

**SOCIAL ENTERPRISE
AND
SINGLE OUTCOME
AGREEMENTS**

senSCOT



Introduction and summary

1. Sencot and the Scottish Social Enterprise Coalition commissioned the Pool - DTA Scotland's consultancy service - to review the Single Outcome Agreements for 2008 and 2009 to assess how far social enterprise was reflected in them. A SOA is the means by which Community Planning Partnerships (CPPs) agree their strategic priorities for their local area and express those priorities as outcomes to be delivered by the partners, either individually or jointly. Overall, 21 of the SOA's in 2009 had no or very limited references to social enterprise. SOA's for rural areas tend to have stronger references to social enterprise than urban ones.

Single Outcome Agreements: Purpose and Importance

2. The Concordat between the Scottish Government and COSLA agreed in November 2007 set out the terms of a new relationship between the Scottish Government and local government. It underpins the funding provided to local government over the period from 2008-09 to 2010-2011.

3. A central element of the new relationship was the ending of ring fencing of local government funding and the creation of a Single Outcome Agreement (SOA) between each council, initially, and the Scottish Government, based on the 15 National Outcomes (see

Appendix 1). All SOAs from 2009-10 onward will be between each Community Planning Partnership (CPP) and the Scottish Government. A SOA is the means by which CPPs agree their strategic priorities for their local area and express those priorities as outcomes to be delivered by the partners, either individually or jointly, while showing how those outcomes should contribute to the Scottish Government's relevant National Outcomes.

4. As such, the content of SOA's are an important indication of the extent to which the support and

development of social enterprises is seen as a priority to local authorities and CPP's. Consequently, Senscot and the Scottish Social Enterprise Coalition

(SSEC) decided to commission a review of SOA's to see to what extent and how social enterprise features in them.

Methodology of the review

5. All the SOA's produced in 2008 and 2009 were reviewed to identify references to social enterprise. Failing any reference to social enterprise, references to community enterprise or the social economy were looked for (although it should be noted that social economy can have a wider meaning than social enterprise and is sometimes used as a more generic description of the third sector). The main information fields in which substantive

references will be found in the documents are in the **context** of the area (i.e. the characteristics and issues facing the area), **local outcomes**, **local indicators** and **actions** required by either local partners or other agencies. References across all four fields would represent the strongest inclusion of social enterprise in SOA's and no references will be the weakest although the substance and significance of any individual reference will vary.

Main findings

6. The key findings are:

- Only one SOA in 2009 had references to social enterprise in all 4 information fields - context, local outcomes, local indicators and actions - compared to 2 in 2008.

- 12 SOA's in 2009 had no references to social enterprise in any of the four fields and 9 had only one reference (compared to 10 and 10 in 2008)
- the references in the 2009 SOA's were 12 in context (10 in 2008) ,10 in local outcomes (7 in 2008), 11 in local indicators (12 in 2008) and 6 in actions (14 in 2008)
- The changes between 2008 SOA's and 2009 SOA's are not highly significant overall given that the 2009 SOA's were prepared in a different way.
- Overall, it appears that SOA's for rural areas -especially those in the Highlands and Islands - are more likely to contain references to social enterprise compared to those in urban areas.

Detailed results

7. The attached tables provide more detailed information on the references to social enterprise or the social economy in the SOA's for 2008 and 2009 for each local authority. There are a number of points worth noting in addition to the main ones identified above:

- Social enterprise is linked to a number of national outcomes but NO1 (We live in a Scotland that is the most attractive place for doing business in Europe), NO2 (We realise our full economic potential with more and better employment opportunities for our people), and NO11 (We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others) are the most common.
- It seems that SOA's which link social enterprise to NO1

have the most extended references to it.

- A number of SOA's have attempted to use specific targets and indicators to track the development of social enterprise including the number of social enterprises, the turnover of the social economy and the number of social enterprises.
- A few SOA's have also seen social enterprises as a specific group within small and medium enterprises and comment on the difficulty of using national data sets (e.g. VAT registrations) to monitor social enterprise trends separately from private sector enterprises (one calls on the Government to address that issue).
- It appears that overall the SOA's for predominantly

rural areas (especially the Highlands and Islands) tend to have the most significant references to social enterprises and those for large urban areas the least. The reasons for this would need to be investigated further. Factors which could be at work include: the composition of the Community Planning Partnership (including the role of agencies such as Highlands and Islands Enterprise); the role of the Local Social Enterprise Partnership; the existence and work of a Local Social Enterprise Network; and the perceived importance of social enterprises to rural economies compared to urban economies.

Conclusions

8. Overall, social enterprise is not strongly represented in the SOA's. The strongest representation is in SOA's for rural areas, the weakest in urban areas. There have been no overall significant changes overall between 2008 and 2009.

APPENDIX 1: NATIONAL OUTCOMES

The Scottish Government has 15 **National Outcomes** in its National Performance Framework. These are:

1. We live in a Scotland that is the most attractive place for doing business in Europe
2. We realise our full economic potential with more and better employment opportunities for our people
3. We are better educated, more skilled and more successful, renowned for our research and innovation
4. Our young people are successful learners, confident individuals, effective contributors and responsible citizens
5. Our children have the best start in life and are ready to succeed
6. We live longer, healthier lives
7. We have tackled the significant inequalities in Scottish society
8. We have improved the life chances for children, young people and families at risk
9. We live our lives safe from crime, disorder and danger
10. We live in well-designed, sustainable places where we are able to access the amenities and services we need
11. We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others
12. We value and enjoy our built and natural environment and protect it and enhance it for future generations
13. We take pride in a strong, fair and inclusive national identity
14. We reduce the local and global environmental impact of our consumption and production
15. Our public services are high quality, continually improving, efficient and responsive to local people's needs

The National Outcomes are supported by 45 **National Indicators** of which one - **National Indicator 18**, Increase the turnover of the social economy - is especially relevant to social enterprise.

APPENDIX 2: SINGLE OUTCOME AGREEMENTS 2008 AND 2009

The following tables summarise the substantive references to social enterprise (or failing any reference to social enterprise to community enterprise or social economy) in the SOA's for 2008 and 2009.

For each local authority, references are summarised in the fields of context, local outcomes, local indicators and actions required by local partners. Where possible, the link to the Scottish Government's National Outcomes (**NO**) are shown for Local Outcomes (**LO**) and Local Indicators (**LI**) and summarised wording of local outcomes, indicators and actions are given. Copies of all SOA's are available on the Improvement Service website at <http://www.improvementservice.org.uk/single-outcome-agreements> .

The 15 National Outcomes are:

16. We live in a Scotland that is the most attractive place for doing business in Europe
17. We realise our full economic potential with more and better employment opportunities for our people
18. We are better educated, more skilled and more successful, renowned for our research and innovation
19. Our young people are successful learners, confident individuals, effective contributors and responsible citizens
20. Our children have the best start in life and are ready to succeed
21. We live longer, healthier lives
22. We have tackled the significant inequalities in Scottish society
23. We have improved the life chances for children, young people and families at risk
24. We live our lives safe from crime, disorder and danger
25. We live in well-designed, sustainable places where we are able to access the amenities and services we need
26. We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others
27. We value and enjoy our built and natural environment and protect it and enhance it for future generations
28. We take pride in a strong, fair and inclusive national identity
29. We reduce the local and global environmental impact of our consumption and production
30. Our public services are high quality, continually improving, efficient and responsive to local people's needs

Social Enterprise and Single Outcome Agreements - Analysis 2008				
Local Authority	Context	Local Outcome	Local Indicator	Actions
Aberdeen City	No	No	No	Yes (NO 14, Scottish Government: support for more local waste processing through social enterprise)
Aberdeenshire	No	No	Yes (NO2, LI 2.3.2 number of social enterprises financially assisted with target of 7 in 2008/9. NO11, LI 11.2.2 increase the social economy turnover - no of social enterprises, target of 5% increase in 2008/9 and then sustain level)	Yes (NO 2, Local partners: Develop financially self sufficient social enterprises)
Angus	No	No	No	Yes (NO1, Local partners: Identify and support opportunities to develop Social Enterprises with particular emphasis on

				childcare, health, tourism and environmental sectors NO2, Scottish Government: National policies should seek to promote the growth and development of the social economy.
Argyll and Bute	Yes (general ref to social enterprise in context for NO2 and to investment in social enterprises and need for more)	No	Yes (in Fairer Argyll and Bute Plan section of SOA, indicator of number of social enterprises with a target to increase from baseline 90 to 105 by Dec 2011)	Yes (Scottish Government: Investment in the economy, including third sector/social enterprise companies, is essential to build the economy and community capacity to support development
City of Edinburgh	No	No	No	No
Clackmannanshire	No	No	No	Yes (helpful national action "investigate future assistance measures for social enterprises")
Comhairle Nan Eilean Siar	No	Yes (NO11, LO11.1 "A sustainable voluntary sector operating in the	Yes ("LI 11.1.3, "Number of social enterprises" with target to increase	No

		islands")	number)	
Dumfries and Galloway	Yes (ref to need to develop social economy)	No	Yes (Under LO1 - A innovative and sustainable rural economy- Indicator 1.21 "Increase the social economy turnover" with a target of a 2% annual growth from the baseline of £2.8m)	No
Dundee City	No	No	No	No
East Ayrshire	No	No	No	No
East Dunbartonshire	Yes (ref to need to build on thriving network of social enterprises and ref in local context for NO1)	Yes (NO1, LO 1a "An expanded sustainable base of social enterprises and SMEs within East Dunbartonshire")	Yes (Under LO1a, LIs "Social economy turnover" and "Number of people employed in the social economy sector" with target of maintaining baseline)	No
East Lothian	Yes (ref in relation to NO11)	No	Yes (NO 11, LI "to increase the social economy turnover")	No
East Renfrewshire	No	No	No	No
Falkirk	No	No	No	Yes (NO6, Local partners: ref to participating in a local social enterprise health

				trust)
Fife	Yes (ref to established and growing social enterprise sector under NO11)	No	No	No
Glasgow City	No	No	No	Yes (NO12, Scottish Government : recognising and supporting the social economy)
Highland	Yes (ref to important role played by social enterprises in local economy and, under NO1, ref to need to grow local businesses inc social enterprises)	Yes (NO1, LO 1.1 grow number of local businesses inc social enterprises)	Yes (Under LO 1.1, range of indicators linked to growing number of local businesses and comment that info/stats need to be split between private sector and social enterprises and specific indicator to increase number of account managed social enterprises with growth plans)	Yes (NO1, Government: to provide breakdown of business stats between private sector and social enterprises)
Inverclyde	No	No	Yes (Under NO1, LO3 and NO2, LO3 and LO4, LI 13 “increase	Yes (NO2, Local partners: to increase capacity of voluntary

			the social economy turnover")	and community organizations to develop social enterprises and pre-access to employment opportunities)
Midlothian	No	No	No	No
Moray	No	No	Yes (NO2, LO - The numbers of young people employed in Moray who have access to career development opportunities will increase - and NI 18 (increase social economy turnover) Local target ("Increase number of new /enhanced income generating social enterprise projects per year in Moray")	No
North Ayrshire	No	No	No	No
North Lanarkshire	Yes (ref in local context to focus on improving support for local businesses	Yes (NO1, NO2 Improved support to North Lanarkshire's	No	Yes (NO1, Local partners: Development of Wellwynd Social Enterprise Centre)

	and social enterprises)	business and social enterprise sector)		
Orkney Islands	Yes (ref to Council working with HIE and VAO to support further development of social enterprises)	No	No	No
Perth and Kinross	No	No	No	No
Renfrewshire	Yes (ref to social economy under NO1, NO3, NO11)	Yes (Under NO1, Sustained growth of the social economy sector in Renfrewshire)	Yes (Under NO1, LI Recorded turnover of the social economy sector in Renfrewshire 5% net increase 2008-11)	Yes (NO1, Local authority and partners: working to develop the capacity of the social economy sector and to provide opportunities to local private and social economy sector businesses through public sector procurement)
Scottish Borders	Yes (references to social economy in relation to NO1)	Yes (Under NO11, LO 11.2, The Borders has a strong diverse social economy)	Yes (Under NO11, LIs number of employees in social enterprises, turnover of Social Enterprise Chamber members, and number of contracts won by social enterprise's (split	No

			public/private)	
Shetland Islands	No	Yes (Under NO 11, 13, 15 uses NI 13 “Increase the social economy turnover”)	Yes (Under NO 11, 13, 15 LI “Increase SLA/Contract Services awarded to Social Economy and Voluntary Organisations by 2%” and “Support 5 new/enhanced income generating social enterprise projects per year in Shetland”)	Yes (NO11,13, 15 Local partners: Provide training on Legislation and support for business planning to assist growth of social economy; To include social economy organisations in service planning and procurement; Increase the capacity of social enterprises through training, support and finance Scottish Government actions: Commitment to consult on legislation and the effects on social economy; Financial commitment for the growth of the social economy
South Ayrshire	No	No(but under LO4, ref to local priority of promoting	No	No

		employment opportunities through social enterprise and the public sector)		
South Lanarkshire	No	No	No	No
Stirling	No	No	No	No
West Dunbartonshire	No	No	No	Yes (NO2 Local partners: Further develop social economy initiatives in areas such as housing, social care, training and development, construction, community finance and environmental action)
West Lothian	No	No	No	Yes (NO1, Local authority and partners: Encouraging the growth of a strong and diverse social economy sector)

Social Enterprise and Single Outcome Agreements - Analysis 2009

Local Authority	Context	Local Outcome	Local Indicator	Action
Aberdeen City	No	No	No	No
Aberdeenshire	No	No	Yes (NO2, LI 2.3.2 and NO 11, LI 11.2.3 Number of social	Yes (NO2, NO11 Local partners: Develop financially self-sufficient social enterprises)

			enterprises financially assisted to become self sustaining)	
Angus	No	No	No	No
Argyll and Bute	No	No	Yes (Under NO2, 3, 10- HIE indicator: Number of account managed social enterprises with growth plans increasing from 5 to 15 in 2010/11)	No
City of Edinburgh	Yes (extended ref to third sector and also "The Edinburgh Partnership is committed to identifying voluntary sector and social economy indicators for the SOA"	No	No	No
Clackmannanshire	No	No	No	No
Comhairle Nan Eilean Siar	No	Yes (NO 1 and 2, L0 2 , "Increase contribution from	Yes (NO1 and2, L02, LI 2.7 "New social enterprise start ups",	No

		social enterprise")	target to increase from baseline 0 to 5 by 2010/11)	
Dumfries and Galloway	No	No	No	No
Dundee City	No	No	No	No
East Ayrshire	No	No	No	No
East Dunbartonshire	Yes (ref to need to build on thriving network of social enterprises and ref in local context for NO1)	Yes (NO1, LO 1a "An expanded sustainable base of social enterprises and SMEs within East Dunbartonshire")	Yes (Under LO1a, indicators "Social economy turnover" and "Number of people employed in the social economy sector" with target of maintaining baseline also social enterprises implicitly included but not identified separately in generic business indicators)	No
East Lothian	No	No	No	No
East Renfrewshire	No	No	No	No
Falkirk	No	No	No	No
Fife	Yes (social enterprises referred to in relation to NO11)	No	No	No

Glasgow City	No	Yes (LO10 ref to role of social economy esp. in delivering public services)	No	No
Highland	Yes (ref to importance of social enterprises - especially in remote and rural areas - in section on role of small and medium enterprises more widely)	No	Yes (NO1, LO2G - limiting impact of recession and supporting sustainable growth - increase the number of account managed social enterprises with growth plans together with more general ones as in 2008)	No
Inverclyde	No	No	Yes (NO1+NO2 ,LO3 - economic regeneration is secured - indicator is to increase social economy turnover by 1% p.a. year on year)	No
Midlothian	No	No	No	No
Moray	No	No	No	No
North Ayrshire	No	No	No	Yes(NO1, LO1 Local authority and partners: Increase the capacity of the Third Sector)

				(community/voluntary sector) to establish and grow more social enterprises in the area; and Re-launch the North Ayrshire Local Social Economy Partnership and prepare an Action Plan aimed at building capacity in social enterprises)
North Lanarkshire	No	Yes (NO1+NO2, Improved support to North Lanarkshire's business and social enterprise sector)	No	No
Orkney Islands	Yes (ref to third sector contribution to sustainable economic growth through their commitment to support and develop social enterprises through Orkney's Local	No	Yes (NO2, LI2.5 Number of social enterprises and LI 2.7 Number of opportunities available through social enterprises and supported employment)	No

	Social Enterprise Partnership (LSEP) and in local context for NO1 and NO2)			
Perth and Kinross	Yes (ref to growing number of social enterprises)	No	No	No
Renfrewshire	Yes (ref to increasing the social economy turnover as a key economic priority)	Yes (NO1, LO - sustained growth of the social economy sector in Renfrewshire)	Yes (NO1, LO - sustained growth of the social economy - Recorded turnover of the social economy sector in Renfrewshire with same annual target as in 2008 but added end target of 15% increase by 2017)	No
Scottish Borders	Yes (ref to range of social enterprises and Chamber for Social Enterprise)	Yes (NO1, LO 2.1 - There is both sustained and growing business activity in key sectors of the	Yes(Under NO2, LO2.1 - sustained and growing business activity in key sectors of the Borders economy - LI	Some implicit in indicators

		Borders economy, including the social economy)	is sustain the turnover of Social Enterprise Chamber Members and NO11, LO11.1 - communities are confident, capable and vibrant - LI is increase the number of social enterprises supported by local CVS)	
Shetland Islands	No	Yes (NO11+13+15, LO: Increased size of Social /Voluntary Sector with high levels of participation linked to NI 13, increase the turnover of the social economy)	Yes (NO11+13+15, LO: HIE target for 09/10 is 8 Social enterprises supported with growth plans and Increase SLA/Contract Services awarded to Social Economy and Voluntary Organisations from Public Sector Agencies by 2%)	Yes (Local partners: Provide training on Legislation and support for business planning to assist growth of social economy: To include social economy organisations in service planning and procurement; Increase the capacity of social enterprises through training, support and finance. Scottish Government: Commitment to consult on legislation and the effects on social economy; Financial commitment for the growth of the social economy)

South Ayrshire	Yes (much greater ref to third sector and also social enterprises)	Yes (NO1, LO1, SO1c "Develop and support the local Social Economy")	Yes (NO1, LO1, SO1c, Li1c(1), Number of people employed in social enterprises in South Ayrshire with target to increase from 1200 to 1300 by 2012)	No
South Lanarkshire	No	No	No	No
Stirling	Yes (brief ref to evidence of growth in social economy)	No	No	Yes Ref to partners identifying key platforms for action and ,under the fourth (business support), "Develop and support a social enterprise network"
West Dunbartonshire	Yes (ref to importance of social economy sector - in effect defined as the third sector - and social enterprises in local economy)	No	No	Yes (NO1, Local partners: Further develop social economy initiatives and enterprises in areas such as housing, social care, training and development, construction, community finance and environmental action)
West Lothian	No	No	No	No

