

# NATIONAL SOCIAL ENTERPRISE POLICY FOR IRELAND 2024-2027

Submission to the Department of Rural and Community Development

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## Foreword by Cormac Moloney, CEO of Vantastic CLG

I am pleased to present the findings and recommendations resulting from The Wheel's special member consultation, which I facilitated as the nominated social enterprise network member. The online consultation occurred on Thursday, 11 January, and I am honoured to have the opportunity to write the foreword to this submission, which presents the outcomes of our collaborative efforts.

Engaging in the process of gathering and analysing information for this public consultation has been both enlightening and enriching. My involvement has provided a unique opportunity to connect with stakeholders, experts, and others within the Social Enterprise community, offering a comprehensive understanding of the critical issues at hand.

This submission reflects the diverse perspectives expressed during the online member consultation, highlighting the nuanced realities, challenges, and opportunities within the Social Enterprise community.

The findings and recommendations presented here stem from thorough analysis, thoughtful deliberation, and a commitment to advocating for the best interests of the Social Enterprise Network Members of The Wheel. I trust that these insights and proposals will contribute significantly to the decision-making process, guiding policies and actions that positively impact the National Social Enterprise Policy 2024-2027.

I extend my sincere gratitude to all who contributed to this effort – from network members sharing their experiences to experts providing invaluable expertise and to The Wheel for its tireless collaboration, which ensures this submission reflects our collective knowledge and aspirations.

As you review this submission, I encourage you to consider the thoughtfulness and dedication invested in its preparation. Our goal is to foster constructive dialogue, inform evidence-based decision-making, and contribute to the betterment of the Social Enterprise community. I am confident that the recommendations put forth here are grounded in a genuine commitment to advancing the common good, and I hope they receive the careful consideration they deserve.

Thank you to The Wheel for providing the opportunity to participate in this vital process. I look forward to witnessing how our collective efforts will shape the future of the Social Enterprise community.

Cormac Moloney

CEO Vantastic CLG, member of The Wheel's Social Enterprise Member Network

## The Wheel and Social Enterprise

The Wheel is Ireland's national association of community and voluntary organisations, charities and social enterprises. As a representative voice, The Wheel provides leadership to the sector and advocates on behalf of our growing community of members. Together with our members, we help to shape and promote conditions in which people and their communities can thrive.

We passionately believe that community and voluntary action improves and enriches communities and society. Our simple but ambitious vision is a thriving charity and community sector at the heart of a fair, just, and inclusive Ireland. We champion the role of Irish charities, community and voluntary organisations, and social enterprises, in building a flourishing society and support them to do work that has a positive impact.

#### We do this by:

- representing these organisations and promoting the interests of our members and the sector;
- supporting these organisations to do their work through tailored trainings and programmes;
   and,
- promoting the importance of the voluntarism and community values that power these organisations.

The Wheel has over 2,300 members and provides support services and representation on behalf of its members relating to matters that reflect their collective interests. In the 2023 Annual Survey of Members of The Wheel, 9% of the respondents identified themselves as social enterprises.

According to the definition of social enterprises laid out in this Policy, 25% of The Wheel's membership meet the criteria, while also identifying as charities and community and voluntary organisations. This figure is in line with the census of social enterprises in Ireland carried out by DRCD which states, "the great majority of social enterprises in Ireland hold charitable status...Considering that 13,878 charities are currently operating across Ireland (Charities Regulator, 2022), we estimate that 25% of organisations that hold charitable status are social enterprises."

It is important that the new Policy recognise the importance of the social enterprise structures within the community and charity sector and ensure a cohesive approach that balances the opportunities and strengths inherent in all.

In our representative work on social enterprise, we are one of the founding partners of a coalition of 12 organisations and key stakeholders, called the Social Enterprise Taskforce (SETF). Formed in 2009, this coalition has provided an effective voice promoting the development of social enterprise in Ireland.

The Wheel welcomes the further development of the National Social Enterprise Policy for Ireland 2024–2027, and the focus that it will bring to supporting social enterprise as an important model and approach applied within the community and voluntary sector in Ireland.

Following the publication of the Draft Social Enterprise Policy, The Wheel held an online consultative meeting on January 11, 2024. This document reflects the views expressed by members at that meeting and in follow up discussions. It also draws upon the experiences of members in our Social Enterprise Network over recent years as well as our two decades of policy and advocacy work.

<sup>&</sup>lt;sup>1</sup> Social Enterprises in Ireland - A Baseline Data Collection Exercise (para 3.2): https://assets.gov.ie/258465/1cb50b94-6a17-450e-bca7-dea5ff6d2864.pdf

## **Oversight and Implementation**

We agree with the broad objectives outlined in the policy: broadening awareness of social enterprise, growing and strengthening social enterprise, achieving national and international engagement, and the ongoing measurement of impact.

However, there is no reference in the draft Policy to any mechanism for oversight of the implementation of the Policy, unlike the National Social Enterprise Policy for Ireland 2019-2022 (the 2019 Policy), which had a chapter devoted to Policy Implementation and Oversight.<sup>2</sup> This policy clearly stated:

The Department of Rural and Community Development, as the Department responsible for the co-ordination of the Policy, will engage with the range of social enterprise stakeholders on an on-going basis to achieve the shared ownership and operational delivery of the Policy (2019:24).

This is an important omission from the current draft Policy. Outside the scope of this consultation, it would be beneficial if transitional arrangements could be put in place with the Implementation Group for the 2019 Policy. This Implementation Group could, as a priority, identify which functions can be undertaken by existing agencies and bodies. This would assist in the subsequent identification of areas that require implementation-partners for delivery.

We consider it both appropriate, and an efficient way of procuring services, that existing organisations already operating in a particular area be given priority in open and transparent tendering processes, and that all funds allocated to implementing partners be allocated through such tendering processes.

The draft Policy also removed the priority of aligning social enterprise policy and actions with the Department of Rural and Community Development's Volunteering and Community and Voluntary policy initiatives. The 2019 Policy clearly stated:

The Department will also ensure synergy between this Policy and other policy initiatives which support organisations providing services to communities or tackling social, societal or environmental issues (2019:11).

### **Summary of Recommendations**

In early January 2024, The Wheel hosted a consultative workshop of the Social Enterprise Member Network. We further invited members to contact us in writing with any additional observations on the consultation document. The recommendations in this submission are thus attributed to our members and fully supported by The Wheel.

These recommendations, being stakeholder-led, will ensure the new Policy has the best chance of achieving the widespread support and success it deserves. The Policy should:

#### Objective 1 - Building Awareness of Social Enterprise

- Introduce a communications campaign rolled out nationwide that harnesses the stories of the social enterprise space showcasing the benefits of social enterprises in the economy and in our communities.
- Consider a quality mark or CE mark to recognise goods and services that are being produced by social enterprise in Ireland and provide recognition and awareness at a local and EU level,

<sup>&</sup>lt;sup>2</sup> https://www.localenterprise.ie/Discover-Business-Supports/Financial-Supports/

- uniting social enterprises irrespective of their legal structures and providing assurance of quality services to potential customers.
- Develop a social enterprise module for transition year or include social enterprise as an option for Young Entrepreneur competitions.
- Collaborate with universities, relevant organisations, and projects, to recruit young people at the board level.

#### **Objective 2 - Growing Social Enterprise**

- Ensure the Service Level Agreements between Enterprise Ireland and each Local Enterprise Office (LEOs) requires LEOs to provide the same full range of business supports to social enterprises, irrespective of legal form, as it does to other enterprises.
- Provide within the The Local Economic Development Plan of each LEO for supports to social enterprises, regardless of legal form, on an equal footing to other private for-profit companies and sole traders, and social enterprises are included in each of the Regional Enterprise Plans.
- Develop foundations for a Government-supported business support consortium, whereby the consortium delivers critical and time-consuming business support services such as: strategic planning, legal and governance advice, HR.
- Increase the level of investment in skills-building of paid and unpaid workers in social enterprises, and across the community and voluntary sector. Open up Skillnets to social enterprises.
- Establish a €1m match fund to provide co-financing to community organisations, charities and social enterprises for EU funding applications.
- Establish a central register of social enterprises (including consortia of social enterprises) interested in tendering for public contracts.
- Promote a 'Buy Social' campaign to encourage the incorporation of social enterprises in corporate supply chains.
- Introduce a Societal Value Act requiring all public authorities to evaluate societal value when procuring goods and services.
- Set an ambitious target, above the 30% threshold, for implementation of Article 20 of EU Directive 2014/24.

#### **Objective 3 - Climate Action Contribution**

- Use readily available digital platforms to reach citizens and community members and encourage participation in a circular economy and promote ethical alternatives by way of engaging with social enterprises and community practices.
- Develop business models that are embedded in the circular economy model (e.g. taking ownership of used items and recovering the raw materials at end of life to use again).
- Embed the principles of the circular economy in legislation governing business development, particularly in the area of production.

- Harness the capacity of the Local Authority to support the circular economy, as both a customer of social enterprises in this space, but also as a practical support for these businesses.
- Explore opportunities for social enterprises to become further involved in the bioeconomy strategy and capitalise on any potential.
- Call for stronger partnership between Local Authorities and communities in the energy space.
- Engage in stakeholder mapping and greater coordination between social enterprises in this space by developing a mechanism to bring stakeholders together or creating a learning hub to deliver climate education and awareness programmes.

#### **Objective 4 - National and International Engagement**

- Establish a National Social Enterprise Policy Implementation Group, chaired by the Department of Rural and Community Development, with representation from other relevant Government Departments, public bodies and social enterprise stakeholders.
- Work to improve policy alignment in relation to issues that impact on social enterprises.
- Ensure synergy between this Policy and other policy initiatives which support organisations providing services to communities or tackling social, societal, or environmental issues.
- Build on the strengths of the current networks, and in line with the OECD recommendation quoted above, the Government and should establish a National Social Enterprise Forum involving the organisations and networks representing social enterprises in order to ensure a common voice and greater cohesion.
- Build systems and comprehensive methods of measuring social value and mapping current operations and programmes cross-border and at an all-island level to foster further North– South collaboration.
- Determine the best examples of policy at an EU level and implement learnings from successful international social enterprise policy.

#### **Objective 5 - Data Collection and Social Impact Measurement**

- Establish measures to identify best practices in social impact measurement and make them available to social enterprises.
- Support social enterprises to implement these impact measurements in line with international best practices.
- Develop a framework for identifying the societal value in services and supports provided by social enterprises and develop impact and outcome measurement techniques to capture this value as proposed in the Commissioning for Communities Report (2016).
- Put the sector at the centre of defining what social impact is, how it is measured, and the
  process of measurement. With agreed terminology and governmental guidance for social
  enterprises to align with a national standard, more consistency across data collection across
  the sector and beyond will be achieved.
- Fund collaborative work and resource social enterprises to play their part in data collection.

## Policy Objective 1 – Building Awareness of Social Enterprise

There was agreement among members of the need to raise awareness of social enterprise models across Government, in social enterprise networks, and to stakeholders and the public. There was also support for the commitment to continue developing education and training provided that encourages greater representation of young people at the board and employee level in social enterprises. This could be achieved by continuing to work in partnership with education and research bodies to further support the development of social enterprise.

#### **Awareness-Raising Measures**

The Policy should:

- Introduce a communications campaign rolled out nationwide that harnesses the stories of the social enterprise space showcasing the benefits of social enterprises in the economy and in our communities. The campaign would raise awareness of the sub-sectors that social enterprises work in (e.g. childcare, homecare, climate action etc). This campaign would ideally reach across demographics to include young people and the communities' social enterprises serve. Metrics should be gathered by way of a national survey before and after the campaign's lifetime to track progress of knowledge acquisition and level of awareness raised.
- Consider a quality mark or CE mark to recognize goods and services that are being produced
  by social enterprise in Ireland and provide recognition and awareness at a local and EU level,
  uniting social enterprises irrespective of their legal structures and providing assurance of
  quality services to potential customers.

#### **Young People and Social Enterprise**

To further engage young people, the Policy should look to already established models in the social enterprise space, such as the Donegal Local Development Company.<sup>3</sup> Other potential actions to support increased awareness include:

- Developing a social enterprise module for transition year or including social enterprise as an option for Young Entrepreneur competitions.
- Collaboration with universities, relevant organisations, and projects, to recruit young people at the board level.

## Policy Objective 2 - Growing Social Enterprise

The statement, "the Government's objective is to ensure that an appropriate range of supports is available for social enterprise and to address any unwarranted restrictions which may preclude their access" is welcomed.

#### **Business Supports for Social Enterprise**

According to localenterprise.ie there are over 170 Government supports for start-ups and small businesses. These are delivered on behalf of the government by Local Enterprise Offices and Enterprise Ireland. Local Enterprise Offices (LEOs) are Business Units within the Local Authority.

Profit organisations. <a href="https://dldc.org/programme/tus/">https://dldc.org/programme/tus/</a>

<sup>&</sup>lt;sup>3</sup> Donegal Local Development Company runs a national participant-led work placement initiative, The Tús Programme, that is delivered nationally throughout Ireland providing short-term quality working opportunities with Community, Voluntary and Non-for

They operate under a Service Level Agreement with Enterprise Ireland. The Service Level Agreement between Enterprise Ireland and each Local Authority governs the delivery of services via the Local Enterprise Offices.

Members of the Social Enterprise Member Network reflected that the availability of supports from LEOs is not consistent across the country. This lack of support was also reflected by NESC in its recent report, 'Social Enterprise on the Island of Ireland'.4

The Local Enterprise Offices (LEOs), which deliver a range of services to local businesses, can also support social enterprises. However, social enterprises in general and companies limited by guarantee (CLGs) specifically are not included in the range of businesses eligible for financial support from LEOs. Enterprise Ireland similarly does not support CLGs (2023:33).

The CLG structure is the most common structure for social enterprises. It would therefore be progressive for CLGs to be afforded similar status to limited companies, etc. when accessing supports from LEOs and Enterprise Ireland. Some CLGs have engaged in workarounds, such as establishing subsidiary companies limited by shares, but this creates additional and unnecessary complexity. Moreover, while some LEOs are open to considering supporting social enterprises, others are less convinced, citing eligibility and viability as concerns. However, if social enterprises have a strong business component, LEOs should be able to support them. Consistency of approach from LEOs has been raised as an issue by social enterprise proponents.

It is also worth noting that CLGs, are specifically excluded from types of enterprises listed for support on the Local Enterprise website.<sup>5</sup>

Local Enterprise Offices (LEOs) provide a range of financial supports designed to assist with the establishment and/or growth of enterprises (limited company, individuals/sole trader, cooperatives and partnerships) employing up to ten people.

The European Commission specifically includes "associations regularly engaged in an economic activity" in its definition of an SME.<sup>6</sup> This also states "An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form". The exclusion of CLGs from the support by LEOs is clearly counter to that Commission Recommendation.

To enable the achievement of the Government's objective of ensuring that a range of supports is available for social enterprise and to address any unwarranted restrictions which may preclude their access, The Wheel requests that the following actions be included in the Social Enterprise Policy.

#### The Policy should ensure:

- The Service Level Agreements between Enterprise Ireland and each Local Enterprise Office requires LEOs to provide the same full range of business supports to social enterprises, irrespective of legal form, as it does to other enterprises.
- The Local Economic Development Plans of each LEO provides for the provision of supports to social enterprises, regardless of legal form, on an equal footing to other private for-profit companies and sole traders.

<sup>&</sup>lt;sup>4</sup> Social Enterprise on the Island of Ireland | The National Economic and Social Council - Ireland (nesc.ie)

<sup>&</sup>lt;sup>5</sup> https://www.localenterprise.ie/Discover-Business-Supports/Financial-Supports/

<sup>&</sup>lt;sup>6</sup> "Article 1: An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form. This includes, in particular, self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity". EU Recommendation 2003/361/EC\_\_\_\_\_\_

- Social enterprises are included in each of the Regional Enterprise Plans.
- Foundations for a Government-supported business support consortium are developed, whereby the consortium delivers critical and time-consuming business support services such as: strategic planning, legal and governance advice, and HR. This recommendation could be advanced via a regional pilot with minimised service offering in the short-medium term.<sup>7</sup>

Further, we recommend increasing the level of investment in skills-building of paid and unpaid workers in social enterprises, and across the community and voluntary sector, so that the entire labour market in the country has access to appropriate levels of skills-building resources.

The policy should apply additional resources through the National Training Fund (NTF) that
will support the crucial training and development needs of the more than 280,000
employees and the 700,000 volunteers whose work drives the sector. This investment and
training must be sector-sensitive and be put on as secure a footing as mainstream academic
and business training.

The statement in the DRCD's consultation document on the new Policy, "the Government's objective is to ensure that an appropriate range of supports is available for social enterprise and to address any unwarranted restrictions which may preclude their access" is welcomed. This should include opening up Skillnets to social enterprises. This development would complement the maintenance and increase in targeted NTF funds that support a nonprofit-specific, culturally-attuned, Sector Skills programme.

#### **Access to Finance**

The Wheel was disappointed to note that the draft plan makes no reference to access to EU funding. NESC identified that social enterprises can be at a disadvantage when accessing EU funded programmes because they usually require an element of co-financing.

Co-financing is a key characteristic, with co-financing rates usually between 60 to 80 per cent. Community and voluntary organisations, charities and social enterprises in Ireland can be at a disadvantage in applying for EU funds where matched funding is a requirement. The establishment of a central match-funding facility to provide co-financing to community organisations, charities and social enterprises for EU funding applications would address this issue. Access Europe has estimated that a €1m fund would provide sufficient co-financing for around 20 to 25 approved EU projects (2023:42).

• In this regard, The Wheel urges Government to establish a €1m match fund to provide cofinancing to community organisations, charities and social enterprises for EU funding applications.

#### **Enabling Market Opportunities**

The Wheel has long argued on behalf of our members that all public authorities should commission for outcomes and use any procurement process to maximise the societal value of the service. The landmark report 'Commissioning for Communities', published by Clann Credo, The Community Foundation for Ireland and The Wheel<sup>8</sup> states that:

Good public services involve a range of dimensions. Measuring public services in solely financial or economic terms is inadequate. Societal Value is created not just in the output of

<sup>&</sup>lt;sup>7</sup> Just Enterprise Scotland Pilot Model: <a href="https://justenterprise.org/">https://justenterprise.org/</a>

<sup>8</sup> Comissioning for Communities Report 2016 Web2 0.pdf (wheel.ie)

public services but also in the processes and ethos involved in service provision. Societal Value creation involves both financial and non-financial dimensions, and thus encompasses the full value of the work of organisations delivering public services, whether they are community and voluntary organisations or public bodies (2016:17).

This report presents a model for a Societal Value Framework and how a well-designed ecosystem could fund, regulate and support the work of the social economy.

NESC (2023) acknowledged that the Office of Government Procurement has been reforming public procurement to take greater account of social and environmental considerations. In line with the NESC recommendations we propose that Government should:

- Establish a central register of social enterprises (including consortia of social enterprises) interested in tendering for public contracts.
- Promote a 'Buy Social' campaign to encourage the incorporation of social enterprises in corporate supply chains.
- Introduce a Societal Value Act requiring all public authorities to evaluate societal value when procuring goods and services.

Further recommendations for growing social enterprise include the need for a concerted effort on behalf of government and state procurement agencies to utilise the potential of public procurement to grow and sustain the social enterprise sector. Social Clauses and the use of Article 20 are two mechanisms by which government can provide leadership in this. According to ICTU:

Article 20 of Directive 2014/24/EU allows member states to reserve the right to participate in public procurement procedures to sheltered workshops and economic operators whose main aim is the social and professional integration of disabled or disadvantaged persons, provided that at least 30% of the employees of those workshops, economic operators or programmes are disabled or disadvantaged workers. However, it is entirely possible for a member state to set a higher percentage of disabled or disadvantaged workers.

Many social enterprises are prevented from, or face significant barriers to, accessing the public procurement marketplace. One area of particular concern is in Health and Social care where it can be very difficult to access the funding to allow a social enterprise to grow or to innovate with a new or different service or support. This can have a significant impact on the provision of services and supports to some of the most vulnerable.

• Set an ambitious target, above the 30% threshold, for implementation of Article 20 of EU Directive 2014/24.

## **Policy Objective 3 - Climate Action Contribution**

Social enterprises will increasingly play a role in tackling climate change in areas such as renewable energy and the circular economy, as highlighted in the EU Transition Pathway for the Proximity and Social Economy. Facing the climate crisis head on will continue to be a ground-up movement led by communities who understand the necessity of drastically changing the way our economy and societal structures work.

<sup>9</sup> https://ictu.ie/sites/default/files/publications/2021/public\_procurement\_dec\_2015.pdf

We must apply the "furthest-behind first" principle in line with the SDGs' aims. This is the only way to prevent further loss of local resilience, erosion of long-term sustainability and equality in communities, and catastrophic climate chaos for the most vulnerable now and in future generations.

Increasing support for robust participatory approaches is the only way to ensure the scale of the societal response will meet the scale of the challenge. This necessitates that community-led climate action is given a corresponding increase in the level of innovative and flexible funding, along with significant capacity-building resources.

#### **Circular Economy**

We recommend the Policy should:

- Use readily available digital platforms to reach citizens and community members and encourage participation in a circular economy and promote ethical alternatives by way of engaging with social enterprises and community practices.
- Develop business models that are embedded in the circular economy model (e.g. taking ownership of used items and recovering the raw materials at end of life to use again).
- Embed the principles of the circular economy in legislation governing business development, particularly in the area of production.
- Harness the capacity of the Local Authority to support the circular economy, as both a customer of social enterprises in this space, but also as a practical support for these businesses.

#### Bioeconomy, Renewable Energy, and Community Energy

The bioeconomy "encompasses all sectors, associated services and investments that conserve, produce, regenerate, process, distribute or consume biological resources including related ecosystem services, knowledge, science, technology, and innovation". <sup>10</sup> Social enterprises will play a crucial role in supporting the Bioeconomy Action Plan. Our members' recommendations include:

- A dedicated exploration of opportunities for social enterprises to become further involved in the bioeconomy strategy and capitalise on any potential.
- Calling for stronger partnership between Local Authorities and communities in the energy space.

#### **Measures to Support Climate Action Goals**

• Engage in stakeholder mapping and greater coordination between social enterprises in this space by developing a mechanism to bring stakeholders together or creating a learning hub to deliver climate education and awareness programmes.

<sup>&</sup>lt;sup>10</sup> https://assets.gov.ie/273984/64aa20ef-3907-46fe-a599-73ba208a1edf.pdf

## Policy Objective 4 - National and International Engagement

#### **Cross-Government Coordination**

The draft Policy states there is "collective recognition that the sector would benefit from greater advocacy co-ordination and consolidation". We commend this prioritisation of national and international engagement for social enterprises and greater coordination.

However, as referenced above, there is no reference to the mechanism for implementation oversight. The OECD, in its in-depth policy review on social enterprise development in Ireland<sup>11</sup>, recommended to Government that "The National Social Enterprise Policy would greatly benefit from continued multi-stakeholder dialogue through the National Social Enterprise Policy Implementation Group" (2023:14).

We therefore recommend that Action 25 of the 2019 Policy be carried forward to the new Policy to ensure greater stakeholder engagement.

• To deliver on the implementation of this policy the Government should establish a National Social Enterprise Policy Implementation Group, chaired by the Department of Rural and Community Development, with representation from other relevant Government Departments, public bodies and social enterprise stakeholders.

The 2019 Policy identified that "coherence of policies and actions is fundamental to an effective national policy framework".

The 2024-2027 Policy should reiterate the commitment to improve policy alignment and support renewed focus on social enterprise. Through the Department of Rural and Community Development, the Government should

- Work to improve policy alignment in relation to issues that impact on social enterprises.
- Ensure synergy between this Policy and other policy initiatives which support organisations providing services to communities or tackling social, societal or environmental issues.

#### **Networks**

Additionally, we support the NESC recommendation that Government should establish a collaborative National Social Enterprise Stakeholder Forum to encourage greater cohesion.

• The Policy should build on the strengths of the current networks, and in line with the OECD recommendation quoted above, the Government and should establish a National Social Enterprise Forum involving the organisations and networks representing social enterprises in order to ensure a common voice and greater cohesion.

#### Regional, Local, Shared-Island Coordination

Further recommendations include:

<sup>&</sup>lt;sup>11</sup> Boosting Social Entrepreneurship and Social Enterprise Development in Ireland: In-depth policy review | en | OECD

- Building systems and comprehensive methods of measuring social value and mapping current operations and programmes cross-border and at an all-island level to foster further North – South collaboration
- Determining the best examples of policy at an EU level and implement learnings from successful international social enterprise policy

## Policy Objective 5 - Data Collection and Social Impact Measurement

#### Social Enterprise Baseline Data

Robust, reliable data is an essential tool to demonstrate the impact of social enterprise. Improving levels and quality of social enterprise data, facilitates greater transparency and understanding of the sector. This objective will further develop the national, regional, and local data availability relating to social enterprise in Ireland.

To achieve this objective, the Policy must:

- Establish measures to identify best practices in social impact measurement and make them available to social enterprises.
- Support social enterprises to implement these impact measurements in line with international best practices.
- Develop a framework for identifying the societal value in services and supports provided by social enterprises and develop impact and outcome measurement techniques to capture this value as proposed in the Commissioning for Communities Report (2016).

#### **Social Impact Measurement**

The Wheel's work to develop such a framework (known as the Ethoscope) could be further developed to support the goal of providing evidence for stakeholders.<sup>12</sup>

Supporting organisations, like Social Value Ireland, could also be engaged to develop training and supports for social enterprises working to improve their practice in this vital outcomes measurement field.

Further recommendations include:

- Putting the sector at the centre of defining what social impact is, how it is measured, and the process of measurement. With agreed terminology and governmental guidance for social enterprises to align with a national standard, more consistency across data collection across the sector and beyond will be achieved.
- Funding collaborative work and resourcing social enterprises to play their part in data collection.

<sup>&</sup>lt;sup>12</sup> https://www.wheel.ie/sites/default/files/media/file-uploads/2022-09/UnlcokingTheSocialEconomyReport2022WEB.pdf (page 30)

### Conclusion

The Wheel welcomes the further development of the National Social Enterprise Policy for Ireland 2024–2027. We agree with the broad objectives outlined in the policy: broadening awareness of social enterprise, growing and strengthening social enterprise, achieving national and international engagement, and the ongoing measurement of impact.

Our recommendations echo our social enterprise members' calls for cohesion, clear definitions, and awareness of the impact they have on Irish communities and internationally. Funding, training, and resourcing is necessary for organisations to carry out the Policy's vision – including funding for impact measurement, pilot programmes, awareness campaigns, etc. These recommendations are:

- Introduction of a communications campaign or certification to broaden awareness of social enterprise and the development of a school module or partnership with universities and relevant organisations to engage young people.
- The need for a concerted effort on behalf of government and state procurement agencies to utilise the potential of public procurement to grow and sustain the social enterprise sector. Local Economic Development Plans of each LEO should provide supports to social enterprises, regardless of legal form, and social enterprises should be included in each of the Regional Enterprise Plans.
- Apply the "furthest-behind first" principle in line with the SDGs' aims and use readily available
  digital platforms to reach citizens and community members and encourage participation in a
  circular economy, harness the capacity of the Local Authorities, and explore opportunities for
  social enterprises to become further involved in the bioeconomy.
- Establish measures to identify best practices in social impact measurement and make them available to social enterprises, implemented with consideration of international best practices and develop a framework for identifying the societal value in services and supports.

### **Contact**

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The Wheel is Ireland's national association of charities, community groups and social enterprises. Our membership includes thousands of nonprofit organisations of all types and sizes, including most of Ireland's leading charities.

As a representative voice, we provide leadership to the charity and community sector and we advocate on behalf of our growing community of members.

As a supportive resource, we offer advice, training and other opportunities to people working or volunteering in the charity and community sector.

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