



Transition Group 3- Meeting Notes & Key Actions

Present:

Professor Ian Welsh (IW) Chair

Polly Chapman (PC)

Angus Hardie (AH)

Irene Mosota (IM)

Martin Avila (MA)

Ailsa Clark (AC)

John Halliday (JH)

Yvonne Strachan (YS)

James Hilder (JH)

Jennifer Robertson (JR)

Secretariat: Beverley Francis, Chris Martin, Alistair Grimes, and Jenny Smith

Apologies: Claire Pattullo

Date: 19th August 2022

Venue: The Melting Pot, Edinburgh

| 1. Apologies & Welcome | Action |
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| Apologies had been intimated by Claire Pattullo | |
| <p>2. Note of the last meeting</p> <p>The notes of the meeting were approved subject to the following changes:</p> <p>The need for clarity on bullet point 8 on page 3 which is unfinished/ doesn't flow</p> <p>The addition of the importance of the SEI being non-competitive with the sector as part of the values statement discussion.</p> | BF |
| <p>3. Matters Arising</p> <p>BF indicated that all actions had been completed or were being discussed at the meeting. Chris Martin indicated that he had located the previous SES Board paper on membership, and this would be shared to the Teams channel.</p> | CM |
| <p>4. Consolidated Narrative</p> <p>AG was invited to introduce his paper that sought to reflect and summarise discussions to date. It was agreed to take the paper in the order it had been presented. However, clarity had been sought on the status of the SES Business Plan and the extent to which there had been further iterations following the SG award. CM confirmed that the Business Plan had not been reworked but that a revised staffing structure and budget had been prepared to reflect a desire to enhance the offer to community-based networks and ensure continuity of service.</p> | |

The Chair indicated he thought it was reasonable to make recommendations to the SES Board on a review of the Business Plan in the light of the work of the group. Points raised by John Halliday on membership were noted and agreed to be taken later under governance. The importance of a non-competitive role was raised by him also in respect of future role.

Background/ Introduction

IW indicated the issue of the Business Plan had been clarified, and it would not be a role for this group to delve into the detailed operational arrangements, and the business plan would be accompanied by an operational plan. The task of the group is not to write a Business Plan.

Section 1

The matter of the SEI potentially competing with members was discussed. Whilst some members thought that there should be no circumstances where this was possible, others thought it important that a “noose” was not placed around the neck of the SEI, particularly in the long term. The role of SEI as incubator was considered appropriate. It was agreed a form of words would be found around the need to avoid displacement. John Halliday and James Hilder were tasked with developing a form of words that reflected the group discussion

JH/JH

More broadly, on mission and values, it was felt the role of the SEI as one of oversight of the whole system should be acknowledged. The terms collaborator, and instrument of change, one with social impact was raised in developing this section further. YS and AH were tasked with developing the narrative in relation to social impact.

YS/AH

CM mentioned an existing SES value “member led” which was noted.

A value of innovation, without assuming a form of financial support was discussed and considered important.

Section 2

The role of the SEI in the wider ecosystem was discussed. The system was complex and fluid, changing all the time. SES should be wise to the system, understand it, examine the gaps in it, and seek to fill them itself or through other intermediaries. It had a role in bringing the sector together in its own right and not just to engage with government. The SEI should amplify the whole voice and reflect the whole system. It was noted that the wider business sector was also important, not just social enterprise.

Broadly, the SES mission and values were considered acceptable and reflected work and consideration. Based on the discussion, it was agreed CM would develop and tweak, assuming a recommendation on this would be made. An accompanying narrative to be developed.

CM

Section 3

In considering the “objectives” of the SEI, the group concluded the term “preferred approach” or similar would better reflect a statement of functions. The role of social enterprise in providing vital local and community services was noted. A section on creating and contributing to better society was to be added. The difference to the private sector was to be articulated. It was considered important not to assume always that growth was desirable, as some enterprises do not wish to extend themselves. AC thought it useful to make a distinction between urban and rural in the narrative. The discussion concluded that the SEI had a role in supporting the right conditions for social enterprise to thrive rather than directing that growth itself.

CM/YS/AC

CM, YS, and AC were tasked with developing a revised narrative based on the discussion

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| <p>The table of potential functions was noted, and further observations made. Specifically,</p> <ul style="list-style-type: none"> • SEI should signpost to other business and funding support services, influence new services where there were gaps and make comment on the quality of those services as required • On networks, SEI should encourage, facilitate local networks, not directly create them • On lobbying, the preferred term was advocating and influencing. Lobbying was seen as a separate and distinct activity. • Representation was agreed • Intelligence and research were agreed, noting the SEI does not have this capacity just now. There is a role in building academic partnerships for the benefit of the sector. • On accessing funds, this was to be reshaped around two potential roles, one is leveraging, and collaborating to bring resources into the sector (loans and otherwise). Ethical investment was also raised. The matter of administering funds on behalf of others was widely debated and it was concluded that this should be included but on an exceptional basis. This reflected the need to provide a level of freedom to the SES Board in terms of financial sustainability. Words were to be found to reflect this as an additional function, in addition to leveraging resources. • An additional area was to be added to the table around facilitating local and national networks of social enterprises. | AG |
| <p>5. SES Memorandum and Articles</p> <p>These were noted</p> | |
| <p>6. Governance and Membership</p> <p>There was a wide discussion about future membership and the relationship to code compliance. CM noted that he saw social enterprise as a verb rather than a noun, and the binary nature of the code/ not code discussion was unable to pick up the nuances of behaviour as opposed to legal construct.</p> <p>It was noted that the code already provided for the “grey area” to some extent, but some members felt strongly that strict code compliance should be protected as a principle, especially in relation to CIC by shares. However, many CIC by shares have caps and constitute a small proportion of the sector. The conflict of an exclusive membership structure and it’s fit with a value of inclusion was also pointed out by IM. CM explained the current process for membership which did involve scrutiny of where profit was distributed, the values, and behaviours of organisations. Admission by a scrutiny panel of some form was something that represented a compromise that members wanted to explore further, and it was agreed a short, specific paper on this would be brought to the next meeting. This should set out options and their relative merits.</p> | CM/BF |
| <p>7. Consultation and Engagement</p> <p>A short paper was tabled setting out proposals for a series of virtual events with the sector between the 23rd of September meeting and the one on 10th October 2022. These were agreed. It was further agreed to hold a national event in October as part of consultation in draft recommendations. However, it was agreed that a “ceildh” style was not appropriate given the potential for similar events in the future, as well as timing and cost issues.</p> | BF |
| <p>8. Arrangements for next and future meetings</p> <p>It was agreed that the further activity would take place before the next meeting, and that this would focus on the extent to which recommendations or clear propositions could be agreed to form part of the engagement events. It was important to make progress on reaching some conclusions. The Secretariat would continue to evolve the consolidated paper to assist in this.</p> | BF/AG |