

Written evidence submitted by Social Enterprise NI (INI0005)

INVESTMENT IN NI INQUIRY

This paper represents a response from Social Enterprise NI, the representative body for the social economy in Northern Ireland. These comments are general and relate to our current view of how the sector could benefit from further recognition and investment.

The social economy sector in Northern Ireland is a vital contributor to the NI economy in many ways. The last survey of the sector confirmed the following growth since the previous report in 2013;

	2013	2019
Organisations	473	843
Employees	12,200	24,860
Turnover	£592.7m	£980m
Wages		£581m
GVA		£625m

Noting the figures above, the sector therefore is a significant player in the Northern Ireland economy however we believe the sector does not get the recognition that it deserves. Whilst there is a responsibility for the social economy businesses to upskill, the support available from mainstream banks has been limited with any support coming via social finance providers.

The crux of the matter however is the lack of recognition or acceptance by the private and public sector. Social Enterprise NI continues to strive for greater recognition for its members however the matter remains of not considering social enterprises as businesses, rather they are viewed as a blended structure due to their relationship, and in many cases their birth, within the charity sector.

Support for the sector generated in other parts of the UK, notably Scotland, is not as forthcoming in Northern Ireland. The Scottish government a number of years ago recognised the value that including social enterprise within supply chains can bring to the local economy. As well as focusing on buying locally, purchasing from a social economy business provides income for those organisations who work closest with those furthest from the labour market i.e., those with physical or mental incapacities, homeless, ex-offenders to name a few. One such organisation on NI commissioned a report from a higher education institution which confirmed that by the social enterprise employing people from the local area who had learning disabilities enabled a saving from the public purse of over £300k as these individuals now paid taxes and National Insurance in addition to now having better mental and physical health, The individuals where therefore were not seeking reimbursement from the public purse. The social enterprise business model creates access to those economically inactive and provides them with a route to employment which no other sector can avail of. Further recognition and investment in the business model is therefore a requirement of any future investment policy.

Unlike other parts of the UK, the social enterprise sector in Northern Ireland does not have the support of a cross party, cross departmental strategy document which confirms the social economy's position at the heart of the NI economy. Such a document and agreement would ensure that awareness of the role of the social economy is greater than currently the case. This would lead to greater support through investment locally and also from financial providers across the UK. The lengthy period of lobbying for financial support funds from March 2020 to September 2020 is testament to the lack of understanding, investment in, and recognition of the business model.

Interestingly the social enterprise business model is gaining traction with schools and further and higher education organisations in Northern Ireland. Young people see it as a business model which contributes to the local economy, something which was never been as evident as during the past 22 months of the pandemic. It is therefore a sector which requires future focus and investment to ensure young people view the social economy as a real employment opportunity.

City deals and the Levelling Up agenda provide ideal opportunities to include and recognise the value of social enterprise and this opportunity for councils and other public bodies should be encouraged to seek out social economy businesses in their local area and use their spending power to work alongside social businesses to circulate purchasing power both locally and socially.

The sector is therefore one that needs recognised locally but also across the UK as a contributor to the growth of the local economies however in saying this, requires greater support vis national and local initiatives. Social enterprise is the future of business, if we are not considering the benefits of investing better locally, we are missing a terrific opportunity.

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