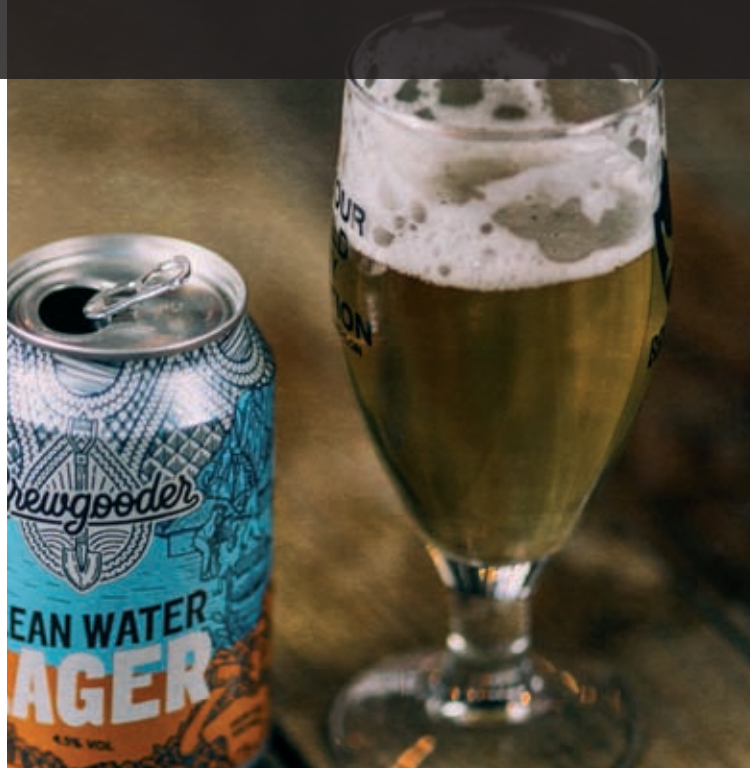
SOCIAL ENTERPRISE SCOTLAND

PARTNERSHIPS FOR GOOD

Bringing social enterprise and the private sector together to build an inclusive economy



FOREWORD

Partnerships between the private sector and social enterprises are becoming increasingly important.

Indeed, the EY Foundation is a partnership with EY. Their involvement helps us support more young people overcome barriers to gaining fulfilling employment and helps more social enterprises to thrive. Through the EY Foundation's Accelerate programme, we build links between social entrepreneurs and business.

By working together, the relationship between a business and a social enterprise can be mutually beneficial. While businesses look to build their reputation within the communities they operate in, social enterprises seek to grow their impact and meet professional standards. When trusting relationships are developed, both organisations can successfully meet their goals and aspirations.

This booklet is a fantastic introduction to the types of partnership that can be fostered beyond the more traditional 'charity sponsor' approach. While the latter is still critical to many organisations – and positive for those who offer more philanthropic support – these case studies show how 'Partnerships for Good' can also meet often scrutinised supply chain demands, help win contracts and meet procurement clauses and demonstrate positive impact to consumers.

Margaret Gibson OBE
Deputy Chief Executive, EY Foundation

EY Foundation

> *The Scottish Government encourages the private, public and third sectors to work together in order to build resilient local communities and work towards a fairer Scotland. Innovative working across sectors will assist us all in achieving our Social Responsibility goals. These case studies show the power of partnerships, which are tackling period poverty, promoting social enterprise in schools and supporting business to provide people with disabilities equal employment opportunities. By working together these projects show we can make a vital social impact here in Scotland and internationally"*
> **Aileen Campbell MSP, Cabinet Secretary for Communities and Local Government**

INTRODUCTION

There are key advantages for both social enterprise and the private sector in working together to achieve social change and develop sustainable businesses.

Scotland was one of the first countries in the world to sign up to adopting the UN Sustainable Development Goals and to date more than 190 countries have now signed up to the vision to end poverty, address issues of inequality and to protect the environment. There are clear and obvious links we can make to the work of the social enterprise movement in working towards the goals that were set and we're increasingly seeing interest from all sectors to address the concerns they raise.

In the past few years we have seen a growing trend to bring profit and purpose closer together. From increasing numbers of entrepreneurs wanting to make a difference, consumers taking a greater interest in supply chains and environmental concerns and investors and shareholders keen track the positive and negative impacts a company may have.

Subsequently, more businesses are looking for certification as they seek to satisfy consumer demands and increasingly more public sector and other contracts take into account social impact and community benefit. Against this background we are also then seeing a wide range of partnerships develop between the social enterprise and private sector. This document highlights a few such case studies and we hope it will inspire you to develop relationships to make a difference.

Here at Social Enterprise Scotland we would always welcome enquiries to help you build contacts and partnerships for increased positive impact.

Chris Martin
CEO, Social Enterprise Scotland

5.6K social enterprises in Scotland

64% led by women

£5BN net worth

> *"Social Enterprises are an important part of Scotland's economy, contributing a total gross value added of over £2 billion. This economic contribution can been seen across the rising number of social enterprises in Scotland, with over 5,600 enterprises in 2017 resulting in over 81,000 full-time equivalent jobs."*
> **Derek Mackay MSP, Cabinet Secretary for Finance, Economy and Fair Work**

CONSUMER DEMAND

Social media is changing the way business works. Transparency, freedom of information, the speed at which good and bad news travels and the role of the individual as an influencer and reporter all have an implication on the way we all do business.

From climate change to waste and recycling, globalisation to the local economy and diversity and sexuality there are ever more social and environmental considerations we are compelled to take into account when planning, promoting and running organisations whatever their legal structure.

While aware there may still be a difference between resounding support and associated action, we cannot deny that consumer interest and demand on products and services is having a profound affect on how new business develops and how existing businesses seek to meet this growing trend.

The most recent Social Enterprise Census for Scotland conducted in 2017 noted that 79% of those responding sell direct to the general public. While for many this approach may still remain very local, for some it is the partnerships they have developed with large corporations that have enabled them to increase their distribution channels and associated social impact.

47% of consumers believe that ethically run businesses are better for the community

48% prefer to use or purchase from businesses that act ethically

37% believe businesses should put social purpose ahead of making profits

47% more likely to purchase products or services from businesses which have a stance on social issues

49% would not take a job with a business they believe to behave unethically

(taken from Ipsos Mori Research 2017)

CASE STUDY THE RETAIL ACADEMY

Itself a partnership programme between Social Investment Scotland and retail chain ASDA, the Retail Academy works with social enterprises to scale up their business with the aim of increasing the availability of their products and social impact. Alastair Davis, CEO, Social Investment Scotland, talking about the ASDA partnership comments: "Ethical products with a social purpose are in much greater demand among consumers across the country. Our SIS Retail Academy offers retailers an invaluable opportunity to connect with social enterprises, share their expertise and meet that demand. For our social enterprises, it is a unique opportunity to learn from a group of retailers with considerable experience of what it takes, as a supplier, to succeed in such a highly competitive industry.

> *"Working with SIS has a been a great way for ASDA to throw our weight behind the growing social enterprise movement, while discovering exciting new products which we've been able to introduce to our stores across the UK."*
> **Polly Jones, Corporate Affairs Manager, ASDA**

CASE STUDY HEY GIRLS

Despite only being established in 2018, Hey Girls has already gone on to lead the way in discussions on period poverty and most recently launched its *Pads for Dads* campaign – ensuring the debate reaches wider than a female audience. It's a great example of product innovation and social enterprise development to meet growing consumer demand and questions.

Starting at West Lothian Council with a contract to supply free menstrual products in its schools, Hey Girls expanded rapidly and in August 2018 its products became available in 287 ASDA and Waitrose stores. To date Hey Girls has distributed 2.3 million products through its *Buy One Give One* model and, as partnerships continue and key distributers also take an interest in these products, the social impact can only increase too.

CASE STUDY BALA SPORT

Bala Sport is a co-op based in Glasgow and the only UK based company licensed to import Fairtrade certified sports balls.

Set up in 2015 to provide a fairer deal for developing country sports ball workers as well as quality sports products for consumers, the community benefit society now has more than 100 member/ investors including two Scottish secondary schools. The group, whose name means "ball" in Gaelic, works with manufacturers in the northern Pakistani city of Sialkot where around 70% of the world's stitched sports balls are made, and across the border in Jalandhar in India where its hand-stitched rugby balls are produced. Bala Sport pays a 10% Fairtrade Premium on manufacturing costs designed to give workers access to healthcare, assistance with their kids' education and free, safe drinking water for the whole community. Workers also benefit from the safe working conditions, fair rates of pay and union recognition that the Fairtrade Standards insist on.

While Bala Sport has yet to tell the story of increased distribution through national sports shop chains and more mass market approaches, we can note that it is still consumer demand that is pushing sales. The group has already sold thousands of footballs around the country and throughout Europe and Scandinavia including through some small ethical retailers and the likes of The Big Issue Shop and Amnesty International. Their Fairtrade footballs, futsal and rugby balls are becoming increasingly popular amongst ethically-minded grassroots sports clubs as well as individuals.

BALA SPORT

CASE STUDY **BREWGOODER**

Brewgooder were the first social enterprise to receive a national listing with ASDA, with a clear mission to provide water and life to 1 million people through the power of craft beer.

Brewgooder prides itself on producing great tasting craft beer while making a positive impact and since starting out in 2016, Brewgooder drinkers have supported over 60 projects and provided over 50,000 people in Malawi with access to clean water. The listing with ASDA has enabled the company to grow and increase its impact but its partnership with private sector businesses started at the very beginning of their journey as almost 1000 backers and 30 restaurants got on board to support the new enterprise. Highlighting the much talked about consumer demand we can also note how the company was, and still is, supported by Brewdog, who continue to produce craft beer for Brewgooder at zero rate. This truly is a consumer product making a difference and increasing it's impact through innovative partnership and consumer led purchasing. Brewgooder also now works with the Co-op and Tesco, and operates an Office Beer Club with over 100 businesses nationwide receiving Brewgooder beer deliveries every month, and the brand is quickly gaining a very positive reputation for good beer and making a difference.

SUPPLY CHAIN

Just as the consumer can make a difference in what they buy, so too can a business.

An organisation can have an impact simply by looking at its supply chain. Some organisations produce items that are critical to the success of another business while others are able to meet more indirect needs through stationery provision, printing or catering arrangements. The case studies that follow aim to demonstrate that whatever business you are in, there is probably a social enterprise that can help you deliver.

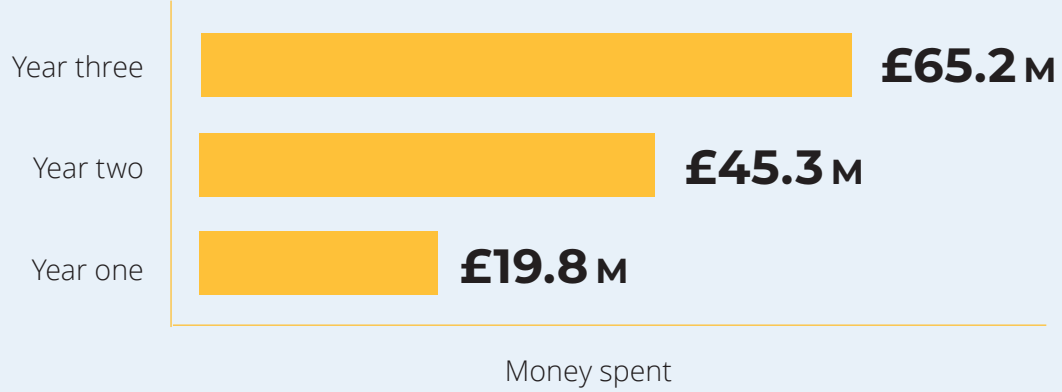
For some companies supply chain has been an area of negative rather than positive feedback – environmental concerns, and poor working conditions for example. Partnership with social enterprise, where quality is deemed to be of equal value, can do the reverse – motivating and recruiting staff, creating positive marketing messages, improving reputation and encouraging investors.

CASE STUDY SOCIAL ENTERPRISE UK AND THE CORPORATE CHALLENGE

The Buy Social Corporate Challenge, run by SEUK, began with 7 Founding Partners and currently has 15 partners. Together, these businesses employ over 700,000 people around the world and have a combined turnover in excess of £157 billion.

This bold campaign has the ambitious aim of getting business to collectively spend £1 billion with social enterprises.

The three-year review (from 2019) notes that of the money spent through social enterprises, £5.5M profit was reinvested into social missions and 637 jobs created. Further, 100% of buyers think social enterprises are delivering at the same or better quality.



Young participants of WildHearts MicoTyco scheme – supporting our future entrepreneurs

CASE STUDY WILDHEARTS OFFICE

WildHearts Office is one of the UK's leading B2B social businesses.

With a catalogue of more than 35,000 products, from office stationery to workwear, they deliver next day from their extensive UK and Ireland warehouse infrastructure. For WildHearts, they use their profits to fund the work of the WildHearts Foundation (Registered Charity SC037072) to change lives locally and globally.

The social initiatives supported by WildHearts are diverse; from addressing social mobility in the UK by equipping young people with key development and employability skills, to addressing gender inequality in the developing world through their StartHer Strategy.

All companies need basic equipment and as such, by linking key business needs, with social impact opportunities, WildHearts offers a way for a wide variety of customers to make a difference simply through buying what they need. As a result, WildHearts now has a portfolio of customers from some of the biggest brands in the UK including; Amey, Zurich, Technip and Johnson & Johnson.

> *"Simply by buying our office supplies competitively from WildHearts, we are able to support our Company aspiration of helping people live longer, healthier, happier lives."* **Timo Worrall, Director of Supplier Social Responsibility, Johnson & Johnson**

CASE STUDY SHETLAND SOAP

For the past 10 years, Shetland Soap Company has been a key supplier to NorthLink Ferries.

In addition to supplying hygiene products for the overnight cabins and fresh sandwiches through its catering business, Shetland Kitchen, their merchandise is also available for customers in the on-board shop.

Established over 17 years ago, by the social enterprise COPE Ltd, Shetland Soap Company works alongside adults with learning disabilities to produce a range of handmade soap and skincare products. Also an organisation to have benefited from the SIS Retail Academy programme, COPE has developed its on-line shop and can ship products through Europe.

> *Serco NorthLink Ferries relationship with COPE has gone from strength to strength over the years. We're really proud to work with them because of the quality products they provide and the vital contribution they make to life in Shetland and the value they add to our services on board our vessels. Thanks to COPE staff's commitment and the quality of their products, we will continue to work with them and we will look at further initiative to support the fantastic work they do.*
>
> *"The cabin is really important for creating a positive first impression for our customers. The complimentary soaps in our bathrooms supplied by COPE help to do just that, thanks to the unique story behind them. Likewise, the freshly made sandwiches available on board our ferries underline the genuine connection we have with the communities we serve."*
>
> **Seumas Campbell, Customer Service Director, Serco NorthLink Ferries**

CASE STUDY GLENCRAFT

If ever there was a social enterprise to highlight that high end, quality products and service are critical to their business model it's Glencraft.

This long-established social enterprise has a history stretching back to 1843 and their team is made up of people who have dedicated their working lives to master their skills, many of whom have a disability, either through physical or learning difficulties.

Renowned for its quality and craftsmanship, Glencraft has had the privilege of supplying Royal residences, having served four generations of the Royal Family up at Balmoral. Glencraft are incredibly proud to be a holder of a prestigious Royal Warrant by appointment to Her Majesty The Queen. As well as supplying a number of high end hotels with their hand made mattresses, such as the newly refurbished Fife Arms Hotel in Braemar and The Balmoral, Edinburgh, it was Glencraft who were responsible for fitting out the beds on the new fleet of Caledonian Sleeper trains in 2019.

> *"We are putting on the new mattresses produced by Glencraft which are really comfortable, proper pocket sprung so I hope people will come off saying they have had a night's sleep as good as you get in a hotel or even your bed at home. For years they have been producing mattresses to the very highest quality and the business is really interesting because they are a social enterprise – many of the people that work there have learning difficulties or disadvantages in some way. But that's not what Glencraft lead on, Glencraft lead on the quality of the product and actually when you discover the people that are making it and the challenges those guys have overcome, it's really inspirational"*
> **Ryan Flaherty, Managing Director, Serco Caledonian Sleeper**

CONTRACTING AND PROCUREMENT

The way that the public sector allocates resources can have a huge impact on our communities.

The Procurement Reform (Scotland) Act 2014 embeds best practice and drives public bodies to consider Community Benefit Clauses (CBCs) in high-value procurement. CBCs are contractual clauses that can be used to build a range of economic, social or environmental conditions into the delivery of public contracts.

Community benefits which can potentially be included as contractual clauses include

- Creating opportunities for enterprising third sector organisations to deliver public services
- Employment and training opportunities for the long term unemployed and disadvantaged individuals
- Creating opportunities for SMEs to deliver public services
- Provision of facilities for all
- Contributions to achievement of education and training targets
- Support for community initiatives
- Environmental targets

As companies working with the public sector seek to meet best practice and compete in open tenders, this is another area in which we can see partnerships developing between key contractors and the social enterprise sector.

In June 2015, Scottish Government published *Analysis of the impact and value of community benefit clauses in procurement*. This review noted:

- Two-thirds of the public organisations surveyed have used CBCs in procurement in the period 2009 to 2014. Of the 62 organisations that reported they had used CBCs, 26% have used CBCs routinely.
- The main reasons given for using CBCs were the contribution they can make towards achieving local and/or organisational outcomes (74% of organisations) and towards achieving Scottish Government National Outcomes (55% of organisations).
- Amongst the organisations surveyed that had used CBCs, 85% had at least one policy, process or structure in place to support the use of CBCs. For example, 59% had a procurement officer or champion responsible for CBCs.

CASE STUDY CCI SCOTLAND

CCI Scotland was initially set up in 2002 to enable young people at risk and adults with mental health issues to develop a derelict site in Lanark.

The organisation currently provides 80 people with complex mental health issues, learning difficulties and young people who are experiencing significant social disadvantage with opportunities to engage in landscape, horticulture, environmental and woodcraft projects that have a tangible benefit to their local communities.

Following earlier work as a sub-contractor with Paisley based Clark Contracts, CCI has now gone on to secure more work to deliver and therefore increase the social impact it is able to have supporting vulnerable young people in Lanark.

> *Community is at the heart of our firm, and wherever possible we strive to have a positive social impact. That is why working with CCI was attractive to us. Not only did it exceed the contract requirements, it provided us with a way to reinvest in charitable work that brings so many benefits to those who participate"*
>
> **Iain Blair, Director, Clark Contracts**

> *Hundreds of people have benefited from working on our projects. Securing work in the public and private sector is imperative so 100% of our profits can be reinvested. We're confident more firms will see the benefit of working with us, not only because we're competitively priced and have a highly skilled workforce but because we offer something unique – a social benefit which helps companies meet their corporate social responsibility."*
>
> **Niall McShannon, CCI Director**

CASE STUDY

P4P AND MORRISONS CONSTRUCTION

Developing partnerships between the private sector and social enterprise can be a daunting experience both for large scale contractors and smaller organisations who wish to be involved in the tender process.

P4P supports local community groups and social enterprise to access public procurement and other contracting opportunities.

In developing the partnership with Morrisons Construction P4P took a proactive active approach taking time to understand potential company needs and find organisations that may be able to meet these obligations. In this case there was an opportunity for local organisations to supply food products as well as catering for meetings and events.

P4P worked with number of organisations to support them so that they could gain a greater understanding of expectations and apply to win supply contracts. Both Edinburgh Community Food and Forth Valley Focus CIC successfully qualified to become part of Morrison Construction's trusted supply chain, earning work with the company in the process. Morrisons Construction's Edinburgh office is now one of the 100+ workplaces that Edinburgh Community Food supplies healthy fruit snacks to.

P4P
Partnership for Procurement
Supporting Scotland's Third Sector

> *"At Morrison Construction, we work where we live so it is important to create successful relationships with local business, providing economic benefit to the community."*
> **Jim Johnstone, Economic Performance Manager**

Morrison Construction

CASE STUDY SCOTLAND'S BRAVEST

Scotland's Bravest Manufacturing Company (SBMC) is a relatively new social enterprise but is already showing immense potential in developing strong partnerships and making a huge difference to the lives of veterans in our community.

SBMC offers crucial flexible employment and training to the country's ex-servicemen and women – particularly those facing daily challenges due to life-changing injuries as a result of service – through the production of bespoke, road and rail signs, specialist engineering cutting, circular economy products, and print, mail and fulfilment services.

Scotland's Bravest Manufacturing Company is a socially-thriving and commercially-competitive enterprise offering a lifeline to Scotland's veterans – particularly those facing daily challenges due to physical and mental disabilities suffered as a result of service.

> *Having seen at first hand the great work that the Scotland's Bravest Manufacturing Company are doing to help support injured veterans, I was delighted to learn of their success on the recently announced Supported Business Framework and Scotland Excel Signage Framework."*
>
> **Graeme Dey MSP, Minister for Parliamentary Business and Veterans**

> *I welcome the award of this (Scotland Excel Signage) framework which will help councils across the country source the road signage they need to keep their road networks operating safely and efficiently. This framework is good for business as the 11 suppliers are all SMEs – two of which are micro businesses, and it is also positive for councils as it will deliver savings and has secured fixed prices for a year."*
>
> **John Shaw, Scotland Excel**

SOCIAL ENTERPRISE SCOTLAND

want to know more about social enterprise?

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Social Enterprise Scotland is a membership organisation based in Edinburgh that connects, supports and promotes social enterprise.

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