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Conceptualising the impact of social enterprise in Scotland:
A platform for future research

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This briefing paper summarises the findings from Project 2 - 'A contemporary analysis of social enterprise as a public health intervention' - and reflects the importance of opening up new perspectives on the actions and impacts of social enterprise.

In March 2014, Project 2 - 'A contemporary analysis of social enterprise as a public health intervention' - began investigating the work of social enterprises in Scotland today. The project looked at: what social enterprises do, how they reported the impact of their activities, and the extent to which they consider their impact in health and wellbeing terms. The project drew upon data gathered from Social Impact Reports (SIRs) and qualitative interviews. You can find a summary of the key findings of the project below, and our reflection on their significance for the core thesis of the CommonHealth programme, which was to critically consider the ways that social enterprises act upon social factors which we know to impact upon health, irrespective of whether they explicitly intend to have such an impact.

What are Social Impact Reports?

The two most common approaches to social impact measurement in the UK, among a great many that have proliferated in recent years, are Social Accounting and Audit (SAA) and Social Return on Investment (SROI). SAA was conceived as a response to the limitations of traditional financial accounting, which details the income and outgoings of businesses in terms of financial value alone, when applied to organisations which seek non-financial returns. Social accounts, therefore, concern themselves with the social value created by the organisation. SROI involves a very similar process, only with the addition of a financial representation of the social value produced, using a formula which attempts to approximate the market price involved in achieving the same or similar social outcomes.

Both approaches share a number of similarities in that they: undertake processes to account for activities of the organization; seek to incorporate the voices of a broad range of stakeholders; and consider the ways in which each activity impacts upon social, environmental and economic factors. Their reports are then 'audited' (SAA) or 'assured' (SROI) by an external observer to independently assess the validity of the claims being made.

The Study

The reports examined in this study were sourced from online repositories (www.socialauditnetwork.org.uk and www.socialvalueuk.org). The relative ease of accessing these documents, in addition to the rich information contained within them, meant that they were useful sources of data for research purposes. It could reasonably be argued that the requirement for external validation lends some reliability and legitimacy to the reports. However, we also know that SAA and SROI reports are often used by organisations as tools for marketing and fundraising, and so this public-facing and promotional element of the reports must be considered when reflecting on how organisations have framed their social value. The reports examined as part of this project were those that were published by social enterprises operating in Scotland which conformed to a definition of social enterprise recognised by government and sector: the Senscot code.

Through a close reading of the SIRs, we recorded the activities and effects mentioned in each report and attempted to trace which specific activity led to what effect. Some of the impacts related to the target group of beneficiaries, while some were employees within the organisation itself, or even members of the community.

In addition, two of the organisations who had compiled reports were then focused upon as in-depth case studies. This involved conducting interviews with social enterprise leaders, staff and beneficiaries, as well as other professionals and members of the surrounding community. This process provided the opportunity to engage in a more expansive discussion around the activities of each social enterprise, and their perceived impact on a range of stakeholders.



Social Impact Reports

Only 'assured'/'audited' reports were included in the analysis to increase the reliability of the reports.

17 Scottish social enterprises had compiled reports since 2010 (9 SAA, 8 SROI).

The organisations analysed were:

- BRAG Enterprises
- Cranhill Credit Union
- Easthall Residents Association
- Milltown Day Workshops
- Scotwest Credit Union
- The Wise Group
- West Whitlawburn Housing Co-operative
- Banff and Macduff Community Trust
- Scotia Clubhouse
- Auchinleck Community Development Initiative
- Cunninghame Housing Association
- Gorgie City Farm
- The Action Group
- The Bread Maker
- West Bridge Mill

Findings

Our detailed analysis of the SIR reports, listed above, allowed us to compile the following table. It shows the activities undertaken by the featured social enterprises, and the resultant effects upon people, grouped into themes.



Activities of Social Enterprises	Effects of Social Enterprise Activity
Education and Skills Development	Economic Impact
Facilitating Social Interaction	Enhanced Confidence & Self-Esteem
Providing or Facilitating Employment	Enhanced Social Connectedness
Providing a Positive Space or Environment	Employment, Employability & Meaningful Work
Providing Services	Improved Access to Services
	Improved Health & Wellbeing
	Improved Sense of Meaning and Control
	Positive Spaces & Environments

In some cases, the reports included explicit claims of health impacts due to their work, which we grouped into the theme 'improved health and wellbeing'.

For example:

“As a result of the skilled and fast response of concierge staff there has been 11 potentially life-threatening incidents intervened in with successful outcomes during the period.”

West Whitlawburn Housing Cooperative

However, many of the claimed effects were less explicit and can be characterised as what we call 'upstream' social determinants of health: factors in the social environment that we know can impact upon the health and wellbeing of people and communities. Examples of these included successes in facilitating access to meaningful employment, grouped into the theme 'employment, employability and meaningful work':

“Real Jobs is supporting disabled people into sustained work which is important for the aims of reaching people furthest from the labour market and tackling inequality in employment.”

The Action Group

References to social enterprises providing 'positive spaces and environments' can also be understood as acting upon the social determinants of health in the provision of safe spaces that support social networks, because they address the 'causes of the causes' of poor health:

“Easthall does not have a focal point that its residents could identify with, take advantage of and take pride in. The Glenburn Centre is now complete and provides a place for people to formally and informally meet and generate a positive impact on the area.”

Easthall Residents Association

Summary

The complexity of what social enterprises do at a local level means that a single social enterprise can have multiple impacts upon different individuals, both directly and indirectly, and at the same time. This insight was explored further in the interviews, which provided a wide variety of respondents the opportunity to discuss the benefits of the work of the organisation on themselves and others, in far greater detail. Many of the themes that were identified in the SIRs were articulated by the interviewees, with further detail provided regarding the mechanisms through which health may be improved and the particular individuals and groups who may be experiencing health effects. These conversations also opened up further themes for investigation, particularly around the role of community ownership and control in improving health outcomes. Given the potential for social enterprises to provide a vehicle by which community ownership could be exercised, this may provide a route to understanding a unique contribution of social enterprises to health and wellbeing.

Relevance to the CommonHealth programme

The findings from Project 2 expanded our understanding of how social enterprise practitioners perceive and report the work they do, and the effects that that work can have on people. The work completed in this project provides a platform for the later studies, particularly Projects 3-7 in the CommonHealth programme, to build upon. For example Project 4, an ethnographic study of Self Reliant Groups (SRG), found that the increased confidence that SRG members reported allowed them to communicate better, make decisions more easily, and feel a sense of control over their lives. These are important aspects of wellbeing, even though the people involved did not necessarily recognise them in that way. These issues will be revisited in Project 6, which aims to explore the challenges of collecting, recording, analysing, reporting and using data on health and wellbeing outcomes in a social enterprise.

By applying a public health lens to understanding the impacts of social enterprises, irrespective of whether they see their work as explicitly 'health focused', it is clear that their work has implications for health and wellbeing. We would therefore argue that even though social enterprises are not formally part of what we traditionally understand to be the 'health system', they still have a role to play in creating the conditions for a healthy society.

This paper draws from a previously published blog: <https://commonhealthresearch.wordpress.com/2015/05/22/the-social-value-of-social-value/>

The results of this work were published as an academic paper: Macaulay, B., Roy, M.J., Donaldson, C., Teasdale, S., Kay, A., (2017), 'Conceptualizing the health and well-being impacts of social enterprise: a UK-based study', *Health Promotion International*, doi:10.1093/heapro/dax009



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