



RCN Policy Unit

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SOCIAL ENTERPRISE in 2009

Update to Nurse Led Social Enterprise

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Introduction

What is Social Enterprise?

The Social Enterprise Unit (SE) was launched by the then Department of Trade and Industry (DTI) (subsequently replaced by the Department for Business and Regulatory Reform) in 2001. In her speech from 26 February 2002, The Rt. Hon. Patricia Hewitt, the then Secretary of State for Trade and Industry said: “There is no doubt at all that the potential of co-operatives and social enterprise is very firmly on the (former) Prime Minister's (Tony Blair) radar screen. And the potential, in particular, of social enterprise to contribute both to our public service reform agenda and to neighbourhood renewal and regeneration is very well understood at the top of Government”.

According to the DTI: “Social enterprises are businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.”

They include local community enterprises, social firms, mutual organisations and large-scale organisations operating nationally or internationally. Understanding social enterprise is therefore about identifying key characteristics common to such businesses rather than defining specific organisational forms. Such characteristics could be:

A strong drive for financial autonomy;

- A flexible, non-bureaucratic way of working;
- A willingness to take risks and adapt to changing need;
- A close understanding of and commitment to their client groups;
- A commitment to staff development;
- Re-investing profits in the social aims of the business or local community;
- The ability to deliver on social objectives while delivering services.

Government is supportive of social enterprises because it sees them as

supportive business environments for hard to reach groups, including people with mental illnesses or disabilities, the homeless or the long-termed unemployed.

The Office of the Third Sector (OTS), part of the Cabinet Office, now includes the Social Enterprise Unit (taking over the remit of the previous Unit at the DTI).¹ The OTS leads work across government to support the environment for a thriving third sector (voluntary and community groups, social enterprises, charities, cooperatives and mutuals), enabling the sector to campaign for change, deliver public services, including promoting social enterprise and strengthen communities.

Social Enterprise in Health and Social Care

The Department of Health also has a social enterprise unit which signals the commitment by Government of the potential for social enterprise to operate in the health and social care sectors. The Unit has produced key documents on social enterprise in the health and social care sector:

- Welcoming social enterprise into health and social care: a resource pack for social enterprise providers and commissioners. November 2007.²
- Social Enterprise - Making a Difference: a guide to the Right to Request. November 2008.³

The right to request allows NHS staff to explore the potential for social enterprise. There is now a right for every member of staff to request from a PCT that they consider their proposals for establishing a social enterprise.

The Department of Health says that:⁴

“The ‘right to request’ is part of a bigger vision for the future of the NHS as set out in High Quality Care For All: NHS Next Stage Review Final Report published in June 2008. This recognised that we will only succeed in placing quality at the heart of everything we do if frontline NHS staff are given the freedom to use their talents to find innovative ways to improve quality of care for patients. It identifies the need to enable NHS services everywhere to best respond to the needs of their local communities and the need for a new accountability.”

There is also funding specifically available to support social enterprises. The Social Enterprise Investment Fund is now worth £100m over four years from 2007/08 to 2010/11, and in 2007/08 a number of social enterprises applied



for a share of £1.7 million revenue and £8.9 million capital funding. In 2008/09, additional funds are available: £11 million capital and £6 million revenue funding is available to new and existing social enterprises.⁵ The Fund is managed from June 2009 for the Department for Health by Futurebuilders England, working in partnership with Partnerships UK.⁶

From June 2009, the SEIF offers:⁷

- Ø Loans
- Ø Grants
- Ø Business support – advice on a range of issues: business plans, cashflows, business models, market analysis, marketing, governance and leadership structures, risk analysis, management accounts, client relationships, partnership management, transition management and social return analysis.

There is a renewed focus on social enterprises as part of a wider drive to improve community services, under the Transforming Community Services (TCS) programme. This programme was launched in January 2009.

This is an ambitious and aspirational programme. The programme has emphasised the Government's demand for separation between PCT commissioning and provider functions. One way to achieve this is to set up a social enterprise and transfer NHS staff to this new organisation as a new provider of community services.

You can find more on the RCN's TCS webpage:

http://www.rcn.org.uk/support/transforming_community_services

Link to System Regulation

There is a new regulatory landscape from April 2009 onwards and whilst not all details are known it is important that anyone proposing to set up a social enterprise is aware that they may need to become registered with the Care Quality Commission (CQC). More details on the CQC is available here:

http://www.rcn.org.uk/_data/assets/pdf_file/0016/203533/15-2008_The_Care_Quality_Commission_CQC_in_England.pdf

⁵http://www.dh.gov.uk/en/Managingyourorganisation/Commissioning/Socialenterprise/DH_073426

⁶http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_100959

⁷ For more information you can go to:

<http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH>



All NHS Trusts must be registered with the CQC from 1

in the local context. The aim is for sustainable providers; and these are more likely where:

- An option appraisal has been undertaken as per the Transforming Community Services (TCS) framework to test out the best organisational model to fit the local context. The RCN recommends that any proposals to set up social enterprises are assessed against the RCN Principles⁸ and are supported by staff and patient and user groups.
- Where advice has been sought. Free advice on setting up a new business is available from Business Link for example. Other expertise may also be needed; ranging from legal advice to accountancy expertise.
- Where consultation has taken place. This is both with patients/users and



Tell us what you think

This briefing is intended as an update on social enterprise and the Policy Unit would like to receive comments/feedback from as many members as possible on this important issue. Please email policycontacts@rcn.or.uk

For further general information on Social Enterprises:

For those nurses who may be interested in setting up a new Social Enterprise, then the RCN has published a useful docum



Social Enterprise Training & Support Consortium (setas);
<http://www.setas.co.uk/index.asp>

Business Link, Set Up a Social Enterprise;
<http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1077475650>

DTI, Public Procurement: a Toolkit for social enterprises;
http://www.cabinetoffice.gov.uk/media/cabinetoffice/third_sector/assets/toolkitforsocialenterprise.pdf

Social Firms UK; www.socialfirms.co.uk