterprises find such processes time consuming and complex and often times rely on external expertise or support. In addition, enterprises expressed concerns about cut-backs in State sources of funding and 51% commented on the challenges of generating sufficient sales to cover costs.

Human resource management is a challenge. Recruiting the right employees was a challenge for 37% of enterprises. Other human resource challenges were achieving the best blend of skills amongst Board members (31%) and managing staff (23%). Just under one third (32%) would like more time to devote to developing their strategy. Overall the challenges mirror those faced by any private enterprise.

Table 6.1 : Challenges encountered by Enterprises (n=106)
(in order of frequency cited)

	<i>Percentage 'Yes'</i>
Dealing with bureaucracy	52%
Accessing funding for day to day activities	51%
Generating sufficient sales to cover costs	51%
Accessing funding for capital expenditure	39%
Containing costs	39%
Recruiting the right employees	37%
Finding time to develop strategy	32%
Getting right blend of skills on Board	31%
Getting Board members	27%
Meeting requirements of funders/financial institutions	26%
Managing staff	23%
Legal & corporate governance	14%
Sourcing suppliers	7%

When asked to articulate the single biggest challenges encountered in recent years the responses were themed as follows:

Finance/Funding	44%
Management & Staffing	17%
Premises	13%
Sustainability	12%
Bureaucracy	7%
Marketing	7%

When asked about challenges envisaged into the future the emphasis on finance/funding and sustainability becomes more acute as shown below. There is also an acknowledgement of the need for strategic planning for the future and possibly this could be coupled with sustainability as the whole concept of becoming more self sufficient was a strong theme during discussions with enterprises.

Funding/Funding	69%
Sustainability	23%
Strategic Planning	6%
Premises/space	2%

6.3 Workshop Discussion

Eighty-seven people took part in these workshops, excluding those who facilitated and/or made presentations (the researchers and Clann Credo). The theme of the workshops was sustainability and social enterprise. Part of the discussion centred on the challenges faced by social enterprises and possible solutions. The findings are summarised below.

6.3.1 Funding

Participants were concerned about funding for social enterprises. The main points made were as follows:

- Managing anxiety over funding, especially possible cuts in grant aid, was a challenge. Funding is precarious and this is a fact and it is necessary to shift mindsets to being more creative and self sufficient and less reliant on State funding. Generating income is a challenges and particularly in these changing time. Fund raising is an option but has its limits.
- The diversity of funding needs, depending on the level of dependency on grants and organisational structure and competence, was apparent - some enterprises are more willing to take a risk and think outside the box and others are completely blinkered and set in old ways.
- Social enterprises are nervous about taking out loans from whatever source. The main concerns relate to repayment capacity (will income be enough to cover loan repayments?), the impact of interest on the cost of services and knock-on effects of fees charged to customers (especially if the enterprise is trying to keep fees as low as possible), and financial prudence, as well as a certain degree of being risk adverse. A lack of business expertise can contribute to being risk adverse and unwillingness to grow the business through the use of external sources of funds. The management committees also often do not have either the capacity or the

confidence to do a loan application so capacity building in this aspect of business management is required

- The manner in which some State funding is offered and managed was criticised. For example, there is a perception that the Arts Council seems to discourage those they fund to seek any other funding elsewhere or to earn money over and above their grant. In many cases, organisations have to do a feasibility study before getting funding and this process raises expectations within communities that may later be dampened. Some felt discouraged from being seen to be successful or doing well in case it would affect their funding down the line.
- Bureaucracy around funding applications was another issue – some enterprises seem to struggle with this and there is fear and lack of trust. Too much energy and time has to be invested in satisfying funding requirements and 'arranging' things to attract funding or to fit criteria.
- The role of credit unions was discussed – they do provide bridging finance during the year but they can only provide loans to individuals, not to corporate entities.

6.3.2 *Managing Uncertainty*

Given the current economic climate, it is not surprising that managing uncertainty was a common discussion point. The main points made were as follows:

- Uncertainty about the future could create anxiety and instability in an organisation.
- Uncertainty about the identity of social enterprise – the enterprises were not cohesive, all had slightly different understandings of their role and attitude to their business and the nature of social enterprise.
- Developing a culture of being proactive was considered a necessary step towards sustainability and managing change.

6.3.3 *Balancing Enterprise Culture with Social Remit*

Participants discussed the challenges of achieving an appropriate balance between their social remits and the business end of their organisations. The key points made were as follows:

- The need to develop an enterprise culture was evident. Being sure to have a 'business' mindset – being professional in the way they do their business – balancing the 'social' with the 'enterprise'. It was generally agreed that all too often community organisations tend to sway towards their social agenda and take their eye off the business side. The ideal is to achieve a healthy balance, recognising the importance of the two.
- Getting the balance right between the social remit and enterprise, between services offered and commitment to staff, between Community Employment/Jobs Initiative and non grant aided staff.
- Many managers felt poorly equipped to carry out the entrepreneurial aspect of social enterprise.

6.3.4 *Management & Governance*

Many participants faced challenges in the management and governance of their enterprises. A range of issues were discussed as follows:

- Being strategic. Managers find it hard to make time for proper reflection and strategic planning. Also the way grant-aided programmes are rolled out and finish makes it very hard to plan effectively.
- Managing people – the whole range of human resource management, motivating workers, managing conflict between workers and within the team. Also managing the ethnic mix was also mentioned and the different cultural norms.
- Getting the right people and enough people.
- Getting the balance right between Community Employment/Jobs Initiative and non-grant employees – continuity, and also managing human resource issues if different pay-scales and training regimes apply or if social welfare benefits mean that Community Employment/Jobs Initiative end up better off than non-grant employees.
- Burn out of existing staff – exhaustion.
- Managing the politics of boards of management especially when members are only there for political reasons and this contaminates the process.
- Governance, especially as 'management' (Boards) comprises unpaid volunteers who only meet monthly. Accountability for Boards of Directors – the issue of the whole legal structure possibly not being the right one for social enterprises was raised. Some felt straight-jacketed into a limited company structure because of grant requirements rather than what makes sense. The UK Model has the Board as the trustee and seems a more appropriate model.
- Management needs support to become better managers and better entrepreneurs. Management training both for Boards and managers is needed. However, the participants felt that there is a lack of appropriate management development courses for social enterprise.
- Management issues include the burden of all management falling on one person rather than a full management team. In addition, the capacity of some Boards to provide effective support to managers was an issue. Lack of appropriate management training supports and mentoring support for management development was highlighted. Participants discussed the deficit of business management expertise and strategic development expertise in the sector.
- Injecting new blood into social enterprises – being open to different perspectives, new ideas and different ways of doing things. There was a sense during the discussions that some enterprises can sometimes get 'set in their ways' and that it is important to recognise this and challenge it from time to time.

6.3.5 *Volunteers*

Participants discussed the importance of volunteerism to social enterprise. The main points were as follows:

- The reality of the current climate is that it is likely to grant many people more free time to engage with their communities and maybe get involved through volunteering – this volunteering potential could be harnessed and maximised.
- Accessing and drawing in the expertise of volunteers, in particular the skills of local accountants and business people, was deemed important to maximise these resources in a rural or small town setting.

- Managing volunteers was noted as a challenge as not all people who volunteer are competent or motivated for a particular position within a social enterprise. It was agreed that best practice recruitment and selection should also apply to volunteers.
- The need for shared responsibility for the work load across the board by all volunteers on management teams and boards was noted. The research indicates that often the same people are investing their time and energy over many years and it is important to foster and nurture a sense of shared ownership and responsibility.

6.3.6 Sustainability

Sustainability was the theme of the workshops so it is not surprising that achieving it was discussed as a challenge for social enterprises. The main discussion points were as follows:

- Understanding and learning how to be sustainable was a major concern including finding ways to be sustainable and to become more self-sufficient. There is a continuum of social enterprise from 'must have' services such as childcare that will remain dependent on the State if we want to ensure accessible, affordable services with the child at heart, to those that can become completely self-sufficient. Most social enterprises lie somewhere in-between.
- Participants felt that poor policy-making in the past is now 'coming home to roost', e.g. grant aiding a community centre in every parish when maybe only one or two per county is needed to ensure long-term viability and sustainability. Another example given was grant rules that did not allow organisations to build up cash reserves.

6.3.7 Image, Identity & Promotion

Participants discussed whether or not social enterprise had a positive image and identity. The main points made were as follows:

- The sector needs to promote itself and show it has a valuable place and role to play in society. The sector does not promote itself enough (or at all) or 'show off' what it does – there may be some misunderstandings out there about what a social enterprise is and what good it does and can do that need to be addressed. For example, the image that social enterprise = poor quality, not 'serious or real' business needs to be dispelled.
- Some argued that social enterprises need sufficient critical mass in Ireland to be heard. There was no effective national lobby organisation for social enterprises to inform policy and drive policy change. There were also comments about a lack of pro-active capacity in the Third Sector – the sector has been happy to sit back to 'go with the flow' when it needs to be organised and galvanised into action.

6.3.8 Defining Social Enterprise

The term 'social enterprise' came up for discussion. The main points were as follows:

- The issue of defining social enterprise came up with many different views on what constitutes a community enterprise versus a social enterprise.
- There was general agreement that the social enterprise sector was very fragmented and is suffering from an identity crisis and has no national representation.

- However, there was also a sense that the sector is always relying on someone else to do things for them – the dependency culture. The sector itself needs to want these things and to initiate them.

6.3.9 *Demonstrating Benefits*

The participants noted the challenge of demonstrating all of the benefits that they bring. The main discussion points were as follows:

- How to capture and convey the social dividend was considered a challenge.
- Many felt that it is difficult to measure the social value of many social enterprises, yet this is the added value that they bring.

6.3.10 *Interaction with the State*

Given the importance of State funding in the mix of funding sources for social enterprises, it is not surprising that there was considerable comment about how the State interacts with social enterprises. The main discussion points were as follows:

- Many comments were made about the impact of poor policy decision-making on social enterprises, e.g. Social Economy Programme drove a lot of community organisations into social enterprise that should never have been involved in the first place. This has had a long-term lasting impact on the structure of social enterprises that can be detrimental to sustainability. Different programmes that have been applied to social enterprise (Social Economy Programme, Community Services Programme) have conflicting objectives – we need to be clear at policy level what social enterprise is (e.g. it is not labour market activation, although this can be a part of it). Policy has also resulted in a grant dependency culture – to change this will require on-going cultural change at all levels. It would be good if grants structure gave an incentive to organisations to seek out efficiencies.
- Some felt that the State does not understand that it is in a partnership with social enterprise and vice versa (too much of 'be grateful because we're giving you grant aid' rather than 'how can we jointly meet the needs of this target group').
- There were views that there has been too much focus on both sides of 'ticking the box'. There is a – need for a lot more joined-up thinking by both the Third Sector and the State and the Third Sector needs to change from a 'supplicant' approach to 'we are helping the State deliver its obligations'.
- There were strong views about the State agencies trying to micro-manage the organisations they support and let the organisations get on with the day to day running and show some trust and faith in what the sector does.
- Public procurement rules currently do not support or engender the development of social enterprise, unlike other countries.

6.3.11 *Community Engagement*

Participants expressed a desire to include and engage communities in their enterprises but acknowledged that this can be a challenge. The main points were as follows:

- Supporting local participation by involving and consulting with local communities when making decisions about local issues was a challenge.
- The co-operative structure encouraged community responsibility and it would be worth revisiting this.

6.3.12 Costs

There was general concern about competitiveness and the costs of doing business in Ireland. The main areas highlighted were as follows:

- The cost of insurance, rates, water charges, utilities, etc.
- The cost of professional expertise was a primary concern, in particular the cost of accounting services. Accessing specialist skills can be also be a challenge especially 'for free'. It may well be a good idea for social enterprises to network more and work together when seeking the services of accountants and solicitors and even the payment of utility bills.
- Social enterprises are not automatically exempt from rates. Legislation on rates and exemptions are based on 'providing relief for the poor' so it would require a change in legislation to get an overall exemption for social enterprises.

6.4 Summary

The workshop discussions draw our attention to the many challenges and issues that concern social enterprises. These include the identity and image of the sector, the cost of doing business in Ireland, managing the interaction between funders and social enterprises as well as uncertainty over the future and future sources of funding, the management and governance of social enterprises including the need for management development. Achieving the balance right between the central social purpose of the enterprise and the business that generated income to support these social objectives is a significant challenge.

The next chapter looks at the possible solutions put forward by the discussion groups to address the above challenges.

CHAPTER 7 SUGGESTED SOLUTIONS

7.1 Introduction

The eight workshops examined how some of the challenges faced by social enterprises might be addressed. This chapter presents the solutions generated through workshop discussions with social enterprises.

7.2 Possible Solutions

7.2.1 Networks & Networking

Participants commented that social enterprises were working in their communities but in isolation from other social enterprises. Networks were put forward as a possible solution. The suggestions were as follows:

- The sector needs national representation and some national champions (e.g. successful social entrepreneurs such as Rehab that government respects, and policy-makers that believe in social enterprise).
- Networking emerged as an important component of developing the Third Sector, as a mechanism to build on shared learning and to achieve more collective power. It was deemed important that any national network should be formal and established and that it explores ways to keep people connected, e.g. email, web, training, seminars and workshops.
- Using local networks to access the services of accountants, solicitors and other professionals and to improve communication between social enterprises was also put forward as a suggestion. Another suggestion was to develop local networks and regional hubs for sub-sectors, e.g. along the lines of the Dublin Employment Pact, the childcare hub in Tallaght and childcare network in Ballymun.
- There were calls for more networking between social enterprises and the private business sector, (e.g. in North Dublin there are only 4 social enterprises out of 130 members of the Chamber of Commerce).
- There were calls for breaking the cultural 'patch protection' and encouraging cross-community communication, sharing of ideas and information and networking between social enterprises and community groups they belong to.

7.2.2 Identity

The workshop sessions discussed the identity crisis that the social enterprise sector in Ireland appears to be going through. The solutions put forward to address this were as follows:

- Achieving clarity over the identity of the sector is needed – what precisely is a social enterprise and who fits the bill and what does this mean for the way they run their business?
- Building up the positive image and profile of the social enterprise sector and developing a cohesive approach at national as well as local level was considered very important. Raising awareness of social enterprises and their value, both in social and enterprising terms, is a necessary step.
- The sector itself needs to become solution focussed and to promote these solutions. There were calls for greater pro-activity rather than being reactive.

7.2.3 *The 'Sales Pitch'*

Getting the message across to government about the importance and value of social enterprise was considered by participants to be important. The suggestions made were as follows:

- There were a number of comments that sector should transform its approach to government from one that has tended to be 'whinging' or looking for more. Instead the approach must be solution focused, acknowledging the problems currently faced around employment, education, health, crime, housing, transport, and offering a way to address these challenges. The Third Sector has the experience and competence to help solve problems, respond to needs and fill the gaps in an effective, innovative and value for money way.
- Some felt that the public sector will shrink so the Third Sector should be promoting itself as a cheaper, better and more innovative alternative to service provision. To do this the sector will need to increase its competency levels to prove it can do this.
- The sector needs to work to highlight the efficiency, effectiveness and value of social enterprises and to draw attention to the 'cost to the state' if many of these enterprises ceased to operate. For example, meals on wheels and laundry services – these seemingly simple services can mean the difference between an elderly person continuing to live independently and ending up in a nursing home. Other examples are social housing, personal contact and neighbourliness that might be hard to recreate if the service was provided by the State or private sector.

7.2.4 *Working with the State*

Participants emphasised the importance of the State viewing social enterprise as a partner in addressing some of the social and economic issues faced by Ireland. Suggestions put forward included the following:

- The way social enterprises are currently funded is not conducive to an enterprise culture and there were calls for changes to the funding mindset and the way funds were provided to social enterprises.
- The Community Services Programme was broadly seen as a good enough structure but more trust needed to be built in so that funders allow more flexibility for enterprises to get on with their business.
- There were views expressed that policy makers should be asking the sector for its opinion about national issues, policies, directives, programmes and their likely impact on communities – the government needs to be open to involving the sector.
- There was some debate about whether the Third Sector should be viewed as a sector in its own right or as a series of clusters where the community sector, local government and the State work in partnership.
- Strengthening the links with local government and raising awareness of social enterprises within local government and highlighting the value of the services provided was considered important.

7.2.5 *Models of Funding*

There was considerable debate about the most appropriate model of funding for social enterprise. The comments made were as follows:

- There were calls for a critique of funding models to ensure they were appropriate and flexible. Funding models should encourage enterprise and self sufficiency and allow people to show off their successes as opposed to creating a dependency culture or 'tying people up in knots' investing energy into paper work and administration rather the responding to the needs of their community. Perceptions and misconceptions about funding criteria need to be addressed.
- Building a balanced model of funding to encourage sustainability whilst at the same time supporting social enterprise was considered critical.
- There were calls for the development of more innovative funding models that are based on trust in the sector, that are less labour intensive and more impact and value focused.
- There were also views that funding from the State for social enterprise should prioritise those most in need – children, elderly, disabled. The rest should be left to either become self-sufficient over a certain timeframe or 'to sink'. Developing a national social enterprise programme to channel the current disparate sources of funding was put forward as a possible solution. It was considered important that any support funding be ring-fenced specifically for social enterprise development.
- Encouraging the sector to make surpluses and to build reserves without being penalised for doing so by reducing grant aid accordingly was also considered an important step towards sustainability, as was encouraging and supporting organisations to build community assets that can generate income.
- Introducing preferential public procurement was suggested as a mechanism to support the sector. As part of this, the sector needs to educate local government about taking social outcomes into account in the tendering process. Provision of rates exemptions should also be explored.
- Ensuring that schemes such as Community Employment and Jobs Initiative provide social enterprises with some freedom to recruit and select in tune with best practice recruitment, e.g. competency based, fit with the team, etc was considered important for the effective and efficient management of enterprises.

7.2.6 *Management Development*

The need for management development was raised. Suggestions put forward by participants included the following:

- There were calls for encouraging more open and creative mindsets within social enterprises and developing leadership potential.
- Briefing social enterprises on best practice in human resource policy and procedures, especially employment law, managing people from different cultures, recruitment and selection, etc. was considered a necessary support. Some suggestions put forward were access to a network or access to panels of professional advisors or mentors.
- Development of management capability (managers and Boards) was required. In-service training (short training followed by practice and then follow-up training over an 18 month period) was one suggestion.
- Another was to provide access to business mentors.
- Area-based Partnership Enterprise Development Officers were put forward as a potential support to social enterprises e.g. on-going project management/ mentoring support, help with networking and co-ordination of community-wide

- networking, help with accessing training, help with accessing funding, development of capacity in team working and in networking.
- ‘Time banks’ were put forward as another solution, whereby local professionals donate their time free to social enterprises, providing access to support regarding good governance – understanding responsibilities and legal obligations, compliance, how to reduce risk factors, how to streamline operations.

7.2.7 Structures

There was some debate in the workshops about whether or not it was appropriate or efficient for every project should be a company limited by guarantee. Suggestions put forward by participants included the following:

- The formation of community clusters and sharing of resources was put forward as a solution. For example, collective purchasing power to buy goods and services, sharing of IT and accountancy services. Reducing duplication of local service provision is also needed. For example, developing centralised catering production and contract transport for meals on wheels rather than each community group building their own kitchens, having their own transport and becoming so focused on producing meals that they forget the objective is to use meals as the mechanism for providing social contact for the elderly.
- Reflection on the structure of social enterprises was considered necessary – these are currently predominantly companies limited by guarantee with charitable status. It was suggested that it might be worth returning to the concept of the co-operative and examining whether that might be a more appropriate structure for some social enterprises. Another option would be to explore the UK Community Interest Company concept.
- Developing holding company structures for areas to act as umbrella organisations for clusters of smaller social enterprises was put forward as a much more economic solution than having five small (possibly unviable or unsustainable) legal entities. This would enable sharing of resources and reduction in duplication and waste. Groups must however be rewarded for joining an umbrella group for social enterprises or local holding company structures rather than competing with each other for scarce resources.
- Strengthening the emphasis on ‘enterprise’ was viewed as important as this has dwindled somewhat over the years and some felt that it may be related to the government decisions to ‘make schemes’ of everything.
- Given the diversity in social enterprises and the fact that each is at a different stage of development, e.g. some are at start up stage and some are reinventing themselves after decades in business, there is an immense opportunity for shared learning across the sector that needs to be harnessed.

7.3 Summary

The workshop discussions demonstrated how creative and solution focused social enterprises are. The sector believes that it needs to generate a clear identity and to build a positive image for itself. It also needs to clearly articulate why it is an important sector and the benefits and impact it makes both to local communities and to the national economic and social fabric.

The sector believes that it needs to develop a coherent voice so that it can be represented at national fora and pro-actively contribute to policy development. Strengthening links with local government and national policy makers was considered an essential step towards having the sector recognised as a vital part of the economy and a contributor to social development. It is necessary to explore new funding arrangements and governance structures, to determine the most appropriate model for social enterprises and one that will support future sustainability.

Networks also provide the opportunity for social enterprises to share experiences and to learn from each other. The need for management development training was highlighted as a critical component of success and of future sustainability. Many suggestions were put forward as to how this might be achieved including short training courses, time banks, mentoring and networking.

CHAPTER EIGHT CONCLUSIONS & RECOMMENDATIONS

8.1 Introduction

This chapter summarises the key findings and messages from the research and puts forward a framework for the further development of the social enterprise sector.

8.2 The Benefits

Social enterprise is often depicted as the over-lapping space between the public, private and community sectors. The reality in most cases, however, is that there is relatively little engagement with the private sector. Based on the findings from the workshop discussions, survey and case studies, the researchers prefer to depict social enterprise as a marriage between social inclusion, enterprise and active citizenship. In this model the benefits of social enterprise to the Irish economy and society are clear.

Social enterprise addresses *social inclusion* on a broad scale in a cost effective manner, e.g. labour market activation, education and training provision, transport provision, housing development, environmental services, social care and childcare and through meeting the needs of specific interest groups, e.g. people with a disability. It identifies social need and addresses it in an innovative manner, it tackles inequality and exclusion, it builds social capital and is representative, and it works at the cutting edge of social issues and social change. It also provides an independent voice to public debate.

Social enterprise does this in an *enterprising* manner, thus providing value for money, innovative solutions, improved sustainability and reinvestment of profits and surpluses to further social aims and objectives. From an economic perspective it indirectly supports half as many jobs again in the economy. It sources its supplies in Ireland, often from the local economy, so there is no transfers to other countries, it is cost effective, partly through the use of volunteers, and it leverages other resources (human and capital). It builds community assets and engages in new economic activity that might not otherwise happen.

Social enterprise supports *active citizenship* through the use of volunteers in the form of both workers and Boards of management and through providing a credible outlet for philanthropy, whether through funding, benefit in kind or time commitment.

Measuring the benefits of social enterprise is a challenge. This research illuminates a wide range of benefits. These include:

- Direct and indirect economic impacts.
- Local employment.
- Social inclusion.
- Volunteerism/active citizenship
- Personal development and progression of participants.
- Development of community assets and infrastructure.
- Community capacity building.
- Shared community experience and pride.
- Addressing needs that would not otherwise be met.

- Supporting the delivery of State programmes and policies, complementing and supplementing the work of local authorities.
- Ethical ethos and operation.

Social Enterprise = Enterprise + Social Benefits + Community Benefits + Economic Benefits + Ethics

8.3 The Challenges

Ireland has been slow to recognise the importance of the social enterprise sector and its potential for growth and as a contributor to addressing economic and social needs. Other countries have developed policies and strategies to support the sector and are aware of its size and growth in their countries.

In order for social enterprises to be sustainable, the fundamentals of the business must be right. This means that there is a market and demand for the services and products produced, that there is a management team with the right blend of skills, that there is a clear strategy, that there is traded income generation and there is the capacity to leverage funding. The enterprise must be capable of supporting its social aims through generating surpluses to reinvest in these aims, having a social ethos and leveraging other funding to further its aims.

There are a number of structural deficits in the Irish system currently holding back the development of social enterprise. These include:

- A narrow financial base due to lack of diversity in the funding infrastructure available to social enterprises. While Irish social enterprises on average earn around the same proportion in traded income as their counterparts in other countries, they have a much higher reliance on grant aid and lower reliance on loan sources of finance, public contracts/ procurement and philanthropy. Reliance on grant aid requires a considerable investment of management time and energy and also means that income streams are not stable. This in turn reduces the attractiveness of social enterprise as an 'investment'.
- Social enterprises themselves come mainly from a community background and are naturally cautious and risk averse. There is often a lack of understanding about alternative sources of finance. Very few of the enterprises that the researchers met were aware of social finance as a possible option. In addition, traditional commercial lenders and equity investors lack understanding about the risks and rewards of social enterprise.
- Under developed management capacity in business management and enterprise development. Because many social enterprises arise from the community sector they have strong community development and social inclusion expertise and project management skills. However, they often have insufficient business and strategic management skills, with much of the responsibility of management falling on the shoulders of one person rather than a full management team.

- Insufficient understanding within the public sector, at national and local level, and private sector of the added value of social enterprises. There is also inconsistency between government departments on the treatment of surpluses. Surpluses to build up reserves are an essential component of enterprise sustainability.
- Absence of a clear policy ‘home’ for social enterprise. The sector draws funding from a wide range of government departments in tune with the needs it services, but there is no one champion for its cause or to promote its development. In addition, the sector itself is fragmented and disparate and has not developed its own voice to articulate its needs and its relevance to Irish society.

There are many existing structures that could be explored as opportunities for social enterprises to link into. These are summarised in Table 8.1 below.

Table 8.1: Building on Existing Structures to Address Deficits

Deficit	Options
Policy champion	DCRAGA, DETE
Network	PLANET DEP WISEA Chambers of Commerce
Management skills	EDOs in partnership companies CEBs SkillNets Colleges Private sector Social enterprise sector (e.g. a social enterprise established to provide management training to the sector) Time banks
Finance	Social finance providers Philanthropy Public procurement/service level contracts Grants Traded income Assets Private enterprise Public/community fund raising

8.4 Further Research

This survey covered nine Partnership areas and thus offers only a glimpse into the national context. The results provide useful insights into the size of the sector and how it operates. There are still significant gaps in our knowledge from a policy and strategic perspective in the absence of a national census of social enterprises. Many other countries know precisely how large the sector is, how many it employs and how fast it is growing. It would be useful for Ireland to have access to this information for the nation as a whole.

It is also important for Ireland to know how many social enterprises are self-sufficient, how many are sustainable and how many are dependent on the State for continuance.

Other information of interest and use would be greater insight into the ‘how’ of social enterprise in Ireland. For example, the governance of social enterprise, their ethics, values and shared responsibility within their communities, how they harness the commitment of local volunteers and maintain their flexibility in responding to the ever changing needs of society. This would serve to strengthen our sense of the value of social enterprise and inform policy makers of the potential role that the sector can play as part of an effective and efficient response to the needs of communities throughout Ireland.

8.5 Messages from the Research

The Third Sector, particularly Social Enterprise, is Growing

The Third Sector is a growing part of the international economy and is recognised as such. Governments have taken action to ensure that it is supported and developed and to improve the partnership working between it and the Third Sector in the delivery of community services.

Social enterprise is one of the fastest growing areas of entrepreneurship. While relatively small in Ireland, the sector is still of significance and has considerable potential for development.

There are no national statistics on the size of the sector in Ireland. Making a conservative assumption that there are at least two dozen social enterprises in each county of similar size to the survey sample, it is possible to provide a rough estimate for the minimum size of the sector nationally. On this basis, social enterprises in Ireland generate a very conservative estimate of €240 million in revenue, spend €230 million in Ireland and employ over 9,300 people directly and support a further 5,100 indirectly.

Social Enterprises Generate Significant Economic Benefits

The findings from the survey of social enterprises in nine areas show that 106 enterprises in these areas employed 1,589. They had a combined income of €41.2 million in 2008 with combined expenditure of €38.7 million. A high proportion of this spend was on wages and salaries and has a direct and indirect spin-off effect on the local and national economy. Social enterprises also support local economies through employing local people, providing local services, building community assets and purchasing from local suppliers.

Social Enterprises Generate Significant Social Benefits and Impacts

As important as the economic benefits, are the less tangible or visible benefits that social enterprises generate. Many of these benefits are psychosocial and often preventative in nature. They include provision of services to vulnerable groups in tune with their needs, bringing people from different backgrounds together, drawing in members of the community who are isolated and providing services with a level of skills and experience that is unlikely to be matched in the short term by private sector enterprise.

They engage in personal development, training and confidence building. They provide safe social spaces for local communities and dependable social services. Services are provided to ensure affordability and accessibility for target groups.

In rural areas, social enterprises provide services that might not otherwise exist due to dispersed populations and uneconomic returns.

Social Enterprises Support Active Citizenship

Social enterprises in the survey harnessed the energy, skills and commitment of 1,257 volunteers. In addition, Board members are volunteers.

Applying the same assumptions as above to all of Ireland, the researchers estimate that at least 12,500 people are involved with social enterprises in a voluntary capacity thereby making a significant contribution to national policies on active citizenship.

Social Enterprises Operate Ethically and have a Caring Ethos

It was very evident from the survey and workshop discussions how passionate and committed to their social remits each of the enterprises are. They are committed to social inclusion, enhancing quality of life, building community spirit and making services affordable and accessible to all, above making profit.

Responding to community needs, addressing identified gaps and enhancing services to their communities were key drivers of the enterprises. In many instances the needs are very specific, having been identified through needs analysis, community audits and many years of community development and planning.

Core principles that social enterprises abide by include putting people first, honesty and integrity, flexibility and responsiveness, transparency and openness.

The Social Enterprise Sector is Diverse

The enterprises covered a diverse range of services including childcare, eldercare, care for people with disabilities, information, transport, recycling and environmental services, housing, sports and leisure facilities, arts, culture and heritage projects, education and training, media services and social and youth supports.

What is interesting is that healthcare provision and energy, major areas internationally for social enterprise, did not feature in the survey sample, while childcare provision accounted for 29% of the sample.

The Social Enterprise Sector has Development Needs

Most of the enterprises had been in business for ten years or less and were mainly structured as companies limited by guarantee. While they had formal structures in place to govern their enterprises, much of the day to day management fell to one person and management team structures were generally not in evidence. It is not surprising, therefore, that, apart from funding, the major challenges identified by these enterprises for themselves related to management development and capacity issues. Finding time to reflect on the business and to develop appropriate strategies was an issue. Other challenges were human resource management and accessing professional services at a reasonable cost.

The sector is also conscious of the need to become more entrepreneurial in order to underpin the future development of their businesses. Management training and development specifically targeted at the sector is needed to underpin the sector's growth and development.

Given the current economic climate and the uncertainty, there was concern about the future funding of social enterprises. Fifty-eight percent of the income for these businesses was in the form of grant aid, with 38% coming from the sale of goods or services and the balance coming from donations or, in a very small number of cases, loans. The sector is relatively risk averse and reluctant to use loan finance because of fears about repayment capacity and also a prudent approach to financial management. The sector also recognises that it has become somewhat dependent on grants and that in the past grant criteria did not encourage enterprising activity or financial sustainability. While the majority of enterprises broke-even or made a small surplus in 2008, only a very small number are profitable and sustainable without grant-aid.

There were calls for the State to play a more conscious role in the development of the sector. For example, through the development of alternative legal structures that may be more suited to social enterprises, the use of public procurement to support the sector, the development of a targeted funding initiative and less micro-management of schemes that support social enterprise.

Creative solutions to generate greater efficiencies or to access more cost effective services were put forward including local umbrella holding company structures, local purchasing power networks, panels of experts or mentors and centralised production.

The Social Enterprise Sector Needs a Voice

The sector in Ireland is fragmented and not represented at national level. It is also not clearly defined with many interpretations of what constitutes a social enterprise and whether or not this is different from a social economy project and/or a community enterprise. The development of a representative body and networking mechanisms were considered important steps to the future development of the sector as a coherent whole with a national voice.

8.3 Framework for Future Development

Clearly Articulate a Definition for Social Enterprise in Ireland

It was evident from our discussions with groups and enterprises that there are many different interpretations of what constitutes a social enterprise. For example, some consider meals on wheels to be a social enterprise, others do not. There is a similar situation in relation to childcare. There was however general consensus that a social enterprise used any surpluses it generated to further its social aims. There was also agreement that an appropriate balance needed to be struck between the 'social' and 'enterprise' aspects of the business. In order to promote and develop the sector, we need to be clear on what it is we want to promote and develop. PLANET already has a definition that could be developed further to more clearly define what a social enterprise is.

Develop a National Representative Body for Social Enterprise

The sector needs a coherent voice to put forward its case to government and to work with other sectors of Irish society. PLANET should be working with other representative organisations to develop a coherent strategy for lobbying for the sector and ensuring that it is represented in key policy forums. This body should also aim to support social enterprises to network with each other and with statutory bodies, local government and the private sector and to share information and learning.

Reinvest in the Concept of Enterprise Development Officers

The Partnerships have an opportunity to reinvest in the Enterprise Development Officer concept with a particular focus on social enterprise and to build on the enterprise skills of Enterprise Development Officers to support social enterprises in their areas. Enterprise Development Officers could support social enterprises to network, to access appropriate training, to access mentors or local expertise, to establish local 'time banks'¹⁶, to help them engage in good governance and compliance. Enterprise Development Officers are also well placed to offer advice on how groups of social enterprises in similar businesses might co-operate or even merge together to reduce duplication and create greater efficiency and cost effectiveness.

Invest in Management Development Training

International research shows that investment in management development yields significant benefits for enterprises in terms of quality strategic planning, productivity and growth. PLANET should investigate opportunities to develop a management development course specifically aimed at social enterprises with one of the Institutes of Technology using a modular format and a distance learning component. It should also investigate with SkillNet Ireland opportunities to either develop specific SkillNets for social enterprises or to 'piggyback' on existing local SkillNets that may be relevant to social enterprises.

Inform and Educate Social Enterprises about Alternative Sources of Finance

Social enterprises in Ireland are very dependent on grant aid as a major source of funding. There is a natural caution and reluctance within the sector to explore and consider alternative sources of finance such as social finance. Very few of the organisations that we met were aware of the availability of social finance or the social finance providers that exist in Ireland. The sector needs to be informed about alternative sources of finance, the risks and rewards involved and how and under what circumstances these sources might be accessed. Clann Credo, being the largest social finance provider in Ireland, is well placed to take the lead in this.

Explore the Most Appropriate Structure for Social Enterprise

The majority of social enterprises are companies limited by guarantee, mainly because of grant aid criteria. While this model does provide the protection of limited liability status and the opportunity to borrow from conventional lenders, it does get away from the concept of shared community ownership that so often defines what a social enterprise is. It also closes off credit unions, themselves considered by many to be social enterprises, as an on-going source of finance. PLANET should examine the

¹⁶ 'Time banks' involve individuals offering a certain number of hours of their expertise free each year. These individuals could be professional services such as accountants or solicitors, business people or even other social enterprises.

appropriateness of the co-operative structure for social enterprises and the implications of adopting this structure in the context of grant aid criteria. Other models used for social enterprises such as the U.K. model of Community Interest Companies should also be examined in terms of their suitability for adaptation to the Irish context as an alternative structure to companies limited by guarantee.

APPENDIX A REFERENCES AND USEFUL LINKS

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