



**European and External Relations Committee  
Written Call for Evidence - Scotland's relations with the EU**

**Response from Social Enterprise Scotland**

***What is social enterprise?***

Social enterprise is a dynamic, ethical and more sustainable way of doing business. Social enterprises are innovative, independent businesses. They exist to deliver a specific social and/or environmental mission. Social enterprises trade in many markets - selling goods and services to individual consumers, local authorities, government and private businesses. Social enterprises aim to make a profit just like any private sector business. However, 100% of their profits or surpluses are always reinvested back into their social and/or environmental purpose. [Read the full explanation and definition of social enterprise.](#)

***Social Enterprise Scotland***

Social Enterprise Scotland is *The Voice of Social Enterprise* - uniting social enterprises and their supporters into a strong campaigning force. We're your gateway to Scotland's social enterprise community. Social Enterprise Scotland is an independent, Scottish, membership-led organisation, built and controlled by social enterprises. We're the first point of contact for the media and public and promote a positive vision for social enterprise. [Read more about Social Enterprise Scotland.](#)

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***Introduction***

As a membership-led organisation, the basis of all our consultation responses is formulated by directly asking Scottish social enterprises for their views and experiences.

In this instance our consultation response is based on the results of our recent "Brexit" survey, that was open to all our social enterprise members plus any other interested Scottish social enterprises.

Bear in mind that the survey size is not large (23 responses) but we believe it gives some initial early indication of views and experiences within Scotland's social enterprise community.

The following survey results contain the headline figures plus a number of the most relevant and useful comments regarding the referendum result.

It's fair to say that "uncertainty" and "too early to make a judgement" are the common themes within the survey, in line with popular public, media and political opinion.

However, a number of very important concerns were raised in the survey comments - key issues that should inform all current and future Scottish and UK Government negotiations.

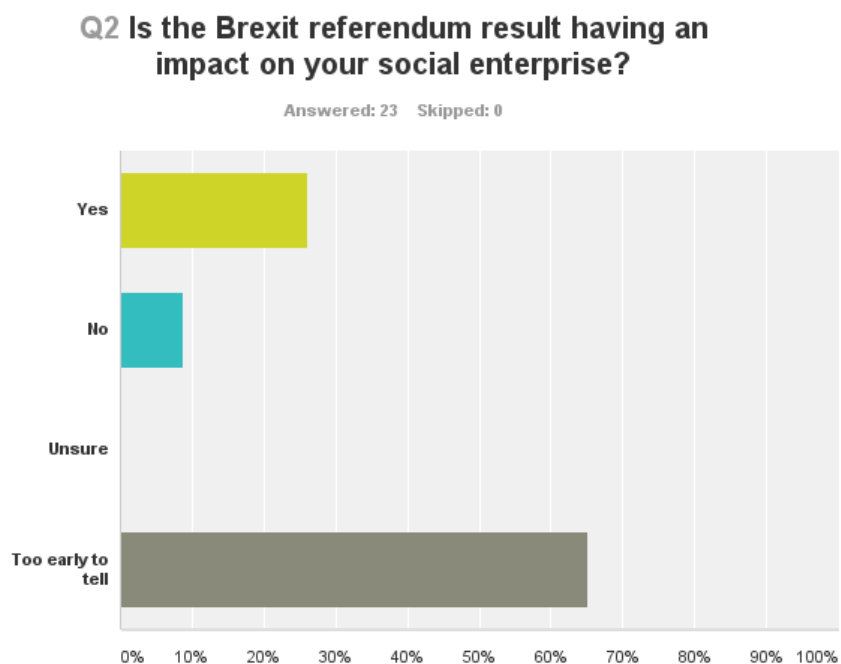
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### **The survey results**

We asked the following questions:

- Is the Brexit referendum result having an impact on your social enterprise?
- What longer term impact do you think Brexit could have on your social enterprise?
- What longer term impact do you think Brexit could have on the wider social enterprise community in Scotland?
- Are you supportive of efforts to keep Scotland within the European Union?

The survey responses are as follows:



### **Comments**

- Funding for large capital projects in the not-for-profit sector including community and visitor facilities and museums looks increasingly uncertain, either directly through threat to ERDF and other EU funds and indirectly in that organisations such

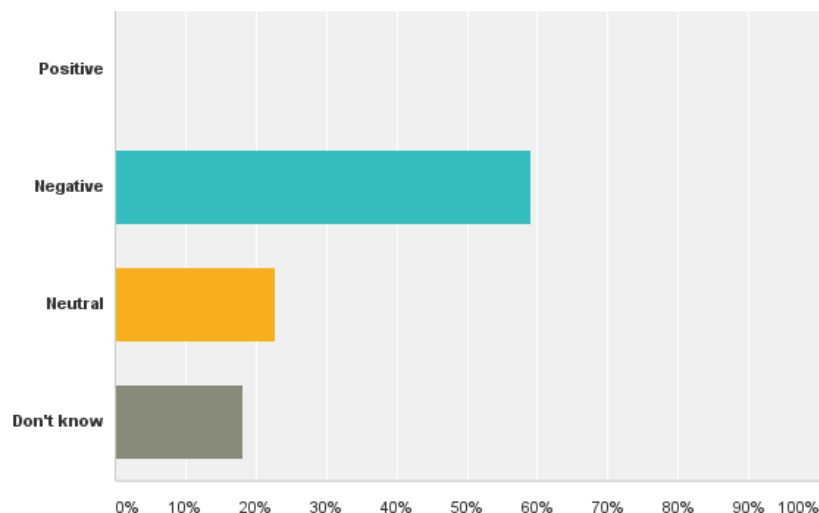
as SNH may have fewer funds for the protection of the natural heritage, hence less grants to give out.

- We depend on EU grants and interns.
- Will likely effect designers, talent retention and trade via restrictions in terms of free movement.
- Leader Funding in doubt and possibly other EU Grants.
- Some clients use EU funding to purchase our services. Not a huge proportion though.
- We do not yet know the specific implications of the referendum outcome.

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### Q3 What longer-term impact do you think Brexit could have on your social enterprise?

Answered: 22 Skipped: 1



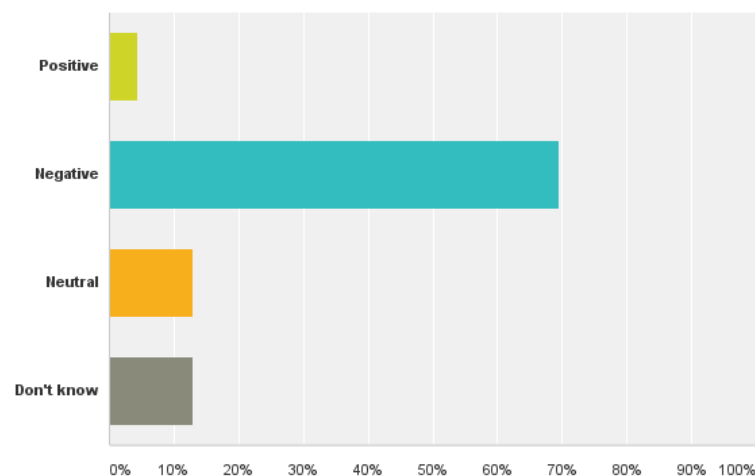
#### Comments

- Reduced funding.
- It will affect our deals for internships with EU universities.
- We are concerned that Brexit could have a negative impact on the finances of our customers. This would impact on us because they will not have the money to spend on leisure activities. If our customer base was reduced this would have an impact on the turnover of our business and possibly the number of staff we could employ and the range of activities we could offer.

- Obviously loss of EU funding is a worry, this is a transfer of resources from the periphery to the centre.
- Possible reduction of funding availability.
- We plan to trade in Europe, unsure about intellectual property rights.
- Likely reduction in funding for training and employment activity.
- More people in need and less money due to even more austerity.
- I think that this will have a huge impact. European investment is vital in some of the areas that we work. Also, I feel it will put more pressure on trust funds as competition for these funds will increase.
- It is far too early in this process to be asking this question, nothing changes for at least two more years and nothing apart from Brexit has been decided.
- I am more concerned about our clients and beneficiaries than ourselves.
- Loss of potential EU Funding.
- Barriers to free movement of people and products are bound to have negative implications.

**Q4 What longer-term impact do you think Brexit could have on the wider social enterprise community in Scotland?**

Answered: 23 Skipped: 0

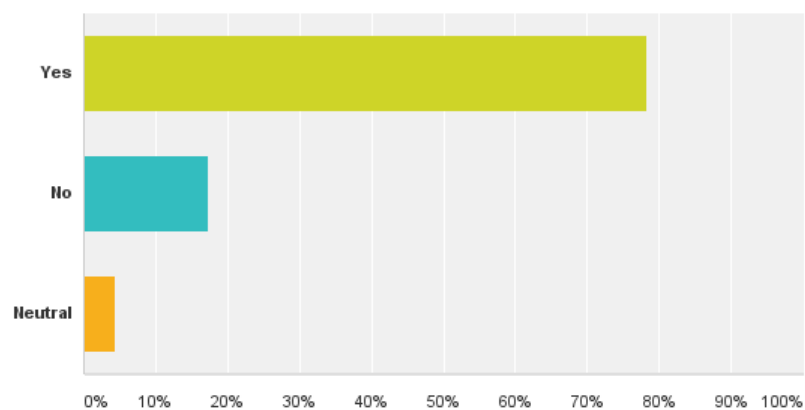


**Comments**

- A lot of our partners in academic institutions are funded via the European Union.
  - Most effective organisations did benefit from the EU.
  - Huge loss of investment.
  - Many social enterprises work to support the most vulnerable people in our society. I am concerned that the money that did go to the EU will not be re-invested where it is most needed. Also vulnerable people need the EU to protect many of their human rights.
  - Potentially, Scotland will be a small country (and player) buffered from the EU by an anti-European border formed of England.
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### Q5 Are you supportive of efforts to keep Scotland within the European Union?

Answered: 23 Skipped: 0



### Comments

- Yes, but if this involves becoming independent from England I fear that will have a negative effect on our business.
- Vital for investment in our social/economic infrastructure. I understand that we could lose over £400 million in investment, that is a huge gap to be filled by the Scottish and UK Governments. It will be interesting to see if this funding gap can be filled but I do suspect that investment funding will reduce very quickly, particular beyond 2020.
- I am supportive of keeping the UK in the EU and Scotland in the UK. This breaking up is counter-productive.
- We need to ensure that Scotland has access to a wider market, people with capable skills and supports those who need to seek refuge.

Our Ref: 160907DT