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Social Enterprise Intermediary Review: Stakeholder Views on the Role of a Single Social Enterprise Intermediary Body

PEOPLE, COMMUNITIES AND PLACES

social research

Contents

Summary and key findings

This report presents the results of research to understand the views of social enterprises and key stakeholders in the social enterprise sector regarding the role and nature of a new single social enterprise intermediary body.

The Scottish Government has committed to setting out a plan to fund a strengthened single intermediary body with responsibility for representing the social enterprise sector across Scotland. This commitment was set out in Scotland's *Social Enterprise Action Plan 2021-24* which was published in March 2021, and forms part of the ten-year *Social Enterprise Strategy* published in December 2016.

Methods

The report is based on the findings of a survey of social enterprises, and interviews with key stakeholders. In total, 151 social enterprises responded to the survey. In addition, Scottish Government analysts conducted interviews with representatives of eight key stakeholder organisations, including the two current intermediary bodies. While the findings give a good indication of the views and concerns within the sector, the respondents represent a small proportion of the over 6,000 social enterprises in Scotland. Therefore the results cannot be assumed to represent the views of the entire sector.

Key findings

While a wide range of views and opinions were expressed, a key theme arising from the research was a need for change, both in the quality and type of support provided by the new intermediary, and in the way in which the intermediary is organised and governed. The following sets out the major themes that emerged from the survey and interviews, and which should be taken into consideration in the development of the new intermediary.

Views on types of services and support the new intermediary should provide

Supporting networking; communicating between the social enterprise sector and key statutory bodies; representing the social enterprise sector at a national level; and influencing policy on behalf of the sector were seen by most participants as the key roles of the new intermediary. In each of these areas, at least half of survey respondents felt that current provision was either lacking or in need of improvement.

There was general support among survey participants and some interviewees for the enhanced intermediary to have an increased role in working with social enterprises to promote good practice and social impact; supporting research and evaluation; and providing information and advice.

Views were mixed on whether the intermediary should provide other types of organisational and business support to social enterprises. The majority of survey participants felt it would be useful for the intermediary to provide support such as supporting with generating trading income, applying for grants, and general business/operational support. However, the proportion of social enterprises saying that organisational and business support was not necessary was higher than for all of the other forms of support they were asked about. Most interviewees felt that this should not be the role of the intermediary.

Views on paying an annual membership fee

The majority (85%) of social enterprises responding to the survey said they were willing to pay an annual membership fee. This was the case even among those organisations that are not currently members of either intermediary, with 83% of this group willing to pay a fee.

However, organisations were generally only willing to pay a small fee to an intermediary, with the most common amount organisations were willing to pay per year being up to £50 (34%), followed by £51-£100 (21%), and £101-200 (16%). Fourteen percent of organisations said they would be willing to pay more than £200 per year for membership.

Views on the representativeness of the intermediary

A common theme among both survey participants and interviewees was a call for the intermediary to be more representative of the whole social enterprise sector than is currently the case. Interviewees and survey respondents commonly felt that the diverse range of voices, interests and needs of the sector are not as well represented as they should be, and that social enterprises are often not consulted by the intermediaries on matters affecting them.

Suggestions to improve the representativeness of the new single intermediary included:

- having a dedicated research and consultation function to enable deeper engagement with and understanding of the sector’s needs
- developing a fully democratic governance structure allowing the intermediary to be accountable to its members
- building social enterprise networks and making stronger links across all geographical areas
- focusing on promoting and giving space to the multitude of differing voices and opinions in the sector in national level debates, rather than the intermediary seeking to develop a single “representative voice” for the whole sector.

Views on governance, organisational structure and transparency

A number of interviewees argued for a bottom-up, democratic and transparent governance structure for the intermediary, to ensure that it is accountable to its members. Concerns were raised that a more top-down, centralised governance structure gives grassroots social enterprises too little voice, and risks allowing the intermediary to become dominated by particularly dominant voices and personalities, rather than accurately representing the sector as a whole. Calls were also made to ensure an outcomes-based focus to the intermediary's work.

Views on defining and unifying the social enterprise sector

The research drew attention to the need for the new intermediary to work to unify the divisions within the sector, particularly over the definition of "social enterprise". Many interviewees and survey respondents advocated for a "broad church" approach to membership of the intermediary, incorporating a wide range of legal forms, including some that allow for profit-making. However, others wanted to limit membership to more traditional models of social enterprise. While it is beyond the remit of this research to comment on how social enterprises should be defined, it is clear that the intermediary should seek to build bridges within the sector over this debate.

Views on the relationship between the intermediary and Scottish Government

There were calls from interviewees for a realignment of the relationship between the intermediary and Scottish Government to ensure a strong, independent voice for the sector that is willing to challenge Scottish Government when necessary. Some interviewees felt that because the intermediary will be directly funded by the Scottish Government, it may be hesitant to do this. They advocated for a model that gives the intermediary the confidence to offer challenge and constructive criticism to the government without being concerned about the implications for its continued funding.

1. Introduction

This report presents the findings of a research study conducted by Scottish Government researchers to understand social enterprises' and stakeholders' opinions on the role that a new, Scottish Government-funded single social enterprise intermediary body should take on.

A Scottish Government review of the current intermediary function, which at present allows for two separate intermediary bodies, is currently underway. This follows calls to do so from within the sector, including the two current intermediary bodies themselves, Social Enterprise Scotland, and SENScot – Social Enterprise Network Scotland.[1]

In response to that call, the Scottish Government has committed to setting out a plan to fund a strengthened single intermediary body with responsibility for representing the social enterprise sector across Scotland. This commitment was set out in Scotland's *Social Enterprise Action Plan 2021-24* which was published in March 2021, and forms part of the ten-year *Social Enterprise Strategy* published in December 2016.

The aim of the present research project is to understand stakeholder views on the role and purpose of the new, strengthened intermediary, and how it can support the interests of the social enterprise sector in Scotland most effectively.

1.1. Methods

The research draws on two sources of data: a survey of Scottish social enterprises and a set of qualitative interviews with key stakeholders.

Survey of social enterprises

An online survey was developed and distributed to social enterprises across Scotland to seek views directly from social enterprises. This was publicised by the Scottish Government, the intermediary bodies, and key stakeholders, and was open for approximately three weeks during July and August 2021.

We received survey responses from 151 organisations. There are over 6,000 social enterprises in Scotland, which means that the survey responses represent a relatively small proportion of the total. It is unclear how wide the reach of the survey promotion was, but given that the majority of respondents were members of one or more intermediary body, it is likely that many non-members in particular were not aware of it.

[1] For more information about the current social enterprise intermediary bodies, see SENScot - Social Enterprise Network Scotland and Social Enterprise Scotland.

Other factors which may have affected the response rate are the timing of the survey and survey fatigue. The survey took place over the Scottish school summer holiday period, which may have limited some organisations' ability to respond due to staff absences. Social enterprises may also have been asked to complete more surveys than usual over the last year as a result of efforts to gain feedback on social enterprises' experiences of the Covid-19 pandemic.

The response rate may also indicate that there is potentially a relatively low interest in, or awareness of, the role of the intermediaries among the social enterprise sector as a whole. This is supported by the fact that among survey respondents which were not currently members of either current social enterprise intermediary, 24% said that they were not previously aware of the intermediaries.

The survey contained a mixture of closed- and open-ended questions, which were analysed by a Scottish Government researcher. Coding and analysis of the open-ended questions was used to add detail and explanations to the quantitative responses. When interpreting the survey results, it is important to bear in mind that the respondents do not form a representative sample of social enterprises across Scotland, and therefore the results cannot be taken to reflect the views of the entire sector.

Stakeholder interviews

A series of six interviews were conducted with key stakeholders in the social enterprise sector, with representatives from eight organisations taking part. Each of the current social enterprise intermediary bodies took part, as well as six organisations strategically involved in the social enterprise sector. The interviewees were representatives of the following organisations:

Table 1: List of organisations participating in stakeholder interviews

Social enterprise intermediary bodies	Key strategic stakeholders
• Social Enterprise Scotland (SES) • SENScot – Social Enterprise Network Scotland	• Firstport • Social Investment Scotland (SIS) • Scottish Enterprise • South of Scotland Enterprise • Community Enterprise • Social Enterprise World Forum

The selection of interviewees was designed to give a range of perspectives from different parts of the sector, but it is important to note that these organisations do not give a representative view of the entire sector. Rather, the information from the interviews was primarily sought to give greater insight into some of the issues raised during the survey.

Four interviews were conducted with individual organisations (including the two intermediary bodies) and two were conducted with two organisations present. The interviews were semi-structured, asking participants about their views on the current role of the social enterprise intermediary bodies, and how they envisage the new intermediary best supporting the social enterprise sector. The interviews were analysed qualitatively to draw out the key themes emerging from the discussions.

The survey and interviews were conducted by Scottish Government researchers, and recorded and stored securely for analysis in line with GDPR legislation. All participants were provided with a privacy notice to explain the use of their data in the research, and gave their consent to take part in the research. All respondents have been anonymised in the final analysis to protect the identities of research participants.

2. Survey analysis: views of social enterprises

2.1. Respondent profile

In total, 151 organisations responded to the survey of social enterprises. A profile of the types of organisations that responded is set out in this section, with comparisons to the 2019 Social Enterprise Census where relevant data is available. According to this analysis, respondents to this survey tended to have larger annual turnovers than average, were more likely than average to be based in urban locations, and were less likely than average to operate only at a local level. This is important to bear in mind when interpreting the results of the survey, as the results reflect the views of this specific sample of social enterprises, rather than the total population of social enterprises.

Legal form of respondent organisations

Forty four percent of respondents were Companies Limited by Guarantee, 19% were Scottish Charitable Incorporated Organisations, and 17% were Community Interest Companies (Limited by Guarantee). Nine percent of respondents were Community Interest Companies (Limited by Shares). The remaining 11% of organisations was made up of a range of different types of legal form, with the most common being Community Benefit Societies (3%) and Trading Subsidiary or Charity/CIC (3%).

The sample is roughly similar to the responses to the 2019 Social Enterprise Census, suggesting that these organisations are relatively representative of the legal forms operating in Scotland.[2] This survey has a similar percentage of Companies Limited by Guarantee (44% compared with 43% in the census), but a higher percentage of SCIOs (19% compared to 11% in the census), and a lower percentage of Community Interest Companies (9% compared with 15%).

Size of respondent organisations

As shown in Figure 1, the majority of respondent organisations employed a relatively low number of staff, with 67% employing 10 people or fewer. This includes 14% of respondents whose organisations employed no staff. Twenty eight percent employed between 11 and 50 staff members, and only 6% of respondents employed more than 50 staff members.

[2] 2019-report.pdf (socialenterprisecensus.org.uk)

Figure 1: Number of paid staff members (full-time and part-time) employed within respondent organisations (n=151)

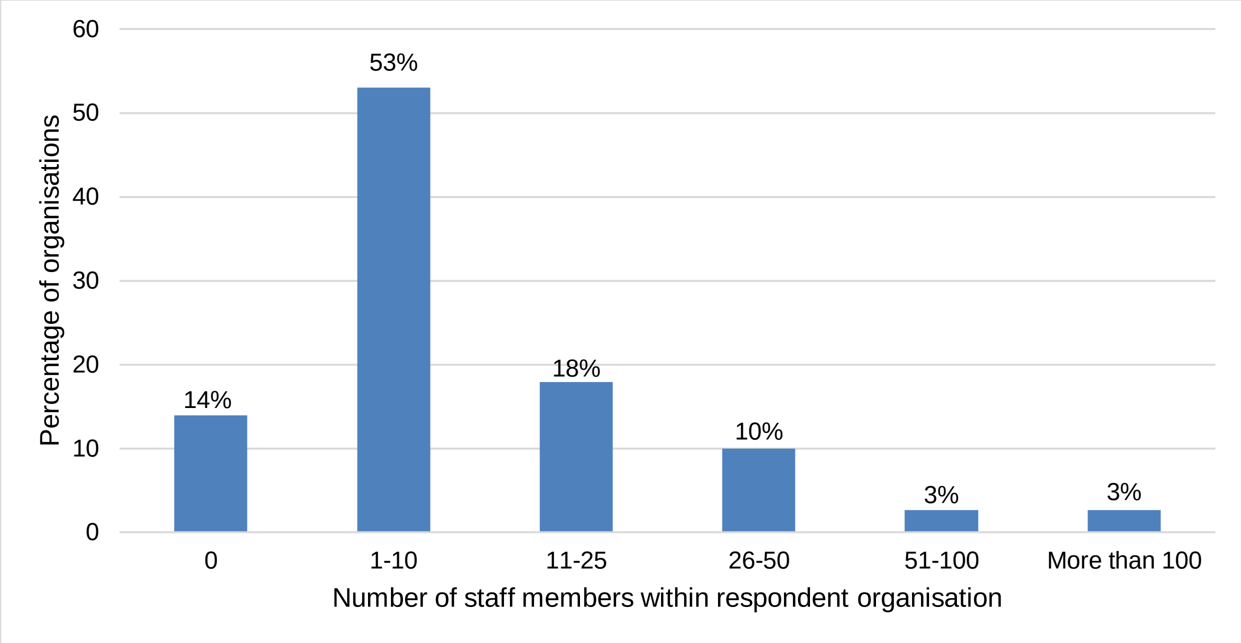
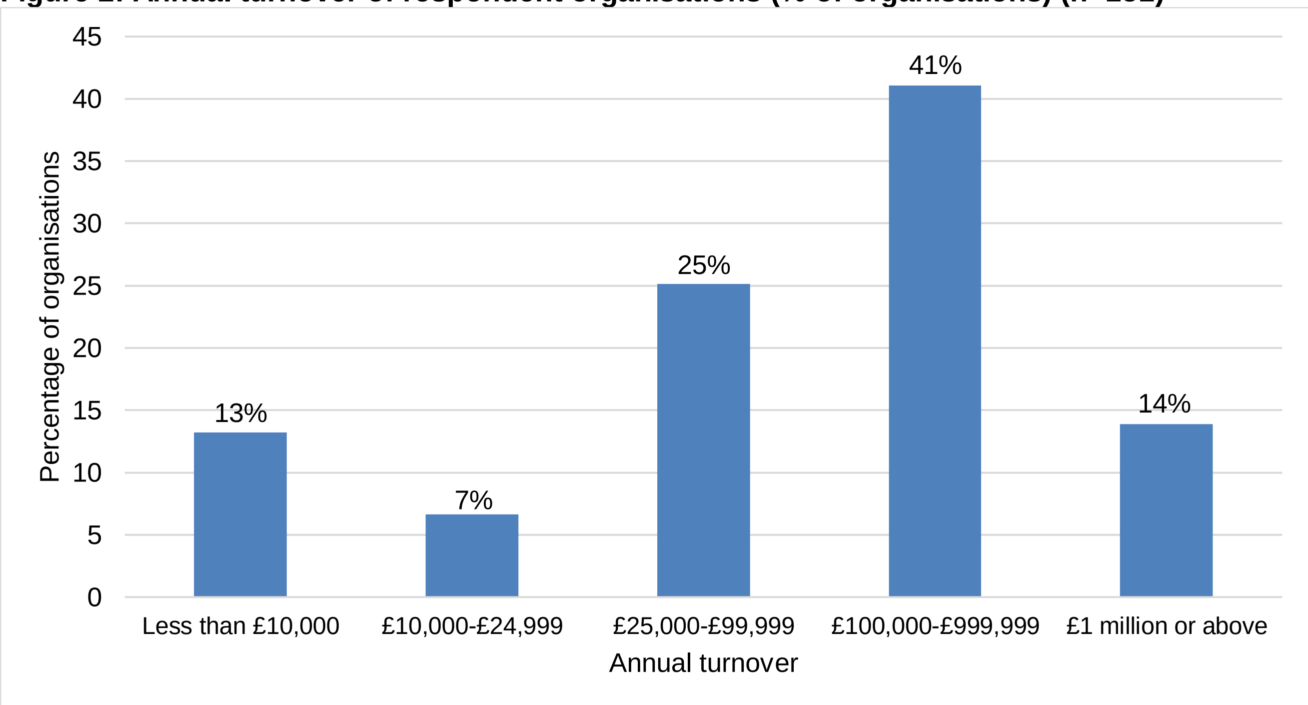


Figure 2 breaks down the survey respondents by the annual turnover of their organisation. Most responses came from organisations with turnovers of more than £100,000 per year (55% of respondents). When compared with the 2019 Social Enterprise Census, where 45% of organisations reported income over £100,000, this suggests that the survey respondents are skewed towards higher-income organisations.[3] The most common turnover bracket was between £100,000 and £999,999 (41% of respondents), while 14% reported an annual turnover of more than £1 million.

Figure 2: Annual turnover of respondent organisations (% of organisations) (n=151)



[3] 2019-report.pdf (socialenterprisecensus.org.uk)

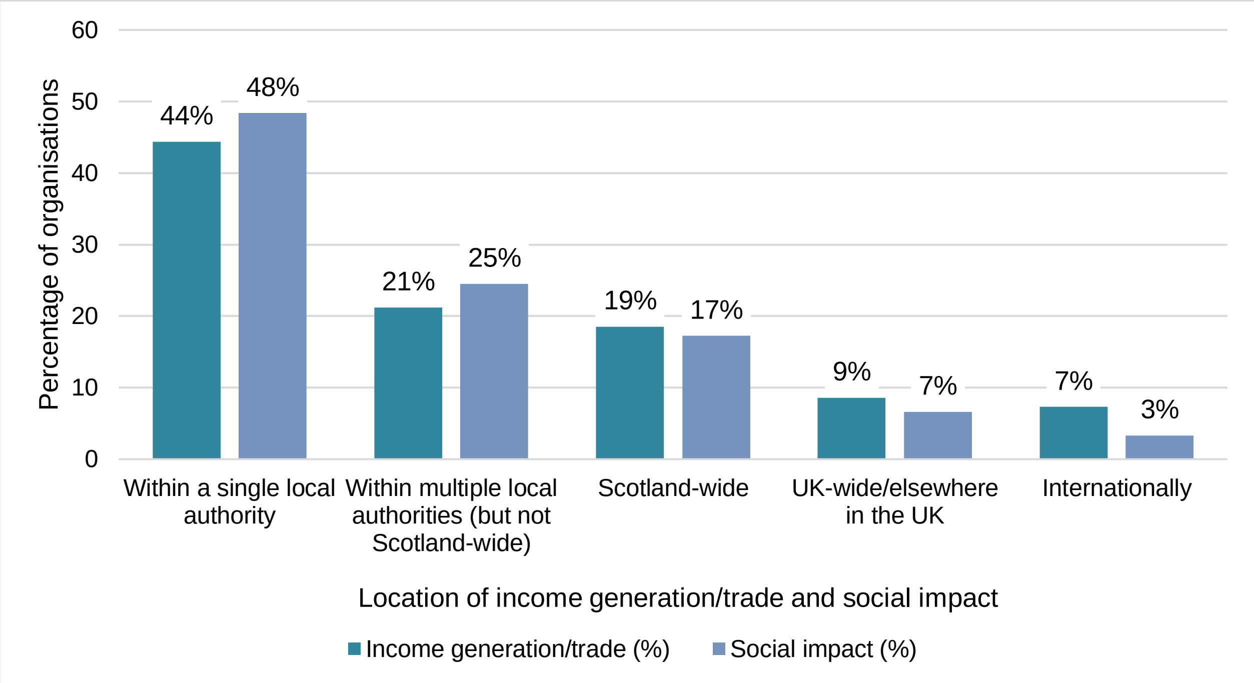
Forty-five percent of organisations reported turnovers lower than £100,000. This included:

- 25% of organisations reporting turnover of £25,000 to £99,999
- 7% reporting turnover of £10,000-£24,999
- 13% reporting turnover lower than £10,000.

Where respondents operate

As indicated in Figure 3, respondents tended to be local organisations, with 44% conducting their income generation/trade within a single local authority area, and 48% focusing their social impact on a single local authority area.

Figure 3: Location of respondents' income generation/trade and social impact (% of organisations)(n=151)



Sixteen percent of respondents conducted trading/income generation activities either UK-wide or internationally, and 10% focused their social impact UK-wide or internationally.

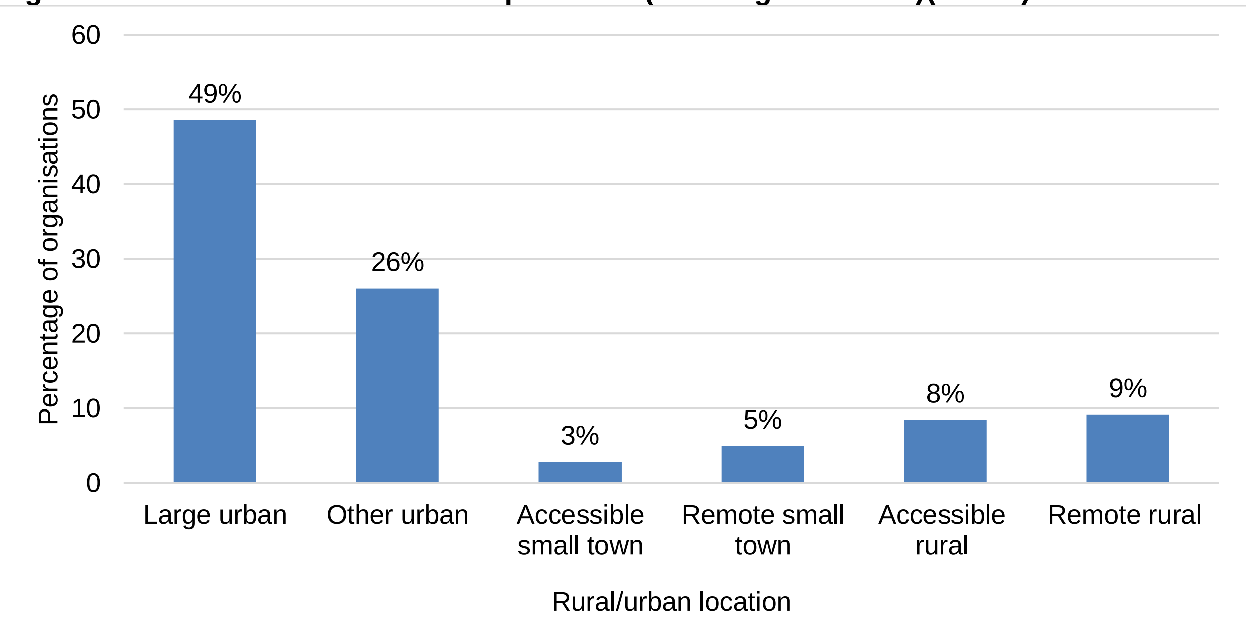
Compared with the 2019 Social Enterprise Census, these data suggest that the respondent organisations are slightly skewed towards those operating on a larger geographical scale, rather than locally. The census asked about the "widest geography across which social enterprises operate", and showed that 57% report operating within a single local authority area or within a single neighbourhood/community, a higher percentage than reported doing so for either income generation or social impact in this survey. While a similar percentage to the 2019 census reported working within multiple local authorities (21% in the 2019 census), slightly higher percentages reported operating Scotland-wide (11% in the 2019 census) and across the UK (3% in the census).

Rural/urban location

When comparing with the 2019 Social Enterprise Census results, this sample appears to be skewed towards larger urban areas.[4] As shown in Figure 4, the majority of respondents were based in “large” or “other” urban locations (75%), including 49% based in large urban areas (settlements with populations of 125,000 or more).[5] This suggests a higher concentration of urban social enterprises than average; in the 2019 census, only 55% of organisations were based in large or other urban areas.

The remaining respondents were split between those based in remote rural areas/small towns (14%) and those in accessible rural areas/small towns (11%). While a total of 25% of organisations fall into these four categories in this survey, in the 2019 census 45% of respondents did so.

Figure 4: Rural/urban location of respondents (% of organisations)(n=142)



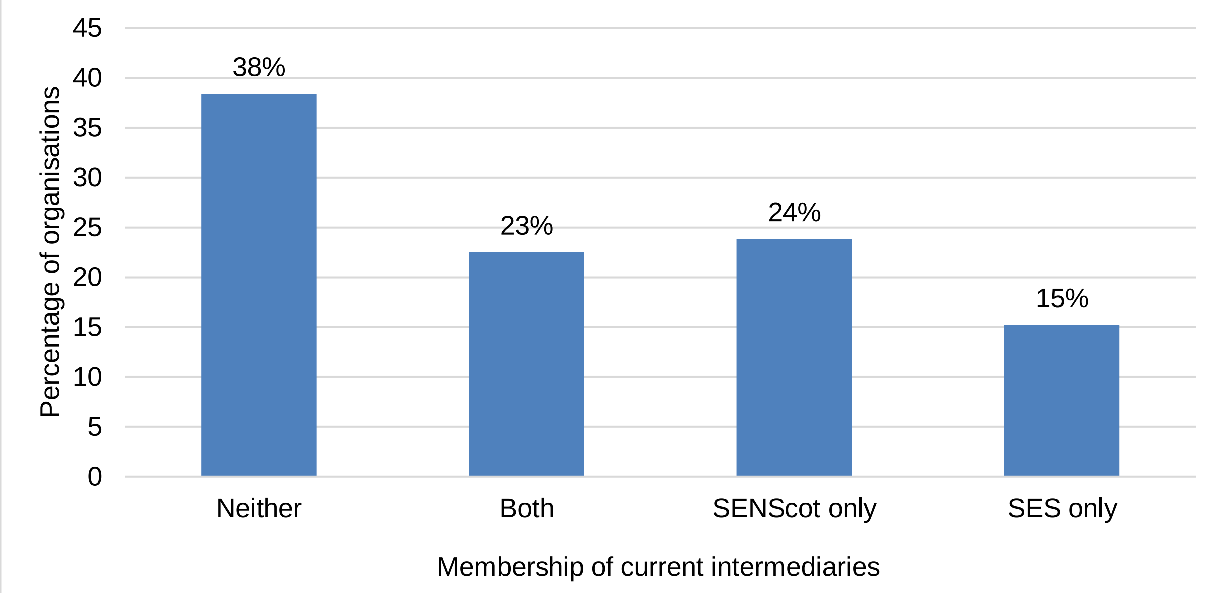
Membership of current social enterprise intermediaries

Respondents were asked to specify whether they were currently members of either of the two current social enterprise intermediary bodies, and the results are provided in Figure 5. The majority of respondents (62%) were a member of at least one intermediary body, and 23% were members of both.

[4] 2019-report.pdf (socialenterprisecensus.org.uk)

[5] Note that nine respondents could not be classified.

Figure 5: Respondents' membership of current social enterprise intermediaries (%)(n=151)



In total, 46% of respondents were members of SENScot, while 38% were members of SES. Given that most social enterprises are not members of either intermediary body, this survey has a disproportionately high number of responses from current members.

2.2. Social enterprises' views on the development of the single intermediary

Concerns about the development of a new intermediary

A number of survey respondents expressed scepticism or opposition to the creation of a single intermediary, with organisations questioning whether it is worth the time and cost when similar functions might be better-handled by existing organisations.

Some respondents argued that the creation of a single intermediary would be a negative step. Given the current differences in the focus and emphasis of the two existing intermediaries, some respondents argued that having a single body risks side-lining certain voices and opinions in favour of a single, dominant voice. As has already been highlighted, the main concern here is that certain organisations will not feel represented by the new single intermediary. Others, however, expressed hope that the creation of the new intermediary would be a positive step in bringing together – and mediating – opposing views within the sector.

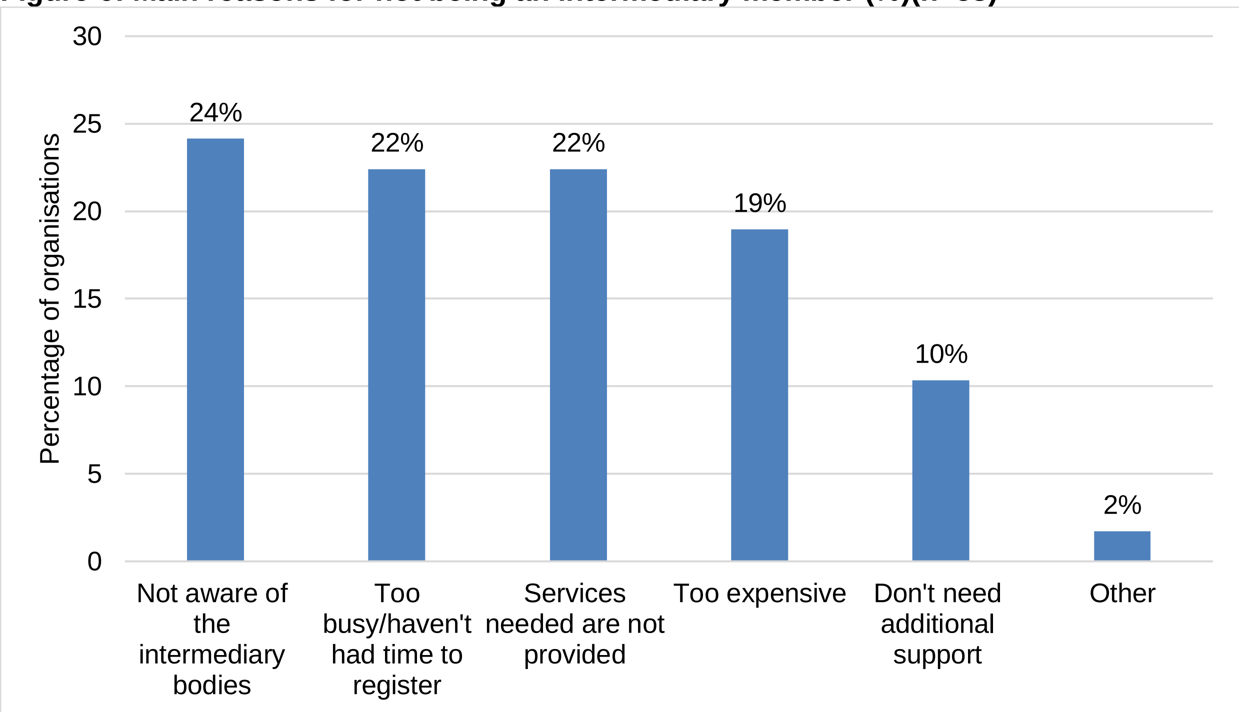
Finally, some organisations raised concerns about the intended function of the single intermediary. Several respondents did not think that the intermediary body should act as a service provider, and instead wanted to emphasise the importance of the intermediary as a networking and policy-influencing organisation.

Reasons for not joining an intermediary organisation

Organisations that are not currently members of either intermediary were asked the reason for this. As shown previously in Figure 5, 38% of respondents (58 organisations) were not currently members of either social enterprise intermediary body.

Figure 6 breaks down the most common reasons for not being a member of either body. It shows that the most common reason for this was that the organisation was not aware of the intermediary bodies (24%). This suggests that the new intermediary will need to work to better-publicise itself to social enterprises. This lack of awareness of the intermediary bodies also suggests that the low survey response rate could in part be related to a wider lack of awareness of the intermediaries.

Figure 6: Main reasons for not being an intermediary member (%)(n=58)

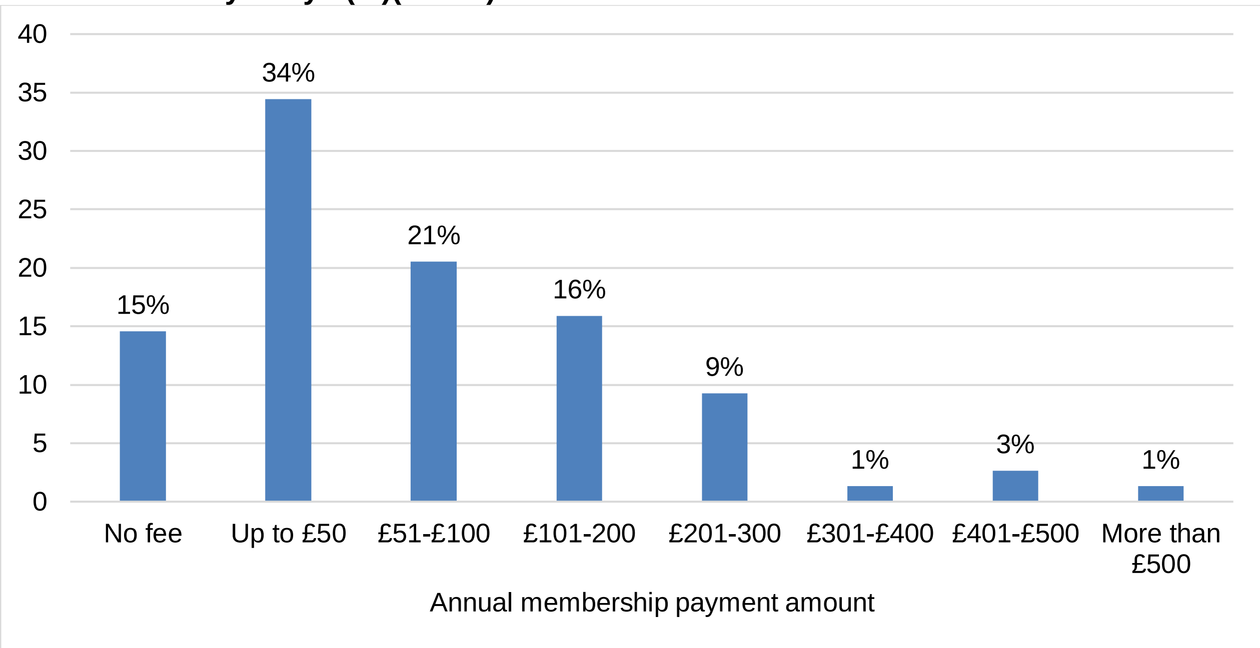


Twenty-two percent of respondents said that they were too busy or had not had time to register. Another 22% felt that the services they needed were not provided by the intermediaries, while 19% found membership too expensive, and 10% said that they did not need any additional support (Figure 6).

Views on fees

Figure 7 provides information about how much organisations would be willing to pay for annual membership of the new intermediary body. Overall, the vast majority of respondents (85%) said that they would be willing to pay an annual membership fee to join the intermediary body, including 83% of organisations that are not currently members of either intermediary.

Figure 7: How much would organisations be willing to pay for annual membership of the new intermediary body? (%)(n=151)



The most popular response was that organisations would be willing to pay a fee of up to £50 per year (34%). This was more common among organisations that are not currently members (41%) than among those that are already members (30%). Given that the majority of social enterprises in Scotland are not members of either intermediary, this suggests that keeping the payment below £50 would encourage a greater number of members to sign up to the new intermediary.

Figure 7 also shows that 21% of respondents were willing to pay £51-£100 per year, while 16% were willing to pay £101-200. Relatively few organisations were willing to pay more than £200 per year (14%).

Fees by size of organisation

The amount that organisations would be willing to pay is linked to some extent to the size of the organisation's annual turnover. Smaller organisations (those with a turnover lower than £25,000 per year) were the least likely to be willing to pay a membership fee, with 17% saying they would not. Sixty-three per cent of these organisations said that they would be willing to pay the lowest membership fee suggested (up to £50 per year), while the remaining 20% were willing to pay between £51-100. None were willing to pay more than £100 per year.

Medium-sized organisations (annual turnover between £25,000 and £99,999) were the most likely to be willing to pay a membership fee, with only 11% saying that they would not. The majority of these organisations were willing to pay a relatively low annual fee, with 50% saying they would pay up to £50 per year, and 21% saying they would pay £51-100. 19% were willing to pay over £100 per year.

The largest organisations (annual turnover of £100,000 or more) were generally more willing to pay more for annual membership than smaller organisations. Seventeen percent of these organisations said that they would be willing to pay up to £50 per year, 23% said that they would be willing to pay £51-£100. Forty-five percent were willing to pay more than £100 per year, including 21% that were willing to pay more than £200 per year. Sixteen percent were not willing to pay for membership.

Definition of social enterprise

Where survey respondents were asked to provide open-text comments on the new intermediary, a common theme was the question of what types of organisations the intermediary body should open up its membership to. Of the organisations that commented on this, there was a clear split between those that felt membership should be broad and inclusive of a wide range of legal forms, and those that felt membership should be limited to a smaller range of legal forms.

Those arguing for a broad membership tended to do so on the basis that all businesses working towards social impact and a wellbeing economy have an important role to play, regardless of their legal status. As two separate respondents commented:

> *"The single intermediary body should work for the widest possible range of social enterprises, and be a broad church to include mission driven businesses, B Corps and all those who are working towards a wellbeing economy."*

> *"Personally, I would question whether the value of social enterprise is found in its organisational form or is it rather in the [social] impact delivered?"*

They felt that the Voluntary Code of Practice for Social Enterprise in Scotland, which some organisations currently use to define social enterprises, excludes organisations which make important contributions to the social good in Scotland. It was also argued that organisations which allow part-profits or dividends should be included as this is often the only way for small organisations to attract small investors with relatively low risk. This was seen by some as important in order to reduce the sector's reliance on grant funding.

On the other hand, some organisations argued for continuing to exclude any organisations with profit-making potential from the definition of social enterprise, arguing that widening the definition would "water down" and "undermine" the identity of the social enterprise sector, and risk allowing private businesses with a social mission to identify as social enterprises. As one organisation commented:

“There has been lots of talk of watering down what social enterprise is in Scotland with 'social business' b-corps and other 'social enterprise light' models getting more attention. I'd want to know that the representative body is representing social enterprise and not these other weaker models that potentially undermine what we are about.”

Others raised concerns about the possibility of more traditional social enterprises losing out on grant funding and rates relief if their social enterprises were to be seen as on an equal footing with profit-making businesses:

“The national intermediary needs to be clear about who it is there for – current trends to call any business a social enterprise if it says it is there to "do good" raises real issues for funders, local authorities and potentially the public. Arguably, lots of business would be able to assert a claim over the description "social enterprise" on that basis, and seek grants, rate relief and so on. We want to see asset locks and other ways of preventing profit distribution in social enterprises and a national intermediary supporting and promoting those types of organisations”.

As all these comments make clear, the question of how the single intermediary will define social enterprises is a concern for some members of the social enterprise community, and there is a very clear divide between those advocating for a “broad church” approach, and those advocating for a more exclusive approach.

One respondent felt that the most important job of the social enterprise intermediary was to play a mediating role in this debate, bringing together people and organisations on both sides of the argument in order to reduce the polarisation of the sector and allow the two groups to learn from each other. As they argued:

“[We need] less polarisation of [the debate between] community good, profit bad! Both can learn from each other and there is room and need for a range of social enterprises”.

2.3. Types of support that social enterprises want the single intermediary to provide

The survey asked social enterprises whether they felt that the new intermediary should provide services for social enterprises in 11 specific areas, as detailed in Figures 8, 9 and 10. Social enterprises that are currently members of at least one intermediary were asked about current provision in relation to their needs.

Figure 8 provides a breakdown of the proportion of organisations indicating that they needed support in each of these 11 areas, and saying that support is either not currently provided or needs to be improved to meet their needs. Figure 10 shows the total proportion of organisations indicating that they need support in each area, including those that said their needs were being met and those that said the current support was not sufficient. Figure 9 shows all the responses.

Figure 8: What type of support do social enterprises want from the single intermediary? (current members of at least one social enterprise intermediary) – organisations indicating support not provided or improvements needed

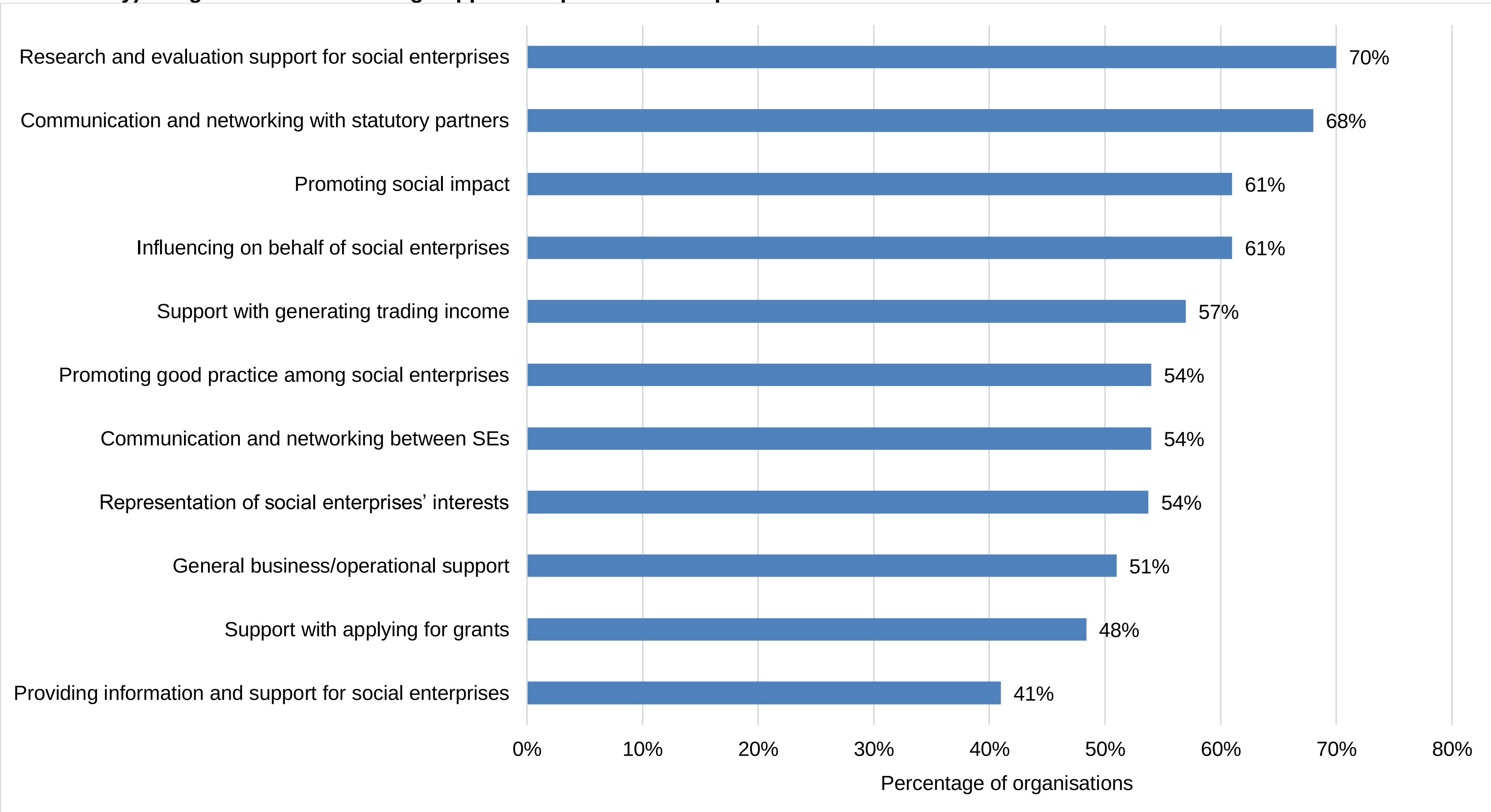


Figure 9: What type of support do social enterprises want from the single intermediary? (current members of at least one social enterprise intermediary) – all responses

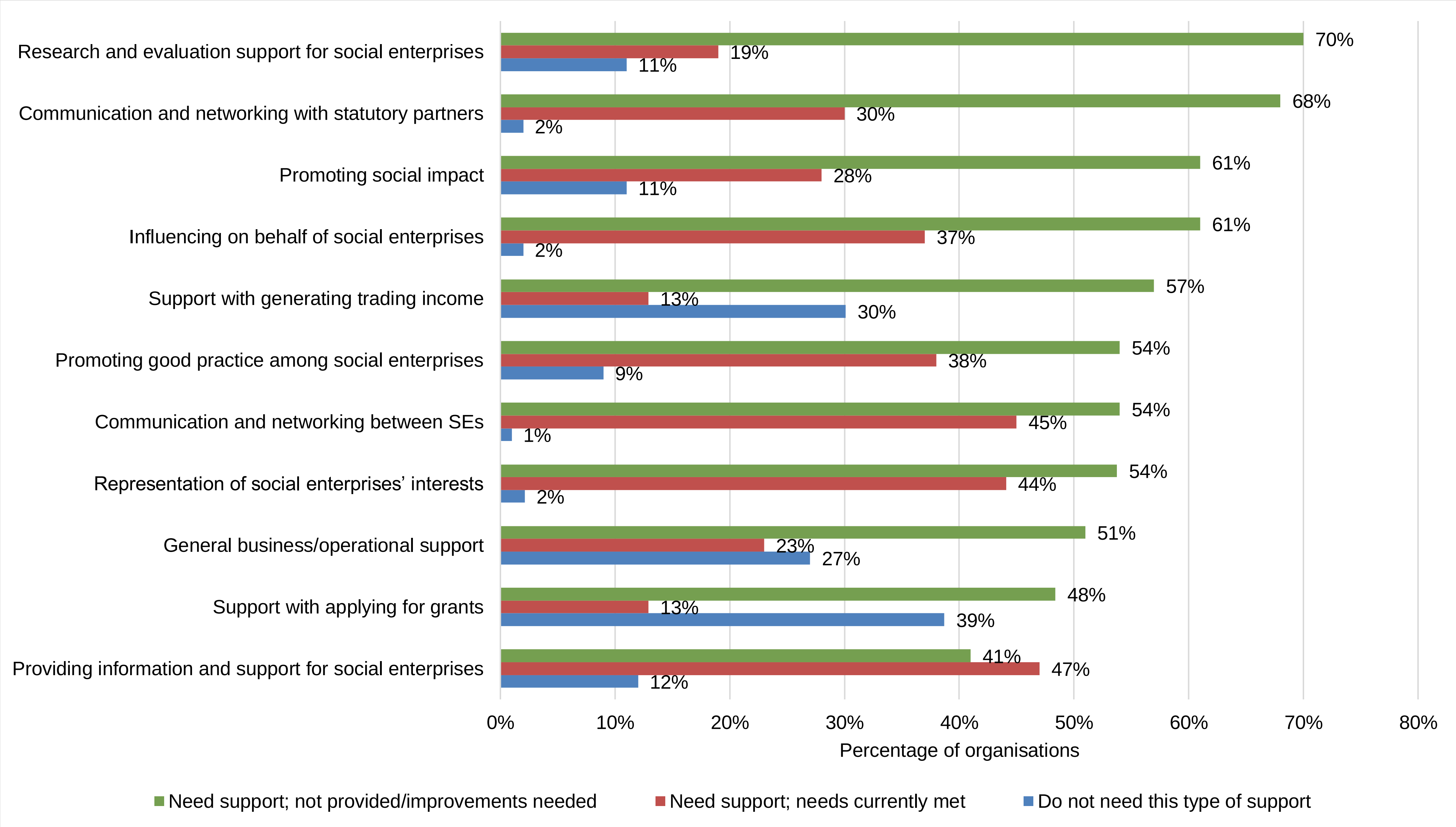
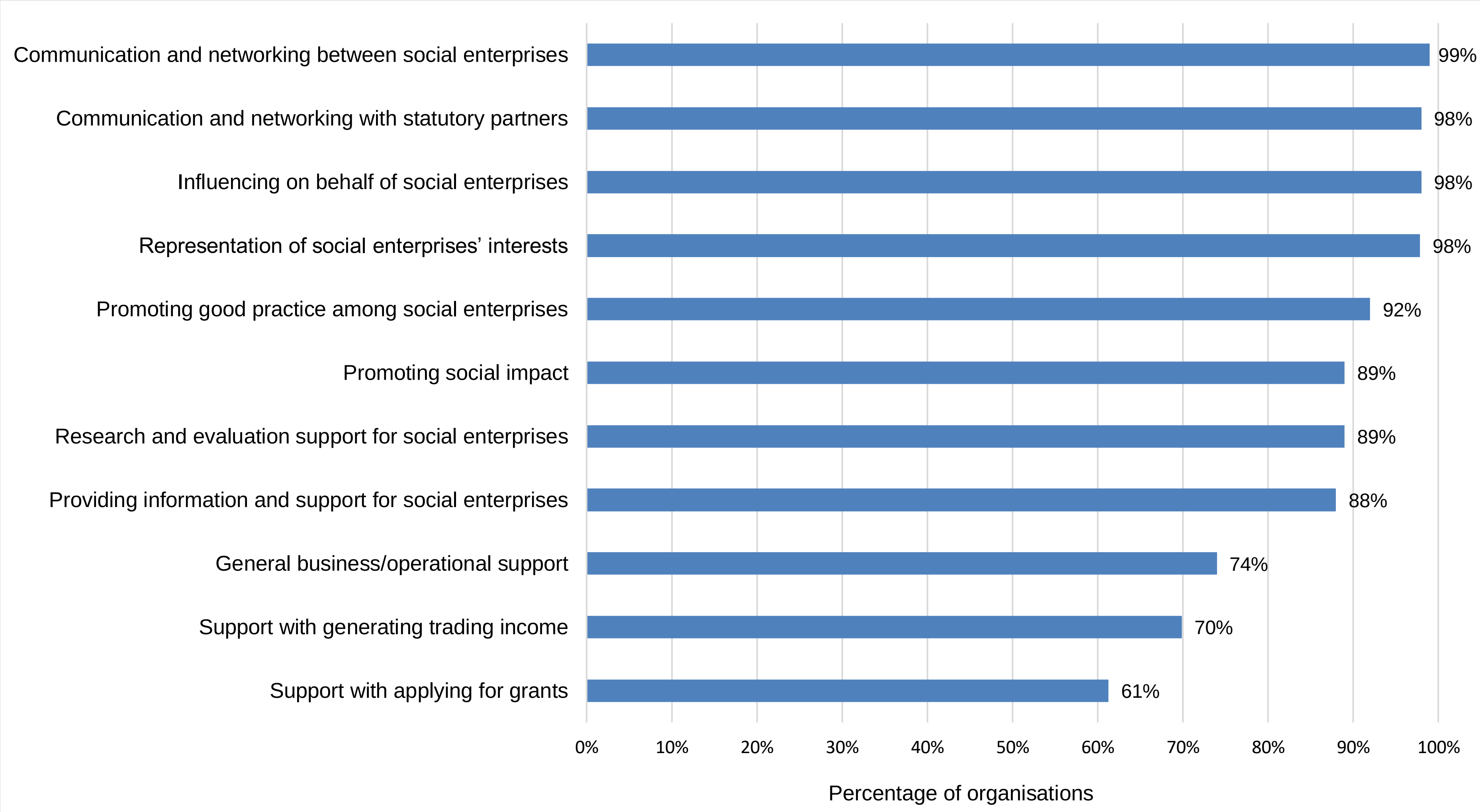


Figure 10: Total percentage of organisations indicating that they need support in each area (current members of at least one social enterprise intermediary)



As Figures 8 to 10 show, the majority of respondents that are currently members of an intermediary reported a need for support in all 11 areas. Ninety-nine percent of respondents said they needed support with communication and networking between social enterprises, while 98% said that they needed support with communication and networking between social enterprises and statutory partners. Influencing on behalf of social enterprises, representation of social enterprises' interests were both very high priorities, with 98% of respondents saying that they needed support in these areas.

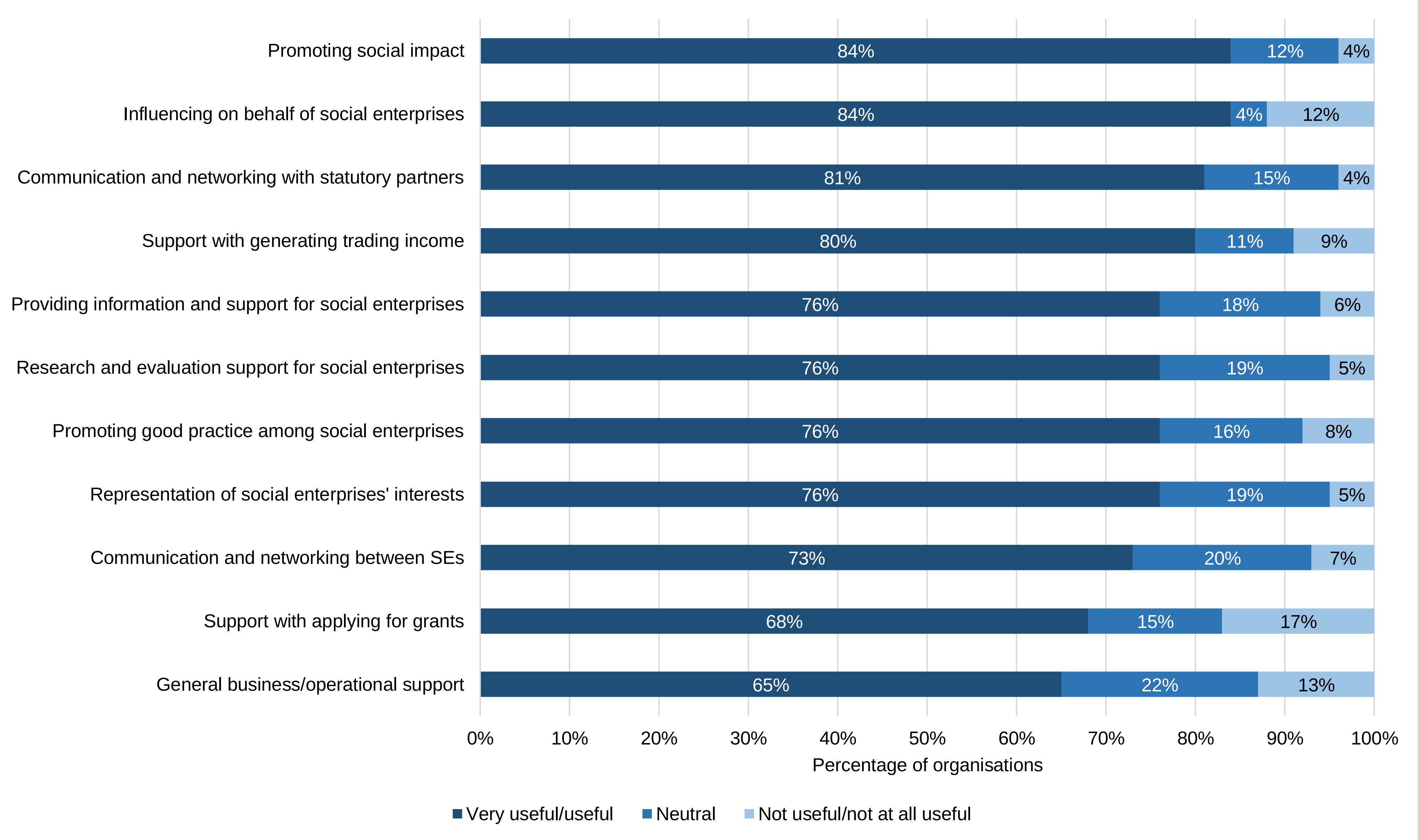
A significant proportion of respondents felt that the current provision needed to be improved in each area in order to meet their needs. The areas where the largest proportion of organisations said that there was a need for improvement or that the service was not currently provided were:

- research and evaluation support (70%)
- communication and networking with statutory partners (68%)
- influencing on behalf of social enterprises (61%)
- promoting social impact (61%).

As shown in Figures 9 and 10, organisations suggested that they were least in need of provision of support with applying for grants, support with generating trading income, and general business/organisational support, although the majority still stated that these were needed. Thirty nine percent of organisations said that they did not need support with applying for grants, 30% did not need support with generating trading income, and 27% did not need general business/operational support.

Social enterprises that are not currently members of either intermediary were asked whether it would be useful for the intermediary to provide services in the same 11 areas. The results are provided in Figure 11.

Figure 11: What type of support would social enterprises which are not currently intermediary members find useful?



Among organisations that were not currently members of an intermediary, the priorities were slightly different than those of organisations that were currently members. Figures 10 and 11 show that a higher proportion of non-members than members indicated that they would find support with generating trading income useful (80% of non-members said this would be useful, compared with 70% of current members who said that they need this type of support).

Similar to current members, among non-members, applying for grants (68%) and general business/operational support (65%) were the areas where the fewest organisations suggested that they would find support useful.

Non-members showed the most support for:

- influencing on behalf of social enterprises (84%)
- promoting social impact (84%)
- communication and networking with statutory partners (81%)
- generating trading income (80%).

In this section, the survey results for each of these areas are discussed in more detail in turn.

Support for communication and networking between social enterprises

The majority of respondents saw support for communication and networking between social enterprises as being an important role that the intermediary should be playing. Of those organisations which are currently members of an intermediary, 45% answered that their needs in this area are currently met. Thirty-three percent said that they need support in this area and would like to see the support improved to better meet their needs, while 20% said that they need support in this area but it is not currently provided. Only 1% reported that they don't need this type of support.

Of those organisations which are not currently members of an intermediary, 73% said that they would find this type of service "useful" or "very useful". Seven percent said that it would not be useful.

For many respondents, support with communication and networking between social enterprises was the primary role they felt the proposed single intermediary should fulfil. Among the comments, organisations emphasised the importance of encouraging and supporting peer learning, peer support, collaboration with other social enterprises, and forums for sharing ideas and examples of best practice. One respondent also suggested that there is a need for the intermediary to help facilitate this type of networking and collaboration beyond Scotland, supporting Scottish social enterprises to network and collaborate with other social enterprises across the UK and internationally.

Promotion and support for communication and networking between social enterprises and statutory partners (e.g. Scottish Government, local authorities)

Of those organisations which are currently members of an intermediary, 39% answered that they need support in this area and would like to see the support improved to better meet their needs. Thirty percent said that their needs in this area are currently met, while 29% said that they need support in this area but it is not currently provided. Only 2% said that they don’t need this type of support.

Of those organisations which are not currently members of an intermediary, 81% answered that they would find this service “very useful” or “useful”. Four percent said that they would not find it useful.

Organisations commented that there was a need for better links with a range of statutory bodies beyond the Scottish Government. As one respondent suggested, there is need for:

> *“…better links into other Scot Gov agencies and organisations such as the NHS, Skills Development Scotland, enterprise agencies and climate agencies”*

Several respondents expressed a need for help in interpreting national and local policies, deciphering what various decisions will mean for practitioners on the ground, and disseminating this information clearly throughout the sector as a whole.

Representation of social enterprises’ interests

Representation of social enterprises’ interests was another of the key areas where respondents most felt that the intermediary should provide support. Of those organisations which are currently members of an intermediary, 44% answered that they need support in this area and would like to see the support improved to better meet their needs, and a further 44% suggested that their needs for this service are currently being met. Ten percent answered that they need support in this area but it is not currently provided. Only 2% of respondents did not want this type of support.

Of those organisations that are not currently members of an intermediary, 78% answered that they would find this service “useful” or “very useful”. Only 5% did not feel that it would be useful.

Many respondents commented that there is a need for greater advocacy on behalf of social enterprises which fully involves grassroots members in co-producing support schemes and influencing policy decisions. As one survey respondent commented:

> *“This initiative [representing social enterprises’ interests] would only be effective with a grass-roots focussed support scheme. In all cases we would*

like to see support to be co-produced with social enterprises operating on the ground and any intermediary being rooted and established within the sphere of social enterprise practitioners."

Respondents also stressed a need for the intermediary to pay greater attention to local knowledge, and to encourage greater collaboration across the sector. Several felt that the current approaches are too centralised and top-down, as one respondent commented:

> *"I think there is a real benefit to having local knowledge and connections as an intermediary body, so managing the scale of a single intermediary and the level of reach is a fine balancing act. It needs to bring existing groups together rather than centralising services to the point where people don't feel it's for them."*

Influencing on behalf of social enterprises

Similar to representation of social enterprises' interests, this was an area where most social enterprises felt that there is a need for support from the intermediary. Of those organisations that are currently members of an intermediary, 48% answered that they need support in this area and would like to see the support improved to better meet their needs, while 37% said that their needs in this area are currently met. Thirteen percent felt that they need support in this area but it is not currently provided. Only 2% reported that they don't need this type of support.

Of those organisations which are not currently members of an intermediary, 84% answered that they would find this service "very useful" or "useful", while 12% would not find it useful.

Social enterprises felt that it is important that the intermediary influences policy on their behalf, and many of the comments suggested a desire for improved support in this area. As highlighted in earlier sections, some felt that there is currently a lack of engagement with the social enterprise sector on policy issues, meaning that social enterprises do not always feel that their views are being taken into account in policy discussions and decisions. As one respondent commented:

> *"Whilst we accept that there is a good level of support for social enterprises provided in Scotland, we often see little engagement with actual social enterprises to determine what support should be given".*

Promoting good practice among social enterprises

Of those organisations which are currently members of an intermediary, 41% answered that they need support in this area and would like to see the support improved to better meet their needs, while 38% answered that their needs in this area are currently met. Thirteen percent said that they need support in this area but it is not currently provided. Nine percent said that they do not need this type of support.

Of those organisations which are not currently members of an intermediary, 76% answered that they would find this service “useful” or “very useful”. Eight percent said that it would not be useful.

Many organisations would like the new intermediary to focus on bringing organisations together to share best practice ideas. Others also commented that it would be useful if the intermediary offered signposting and advice relating to specialist services. As one respondent commented:

> *“It would be beneficial for the single intermediary to support with signposting, good practice, case studies, successful scale up stories, [and] encouraging something like ‘trusted traders’ for different areas of your social enterprise e.g. HR, Finance, Insurance.”*

Promoting social impact

Of those organisations which are currently members of an intermediary, 42% answered that they need support in this area and would like to see the support improved to better meet their needs. Twenty eight percent said that their needs in this area are currently met. 19% said that they need support in this area but it is not currently provided; and 11% said that they don’t need this type of support.

Of those organisations which are not currently members of an intermediary, 84% answered that they would find this service “useful” or “very useful”, while 4% felt that it would not be useful.

In the comments, a number of organisations highlighted a need for greater support with measuring and demonstrating social impact. For example, some organisations felt that it was more challenging for their organisation to demonstrate their social impact than others, and that this could affect their ability to attract funding. As one respondent commented:

> *“Measuring Social Impact of very high impact on a few people seems to be valued less [while] short term impact on a lot of people seems to be valued more – Understanding how to demonstrate the impact would be great.”*

Research and evaluation support for social enterprises

Of those organisations which are currently members of an intermediary, 47% answered that they need support in this area and would like to see the support improved to better meet their needs, while 23% reported that they need support in this area but it is not currently provided. Nineteen percent said that their needs in this area are currently being met, and 11% that they don’t need this type of support.

Of those organisations which are not currently members of an intermediary, 76% answered that they would find this service “useful” or “very useful” and 5% reported that they would not find it useful.

While there is clearly some desire for this type of support, no organisations elaborated on these needs in the comments. It is therefore unclear exactly what sort of research and evaluation support organisations feel that they would benefit from, and this may be something for the new intermediary to explore further.

Providing information and advice for social enterprises

Of those organisations that are currently members of an intermediary, 47% answered that their needs in this area are currently met, 32% said that they need support in this area and would like to see the support improved to better meet their needs, and 9% said that they need support that is not currently provided. Twelve percent reported that they do not need this type of support.

Of those organisations which are not currently members of an intermediary, 79% answered that they would find this service “useful” or “very useful”. Six percent said that they would not find this type of service useful.

Clarity, consistency, and accessibility of information were the main issues expressed by most respondents on this topic. Some organisations felt that information within the sector is currently quite “muddled”, with significant overlap in services and conflicting sources of information. As two separate respondents commented:

> *“Support has to be consistent. Too many times you get advice from one staff member which can be completely different to the advice to the exact same question from another staff member”.*

> *“From a local social enterprise perspective, having much greater clarity about support and communication routes would be a significant benefit”.*

As such, respondents asked for clear and precise information from a single, reliable source, regularly communicated to organisations operating at local level.

General business/operational support for running a social enterprise

Of those organisations that are currently members of an intermediary, 38% answered that they need support in this area and would like to see the support improved to better meet their needs; 23% said that their needs are currently being met. Thirteen percent said that they need support in this area but it is not currently provided. Twenty-seven percent said that they do not need this type of support.

Of those organisations that are not currently members of an intermediary, 65% answered that they would find this service “useful” or “very useful”, while 13% would not find it useful.

For the organisations which would like to see this kind of support, comments largely related to wanting support with specialist services such as legal, financial, IT and HR services. In particular, respondents asked for help in signposting to professional service providers that can offer reliable services at affordable rates. As one respondent commented:

> *“For us it would be specialist support-based services such as HR services, identification of suppliers who provide preferential rates, signposting to training and development opportunities to build capacity, with experts from specialist areas”.*

Others highlighted a need for training for the day-to-day running of the business as a primary need:

> *“We would require someone who is dedicated in giving advice on grant funding and the day to day running [of the social enterprise], and planning for the future to ensure sustainability”*.

Some organisations highlighted that any support offered should be tailored to individual organisations, and should not be provided via single, standardised one-size-fits-all support packages. As one respondent commented:

> *“We would benefit from more tailor-made support for our social enterprise. A lot of what is provided for everyone doesn't take our unique situation into account, and a lot of help/advice is too general, or is one we have already followed up.”*

Support with generating trading income

Of those organisations that are currently members of an intermediary, 36% answered that they need support in this area and they would like to see the support improved to better meet their needs. Twenty-two percent said that they need support but it is not currently provided, and 13% that their needs for this service are currently being met. Thirty percent said that they do not need this type of support.

Of those organisations which are not currently members of an intermediary, 80% said that they would find this type of service “useful” or “very useful”, while 9% said that they would not find it useful.

Several organisations stated that there is a gap in supporting social enterprises with income generation. Some suggested there should be more hands-on intensive support in product development and trading, while others stressed the need for social enterprises to be given greater support to become viable trading businesses. As one respondent explained:

> *"[The intermediary should] support the financial sustainability and professionalisation of social business so that it can compete with 'for profit' business in Scotland. I feel energy, resource and focus is often split to ensure social impact remains at the forefront of activity."*

As indicated in this comment, however, others see the intermediary's role as primarily to focus on social impact, rather than trade and financial sustainability.

Support with applying for grants

Of those organisations that are currently members of an intermediary, 29% said that they need help in this area and would like to see improvements to the current support, while 19% said that they need support but it is not currently provided. Thirteen percent said that their needs in this area are currently being met and 39% answered that they do not need this type of support.

Of those organisations that are not currently members of an intermediary, 68% said that they would find this type of support "useful" or "very useful". Seventeen percent said that it would be "not useful" or "not at all useful".

Requests for this type of support were most commonly in relation to helping new start-up businesses through the difficult early stages towards becoming viable. In particular, a desire was expressed for greater links to programmes which can fund and support growth within the sector. For example, one respondent commented that there was a need for:

> *"Help with grant funding applications until the organisation feels able to sustain this themselves. Better links with statutory and direct help for organisations across the first 5 years of set up perhaps on a tiered package offer."*

Others suggested a need for greater assistance in applying for grants. Again, this was largely a concern for smaller, more localised and/or newer organisations. Some of these noted that it can be a difficult challenge to navigate the various sources of funding and compete for these against larger, more prominent and better resourced organisations.

3. Interview analysis: views of key stakeholders

3.1. The role of the single intermediary

Overall, the interviewees suggested that the most important roles of the single intermediary would be to:

- influence national policy and investment on behalf of the sector
- raise the profile of the social enterprise sector among potential buyers, consumers and service users
- enable networking within the sector.

Acting as a funnel to communicate national and local policy ideas and changes to the sector was also cited as an important role, as well as clearly defining and unifying the sector.

Underpinning these central roles, two areas for improvement were frequently mentioned in the interviews. First, there were calls for a greater research and consultation role to ensure that the diverse voices of the entire social enterprise sector are listened to and represented; and second that stronger local links are made in geographical areas where local social enterprise networks are currently lacking.

Representation and policy influence on behalf of the sector in all its diversity

Like the survey respondents, most interviewees felt that the most important role for the single social enterprise intermediary body should be to provide strong representation for the whole social enterprise sector in Scotland to enable the sector to inform national policy and investment strategies. As one interviewee explained, the intermediary should:

> *"…have representative tentacles across Scotland to try to feed back into the core to support local development, national understanding and policy creation."*

On the whole, interviewees felt strongly that the intermediary should develop a thorough knowledge of the diversity of the social enterprise sector, and to understand the different situations, needs, opinions and ambitions of different types and sizes of social enterprises across the entire spectrum of organisations. This, in turn, should drive the strategy and policy positions that the single intermediary body pursues.

Some interviewees felt that this is an area where improvement is needed, suggesting that currently too little research and consultation is undertaken to understand the views of grassroots social enterprises before deciding on policy positions. As such, some interviewees felt that the intermediaries are too reliant on the voices of particular groups or personalities, leaving many social enterprises feeling that they are not well represented at a national level.

Interviewees suggested that there is a need for improvement in how well the new intermediary body interacts with and represents the sector across all geographical and thematic areas. For example, some different interviewees suggested that

- there is a need for greater focus on rural social enterprises
- smaller social enterprises are less well-represented than larger ones
- certain geographical areas are less well-represented than others.

While some interviewees suggested that the intermediary's role should be to develop a "representative voice" for social enterprises, several others cautioned against this approach. They suggested that the intermediary must be careful to avoid attempting to adopt a "single, definitive voice", noting that the social enterprise sector is so diverse that this would be an unrealistic and counter-productive aim. Instead, calls were made for the intermediary to take on a "multifaceted representative role" in which it enables a diverse range of voices from the sector to enter into national-level discussions. This approach would mean bringing a wide range of views across the sector to the fore in policy discussions with Scottish Government and other national bodies, rather than the intermediary body advocating for one particular view. As one interviewee explained:

> *"[I am] in favour of a model that works with the social enterprise sector, rather than representing their arguments. I wouldn't like the enhanced [intermediary] body to assume the role of being "experts" and representing the sector… there's absolutely a role for ensuring that there is a range of voices in the room, because we're all working in our own areas of expertise".*

Finally, some interviewees felt that the intermediary should avoid competing with other social enterprises for contracts to provide services, and that it should avoid any direct involvement in funding provision, for example assessing social enterprises' funding applications. They noted that these types of activity risk damaging relationships with social enterprises, including intermediary members. In turn, this could risk the intermediary's status as being truly representative and supportive of its members and the wider social enterprise sector.

Supporting networking, mutual support, and bringing the right people together

Interviewees suggested that the intermediary body should play a central role in continuing and enhancing the current work to support networking for social enterprises. Firstly, it was suggested that it should continue and enhance the support currently given to social enterprises to network with each other, both through geographical and thematic networks. In particular, this was cited as extremely valuable for new and smaller social enterprises, which may not have the capacity to find the information and support that they need without support from their networks. As one interviewee stated:

> *"…having the ability to tap into networks across Scotland, and to connect sometimes can be hard on the ground, especially for the smaller social enterprises [which do not] have the time to do that. So having a body that can help with that can be immensely helpful, because suddenly you get the information that you need more quickly. So I think that that immediate network element is really important for the sector."*

Secondly, it was generally agreed that the intermediary should have a key role in enabling social enterprises to access such support from experts in their respective fields through networking opportunities. In general, interviewees wanted the intermediary to focus on helping social enterprises access the type of support that they need through networking opportunities, signposting and hosting events which would bring them into contact with professional business advisors, financial advisors and experts in other key learning and development fields.

However, interviewees broadly agreed (though this was not unanimous) that the intermediary should not itself provide financial, organisational or business support to social enterprises. They tended to argue that the quality of service provision tends to be better when provided by specialist organisations rather than the intermediaries.

Raising the profile of social enterprises

Many interviewees saw raising the profile of social enterprises as being a key aspect of the single intermediary's role.

Firstly, interviewees stressed that there is a need for the intermediary to expand its representation of the social enterprise sector beyond the Scottish Government's Third Sector Unit, its main point of contact in the public sector. Interviewees were generally keen that the single intermediary would continue and expand on previous work to build bridges between the social enterprise sector and other parts of Scottish Government, the UK Government, and other public sector bodies, including the NHS and local authorities. This was seen as being key to expanding the potential for social enterprises to win contracts to provide goods and services to public sector bodies, raising awareness of the sector and what it offers to potential buyers.

Secondly, there was a similar call from some interviewees for the intermediary body to actively seek to forge relationships with private businesses and the wider enterprise sector, again with a view to raising awareness of the social enterprise sector, and expanding trading opportunities for social enterprises.

Thirdly, some interviewees also stressed the need for the intermediary to raise the profile of social enterprises across the general public, to ensure that people across Scotland become more aware of what social enterprises are, what they do, what is unique about them, and why they should support them. This, it is felt, is needed to boost social enterprises' trading activity, and encourage more social entrepreneurs into the sector.

Communicating national and local policy to the sector

As well as the need to encourage the voice of the social enterprise sector in policy-making, interviewees suggested that a key role of the intermediary would be to communicate clearly in the opposite direction, sharing key information on policy and funding from Scottish Government, UK Government and local authorities with its membership and the wider community of social enterprises.

As some interviewees noted, the policy and funding landscape can be complex and difficult to understand, particularly for newer and smaller social enterprises lacking the time or resources to research all the available information. As such, a central focus of the intermediary should be to distil and share this information with social enterprises in a clear way, to ensure that all social enterprises have access to the most up-to-date and relevant information regarding investment, funding opportunities, policy changes and relevant legislation. As one interviewee stated, the intermediary must act as:

> *"a funnel, or filter, to share what comes out of quite a diverse landscape – not just from government, but from local authorities as well"*

Defining and unifying the social enterprise sector

While all interviewees agreed that a main purpose of the intermediary should be to represent the wide variety of social enterprises in Scotland as well as possible, like the survey respondents, they diverged over what types of organisations should be included in this.

Some advocated for a "broad church" approach which encompasses a wide range of constitutional forms and remains open to new and emerging types of organisations, including social enterprises which may distribute profits in some circumstances. Others were keen to limit the definition of social enterprises to only those organisations with asset locks.

Overall, the interviewees generally leaned towards supporting a "broad church" approach to the definition of social enterprises (for example, not excluding social enterprises without asset locks), on the basis that it is important not to exclude potential social entrepreneurs from the sector where their business models do not perfectly match the intermediary's vision for social enterprises. However, views on this were not unanimous and this group is not a representative sample of those involved in the social enterprise sector.

What was clear, however, was a strong desire among interviewees to find a way to unite the differing “factions” in the social enterprise sector that have emerged as a result of disagreement over how social enterprises should be defined. As one interviewee noted, there is a need to “tidy up the confusion”, which currently makes it difficult to send clear messages about the sector to potential buyers, consumers and would-be social entrepreneurs.

While it is beyond the remit of this research to comment on how social enterprises should be defined, it is clear that it will be important for the single intermediary to take an inclusive, bridge-building role in this debate. It will need to work – in consultation with the whole sector – to unify the disparate voices within this debate, many of whom hold strong views on the subject of definition.

Research and consultation

Several interviewees highlighted a need for the intermediary to have capacity to conduct research and consultations among its members and the wider sector as part of its day-to-day work. As already noted, many interviewees and survey respondents felt that the intermediaries do not currently represent the diverse voices in the social enterprise sector as well as they could, and that grassroots members are often not consulted on matters that affect them. A research focus was therefore seen as important to allow the intermediary to thoroughly engage with the sector and its members to better understand their views and needs, and in turn, to better represent their views.

Interviewees suggested that research capacity would allow the intermediary to better-understand, in a robust and systematic way, factors such as:

- how social enterprises’ needs differ depending on their location, type, size and focus
- how different social enterprises react to proposed policy and investment changes
- what different challenges social enterprises are facing
- how well the networks are functioning
- where the intermediary should focus its policy and influencing efforts.

Some interviewees noted that they did not want the intermediary to conduct commissioned research or research on niche aspects of the social enterprise sector. Rather, research efforts should be embedded in their day-to-day work, concentrating on gaining a greater understanding of the nature and needs of the sector as a whole, and helping to shape responses to national policy and investment strategies.

Development of stronger local links across Scotland

A number of interviewees noted that local networks and representation of social enterprises is patchy, with geographically-based networks not consistent across Scotland. Some suggested that it will be important for the new intermediary to engage more fully in local areas where it has historically been difficult for the national intermediary bodies to gain a foothold. For example, in areas where the local political dynamics might have made this difficult. As one interviewee stated:

> *"…there can be some political dynamics locally that affect the partnership that should happen between the [intermediaries] and the TSIs (third sector intermediaries). [In some places] the TSIs work really well with their local networks and therefore they're a power to be reckoned with. They're very strong and representative voice. But I think [the national intermediary body] is spread quite thin, and I think what is probably quite natural, is that they tend to focus on the areas where they have traction. They don't drive areas where they don't [have traction] and obviously the areas where they don't have traction are probably the ones that need specific representation and understanding at the minute."*

Several interviewees felt that the intermediary bodies were more representative of the areas where they have good relationships with local TSIs, meaning that their national policy ideas did not necessarily accurately represent the views of social enterprises across Scotland.

There was therefore a call for the new intermediary body to be given support by Scottish Government to have a stronger presence in areas where local relationships have historically been more difficult, to ensure strong representation for social enterprises across all local authority areas. Interviewees also noted that greater resourcing may be necessary to help this happen, noting that part of the reason for the current lack of representation across all geographical areas appeared to stem at least partially from the current intermediary bodies being "spread too thin".

3.2. The structure and nature of the single intermediary

There was support among interviewees for the creation of an intermediary with a strongly democratic, bottom-up and transparent governance structure, which would give as much power as possible to its social enterprise members. This, it was widely felt, would ensure that the intermediary remains representative of its members and accountable to them.

There was also strong support for space to be created for the intermediary to have a more challenging and independent relationship with Scottish Government, and for a greater focus on effectiveness and outcomes. A small number of interviewees also suggested a need for greater resourcing.

A bottom-up, democratic and transparent organisation

In line with the call to ensure that the single intermediary is truly representative of its membership, some interviewees advocated for ensuring that the single intermediary body is given a democratic, bottom-up structure, giving greater voice and voting rights to its members. For instance, one interviewee suggested that all member organisations should be able to vote at the annual general meeting, to ensure that the intermediary is accountable to its grassroots members.

Several interviewees felt that a more bottom-up structure was necessary as it would better reflect the bottom-up, grassroots nature of the sector as a whole; a sector largely made up of organisations which have grown out of, and are rooted in, their specific local communities. Interviewees felt that the current intermediary bodies are too “top-down”, and voiced concerns that this risks the intermediary coming to be dominated by particular groups or personalities which do not necessarily reflect the views and needs of the entire sector.

Interviewees also suggested that the intermediary should focus on “exhibiting best practice in good governance” in other ways, for example by introducing limited terms for board members to encourage diversity of thought, and ensuring transparency and openness in its governance and decision making.

A more challenging and independent relationship with Scottish Government

Several interviewees suggested that there is a need for a realignment of the relationship between the single intermediary body and the Scottish Government.

The interviews highlighted a perception among many stakeholders that because the intermediaries are funded directly by the Scottish Government (and sometimes conduct project delivery work on its behalf), they are not able to be the strong, representative voice – willing to challenge government policy and decisions – that the social enterprise sector needs.

Concerns were raised that because the new intermediary body will be government-funded, it may be “too eager to please” to ensure the continuation of its funding, rather than challenging government policy on behalf of the sector. As one interviewee explained, the intermediary:

> *"…needs to be more than just the government’s go-to delivery [organisation]… they to be able to have difficult discussions with government, to be able to say: ‘I know this is what you're trying to do. But here's a much better way of doing it’ or ‘here's what's working’, rather than just going, ‘well, we'll just go and get on with it because if we don't get on with it, they might take our money away.’”*

Similarly, another interviewee commented that:

"I do think there needs to be some breathing space for an intermediary, even though they're government funded, to feel free to go back [to Scottish Government] and say "the sector is not happy with what you've put into this strategy". [They need] to feel free to be positive contributors and [give] constructive criticism."

As such, several interviewees strongly supported a model whereby the new single intermediary is:

"Encouraged or obliged to be that very effective mouthpiece between the sector and the decision makers and the policymakers… It needs to be a central voice [of the sector] that actually challenges up or down and from side to side, and is given teeth, to be able to affect some change…[and] that means [having] hard discussions with the people who are funding it."

Complementing this desire for the intermediary to be a strong, independent voice, interviewees also highlighted the need for the intermediary to be seen by Scottish Government as a respected and equal partner.

Focus on effectiveness and outcomes, rather than functions

A small number of interviewees questioned the need for the existence of an intermediary body, with the underlying suggestion being that it was not clear how effective or necessary a government-funded intermediary body would be to support the work of social enterprises.

One such interviewee suggested that their effectiveness may be clearer if a more outcomes-focused approach to funding of the intermediary body was taken. This would help ensure value for money and a clearly defined, effective service. They suggested that there should be:

"… a process whereby the government – as the contractor – and the intermediary – as the potential recipients of funding – don't just agree the functions [of the intermediary], but agree the outcomes [of the intermediary's work]… That can be a consultative process that could involve more than the intermediary and can involve other stakeholders as well."

And, they suggested, the continuation of funding should be linked to evaluation of these outcomes. As this interviewee suggested:

"I would encourage a long term view [that asks] 'where should this intermediary be at the end of the 10 year strategy?' So, I think dialogue to decide on the outcomes and then to ensure that if the outcomes have been delivered, then [SG] continue the funding. But if the outcomes aren't delivered, maybe [we ask if] there's a better way of delivering them."

Speaking along similar lines, another interviewee suggested that a clear focus must be defined for the intermediary body which should be “brutally upheld, for 3-5 years”.

Related to this, interviewees also stressed that in developing the remit of the intermediary body, the focus must be on working towards specific outcomes for the sector. As one interviewee suggested:

> *“Let’s go back to the basics: what do we actually want the Scottish social enterprise sector to achieve? What is our ambition for social enterprises? We want to be world-leading, and international, and rooted in local communities. The intermediary remit needs to be developed around that, rather than asking ‘how do we slightly tweak what we’ve already got?’”*

Better-resourced

Some interviewees suggested that there was a need for better resourcing of the intermediary body, to ensure that it could achieve its aims. Interviewees suggested that the Scottish Government should ensure that the intermediary has greater capacity to:

- embed networks across all geographical areas
- undertake research and consultation work
- have a greater media and marketing presence to better represent and promote the sector to potential buyers, consumers and social entrepreneurs.

Interviewees were not asked whether the intermediary should charge membership fees. However, as noted in the survey findings, there was a widespread willingness among respondent social enterprises themselves to pay a membership fee. Interviewees were also not asked about whether the new intermediary should seek to generate its own funding to match or supplement funding from Scottish Government. Some interviewees did raise this however, with views ranging from those who felt that the intermediary should seek to match its funding from Scottish Government with its own income-generation, to those who felt that the intermediary should focus solely on its core aims, and not income generation. It is not clear to what extent either of these opposing viewpoints are supported more generally, either among other key stakeholders or among social enterprises more widely.

4. Conclusions

A wide variety of opinions about the role and structure of the new single intermediary were expressed by the research participants, including various opposing views. However, a number of key themes emerged which reflect the general, if not unanimous, consensus on how the new intermediary should function.

Overall, a key theme emerging from the research is a need for change, both in the quality and type of support provided to social enterprises, and in the organisation of the body providing this support. This concluding section summarises the key areas where the research findings suggest that there is a need for improvements to current provision.

Views on types of services and support the intermediary should provide

Supporting networking, communicating between the social enterprise sector and key statutory bodies, representing the social enterprise sector at a national level, and influencing policy on behalf of the sector were seen by most participants as the key roles of the new intermediary.

In each of these areas, at least half of survey respondents felt that current provision was insufficient or lacking and needed improvements. Participants generally felt that there is a need for stronger links with local, grassroots social enterprises, greater geographical coverage of social enterprise networks, and clearer communication with social enterprises about national and local policy making and investment. Many research participants also felt that not all social enterprises are currently equally well-represented and that there is a need for greater acknowledgment and representation of the sector in all its diversity. Participants also wanted the intermediary to develop stronger links with public bodies and private businesses beyond the Scottish Government’s Third Sector Unit, and to clearly communicate information from these bodies to the sector.

There was general support among survey participants and some interviewees for the intermediary to support social enterprises by promoting good practice, promoting social impact, supporting research and evaluation, and providing information and advice to social enterprises. Again, many survey respondents felt that current service provision in these areas should be improved.

The majority of survey participants also felt it would be useful for the intermediary to provide organisational and business support such as supporting with generating trading income, applying for grants, and general business/operational support. However, the proportion of social enterprises saying that this was not necessary was higher for these services than all others they were asked about, and some commented that this should not be the role of the intermediary. Most interviewees felt that this should not be the role of the intermediary, arguing that these services can be better provided by specialist organisations. They suggested that the intermediary's role in these areas should be to link organisations with specialists.

Views on paying an annual membership fee

The majority of social enterprises responding to the survey said they were willing to pay an annual membership fee (85%). This was the case even among those organisations that are not currently members of either intermediary, with 83% of this group willing to pay a fee.

The most common amount organisations were willing to pay per year was up to £50 (34%), followed by £51-£100 (21%), and £101-200 (16%). Fourteen percent of organisations said they would be willing to pay more than £200 per year for membership. Larger organisations were more likely to say they could pay a larger fee, and smaller organisations were more likely to say they would pay a smaller/no annual fee.

Views on the representativeness of the intermediary

A common theme among survey participants and interviewees was a call for the intermediary to be more representative of the whole social enterprise sector than is currently the case. They commonly felt that the diverse range of voices, interests and needs of the sector are not as well-represented as they should be, and that social enterprises are often not consulted by the intermediaries on matters affecting them or on the intermediaries' policy positions.

Organisations and interviewees suggested a number of improvements to the representativeness of the new intermediary. Some suggested developing a dedicated research and consultation function to enable deeper engagement with and understanding of the sector's needs. Several participants advocated for a fully-democratic governance structure allowing the intermediary to be accountable to its members to help encourage and enable a more representative structure. Participants also suggested building social enterprise networks across all geographical areas and making stronger links with grassroots social enterprises. One interviewee also suggested focusing on promoting and giving space to the multitude of differing voices and opinions in the sector in national level debates, rather than the intermediary seeking to develop a single "representative voice" for the whole sector.

Views on governance, organisational structure and transparency

Related to the previous point, a number of interviewees argued for a more bottom-up, democratic and transparent governance structure for the new intermediary, to ensure that it is accountable to its members. Concerns were raised that a more top-down, centralised governance-structure gives grassroots social enterprises too little voice, and risks allowing the intermediary to become dominated by particular dominant voices and personalities, rather than accurately representing the sector as a whole.

Calls were also made to ensure an outcomes-based focus to the intermediary's work, for example linking funding to defined outcomes.

Views on defining and unifying the social enterprise sector

The research drew attention to the need for the new intermediary to work to unify the divisions within the sector, particularly over the definition of "social enterprise". Many interviewees and survey respondents advocated for a "broad church" approach to membership of the intermediary, incorporating a wide range of legal forms, including some that allow for profit-making. However, others wanted to limit membership to more traditional models of social enterprise.

While it is beyond the remit of this research to comment on how social enterprises should be defined by the intermediary, it is clear that the intermediary should be prepared to build bridges within the sector in this area.

Views on the relationship between the intermediary and Scottish Government

There were calls from interviewees for a realignment of the relationship between the intermediary and Scottish Government to ensure a strong, independent voice for the sector that is willing to challenge Scottish Government when necessary. Some interviewees felt that because the intermediary will be directly funded by the Scottish Government, it may be hesitant to do this. They advocated for a model that gives the intermediary the confidence to offer challenge and constructive criticism to the government without being concerned about the implications for its continued funding.

social research

The views expressed in this report are those of the researcher and do not necessarily represent those of the Scottish Government or Scottish Ministers.

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