

Minding their own business

Summary of seminar and launch

6 July 2006



'Minding their own business' is an introductory guide to business and social enterprise for those supporting local communities tackling inequalities in diet and health. It was produced by the Scottish Community Diet Project and launched at Flourish House in Glasgow on 6 July 2006.

The launch was preceded by a seminar held at Glasgow University which was attended by 30 people from community food initiatives and the social enterprise sector.

This is a brief report from the seminar on social enterprise and community food initiatives held on 6 July 06 by the Scottish Community Diet Project.

The seminar aimed to facilitate discussions between social enterprise organisations and community food initiatives, as well as look at what could be done to help food initiatives use enterprising approaches.

Programme

9.30 Arrival and tea/coffee

10.00 Introduction,

- Bill Gray, National Project Officer, Scottish Community Diet Project
- Martin Meteyard, Consultant on co-operatives, social enterprise and fair trade and contributor to Minding their own business (MTOB).

10.15 Presentation of case studies

- Eday Community Enterprise
- Green Door Catering Company
- Gorebridge Health and Regeneration Project

10.45 Small group discussions

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|---------|----------------|
| Group 1 | Ethos |
| Group 2 | Sustainability |
| Group 3 | Skills |
| Group 4 | Infrastructure |



11.45 Feedback from groups

12.00 Move to Flourish House

12.00 Launch at Flourish House

- Lizanne Conway, Community Programmes Manager, NHS Health Scotland and contributor to MTOB

1.00 Lunch and networking

Introduction

Despite warning of the dangers of quoting historical figures, Bill opened the meeting using the words and thoughts of Adam Smith¹, to illustrate why the Scottish Community Diet Project had had an interest in social enterprise approaches for a number of years.

The first was to compare Smith's fame as both an economist and a philosopher with social enterprises, whose possession of a philosophy and ethos was what differentiated them from other economic entities.

Bill compared Smith's famous quote that "*on the road from the city of scepticism, I travelled through the valley of ambiguity*" with his own, the project's and many others' attempts to get their heads around the value and purpose of social enterprises and hoped the new guide would contribute to making the journey easier for others.

Finally, Bill used the, at first glance seemingly critical, quote that, "*the biggest problem of the poor was the poverty of their aspiration*" to question whether social enterprises were a means for low income communities of pursuing what they 'want' rather than what others feel they 'need'.

Martin Meteyard noted that social enterprise is high on the political agenda at present, with a draft social enterprise strategy from the Social Economy Unit of Communities Scotland currently out for consultation.

He reminded us that social enterprise is not a new thing, co-op stores being able to trace their history back to the 1800s. He stated that what defines a social enterprise is that it trades for a social purpose and primarily reinvests its profits. Normally it would aim to generate at least 50% of its income from trading (25% for aspiring social enterprises) - though that covers contracts and service level agreements.

Martin made it clear that social enterprise is not for everyone. It involves risk, requires a high level of commitment, and can lead to potential conflict between social aims and the need to make a profit. He advised that the guide is not prescriptive, it just invites people to consider the different options that are available.

Martin also stated that the social enterprise route does, however, offer the opportunity for initiatives to become more sustainable, to earn their own income and reinvest it in their communities in ways that suit them, rather than having to fit into other agencies' changing agendas and political priorities.

SCDP have produced this introductory guide to signpost community food initiatives to help and information about social enterprise. More importantly, 'Minding their own business' should help initiatives to think about whether a more business-like or enterprising approach is for them.

¹ Adam Smith, 1723-1790, Scottish political economist and moral philosopher

Case studies

Next we heard from three case studies from around Scotland – all work with food and are using an enterprising approach to fund their projects.

(For further information about the case studies and other similar projects see the guide 'Minding their own business').

Eday Community Enterprise, Eday, Orkney Paul Lawton, Treasurer

Eday community enterprise currently owns and runs the only shop on the Island of Eday. Eday is off the main island of Orkney and at least three hours ferry travel from mainland Scotland. The island has approximately 130 residents and two-thirds of the Islanders make most of their purchases at the shop.



The shop was bought by Eday community enterprises in 1981 to save it from closure and opened in 1982. The shop now offers more than 1000 lines, from cement to cornflakes, and provides a total of 100 hours per week employment to 7 different staff. Turnover is around £250K/annum.

Islanders support the shop by making a point of using it regularly and, thus providing it with a steady and secure income, as well buying shares in the enterprise. The shop is regarded as a meeting place, as well as a place to buy a stamp or some locally grown vegetables. Islanders saved the shop by giving their time for free when it was threatened by financial difficulties.

Difficulties have been mainly around transporting goods to the island, particularly in bad weather. The 'captive' island community is unlikely to grow, and the shop is in danger of losing customers to competition from 'town' (Orkney). As for many community food initiatives, finding committee members is a continuous struggle.

The shop has been supported well by outside agencies. Orkney Enterprise and Orkney Island Council will help financing capital costs. The shop is part of the co-op network which allows it to take advantage of the economies of scale the co-op enjoys. Sales of fresh produce have increased tenfold since the shop has sourced better quality fruit and vegetables from the co-op. It is also a member of the Community Retail Network.

Green Door Catering Company, Fife Jackie Johnson and Avril Crossley

The Green Door Catering Company was established last year in response to demands from local agencies to replicate the Green Door Café in St. Monans, Fife.



The company now manages three cafés and an external catering operation. They aim to provide employment and training opportunities and provide healthy food and tend to be in regeneration areas. High staff turnover is generally regarded as a bad thing, but here staff and trainees are supported to move on to other opportunities once their training is completed, should this be their wish.

The cafés are a popular and pleasant place for local people, groups and tourists to meet, with exhibitions of local artists' work and local produce on the menu. The cafés also run cookery classes.

Difficulties have been around being taken seriously as a business with social aims. They have been regarded as 'amateurish' and yet have received less business support than a private business.

However, support has been forthcoming, particularly from the Fife Social Enterprise Network, where social enterprises support each other, and, most importantly, trade with each other. The Social Enterprise Development Partnership and the Scottish Community Diet Project have also been helpful.

The future will see the project running these enterprises and consolidating ongoing activities, before taking advantage of the next opportunity to come along.

(Copies of the presentation are available by email from SCDP)

Gorebridge Health and Regeneration Project Andrew Broadfoot



Gorebridge Health and Regeneration Project runs Midlothian Community Food Initiative (MCFI) which is currently being set up as a social enterprise in order to generate more of its own income.

MCFI currently has a number of projects; a milk token initiative, 'Toot for Fruit', a mobile shop, fruit and vegetable stalls and a delivery service.

The mobile shop provides people with somewhere to buy quality, fresh fruit and vegetables in areas where there is nowhere else to get them, and at an affordable price. The project also tackles some of the other barriers to a healthy diet by offering, for example, cooking classes. It recognises local needs and values local people.

The project relies on volunteers and community activists and would not survive without their support. It finds local networks useful and is grateful to its funders and partners.

Like the Green Door Catering company, MCFI has found that people have been suspicious about their move towards social enterprise. As a small project, they find getting produce of a high enough quality for their customers difficult. In addition, complying with rules and regulations takes up time and energy. There is a continuous tension between pricing the produce at a level that is affordable and covering the project's costs.

The project needs to learn more about market approaches to succeed and also wants to look into niche markets, including sourcing from small scale producers. The future also holds more work with parents in an effort to get more fruit into schools.

(Copies of the presentation are available by email from SCDP)

Discussions

Participants were sitting at four tables, each with a theme. They were asked to discuss the theme and try and identify what support would be useful for community food initiatives (CFIs) wanting to become more business-like.

Ethos

It was understood that ethos referred to the fundamental principles and values which guide social enterprise.



Key points:

- the underlying principles of social enterprise need to be made more explicit to all those involved. This would help stakeholders at all levels understand the exact position of social enterprises in relation to grant-based organisations and fully commercial enterprises;
- there was recognition that a clear grasp of the guiding principles behind social enterprise enables stakeholders to better understand the direction and goals of CFIs that have developed into social enterprises; thus offsetting the perceived conflict between the need to be sustainable and the need to uphold social aims;
- it was agreed that the growth of the social enterprise model had emerged out of a need for CFIs to be more self-sustaining and a desire to develop unexplored areas of work (e.g. work previously conditional on grant restrictions). It was stressed that these determining factors had to be made fully explicit;
- there was a discussion around how social enterprises work alongside statutory bodies, e.g. delivering a service where a gap in provision has been identified, and the importance of stressing the added value of CFIs which have developed into social enterprises to statutory agencies. The example of a 'fruit in schools' initiative illustrated the role that CFIs have in terms of understanding local need (bottom-up approach); and it was agreed that such local knowledge is crucial to people buying into projects.

How can SCDP, national bodies and others support community food and retailing initiatives?

- it was suggested that developing a formal network of support for social enterprises, or those wishing to become social enterprises, is needed in order for alliances to grow between interested parties, resources to be shared and new ideas to develop. It was suggested that organisations like SCDP or Sencot could be instrumental in doing this. Martin Meteyard suggested the possibility of SCDP setting up a dedicated 'one-stop-shop' for this purpose;
- there was recognition of the need for networks to stay connected, and similarly, for resources to be kept up-to-date, e.g. the creation of a public discussion forum;
- it was agreed that the MTOB guide is a valuable starting point for developing such a network, and that it needs to be built on and tapped into in the forthcoming months, as do all other existing networks and dedicated resources.

Sustainability

Key points

- one of the main key points that came from this discussion was the concern that banks and potential funders do not always understand what a social enterprise is and as the result can be unwilling to support them;
- becoming sustainable is a long-term aim – all involved need to be aware of this
- peer support, networking support, or linking with other organisations (such as Credit Unions) can be helpful for sharing resources as well as ideas;
- ‘rules and regulations’ can make life difficult for organisations to become more business-like and sustainable – but there was recognition that social enterprises ‘can’t have it both ways’;
- there was recognition that trying to become sustainable can cause conflict between the organisation’s social aims and its need to make a profit (such as selling less healthy or less ethical goods to ensure a profit).

How can SCDP, national bodies and others support community food and retailing initiatives?

- lobbying or raising awareness of what a social enterprise is amongst potential sources of support was considered an important step that organisations like SCDP could take to help ensure sustainability amongst social enterprises. This could include people like local authorities who are not always aware of the ‘added value’ that social enterprises can bring with their services. However, as there were differing views of the definition of a social enterprise amongst the group – it was recognised that this might not be straightforward;
- a bigger pot of funding is required (such as Future Builders) particularly as banks are often unwilling to support social enterprises.

Skills

- a very wide range of skills are required to run a community food social enterprise. These could be grouped simply as business development skills (marketing, business planning, financial planning, etc.), operational skills (rotas, money handling, etc.), management skills (managing volunteers and staff, employing staff, pricing) and a particular group of skills around working with (healthy) food (food hygiene, health and safety, food and health). Time to learn these new skills would be a limiting factor for many;
- while many organisations were able to offer some of the support required, there was no organisation that was able to offer all the support a community food initiative would need to develop into a social enterprise. It could also be difficult to find out where to go for support and information. ‘Minding their own business’ would be a big help here;



- the people with most expertise in the area were community food initiatives that had already gone down the social enterprise path. It would be helpful for new initiatives to learn from them;
- projects find on-going support helpful. It is useful to have someone to ask for help and support as and when issues arise.

How can SCDP, national bodies and others support community food and retailing initiatives?

- knowing about networks/where to go for help (see MTOB)
- partnership working, e.g. SCDP and case studies and social enterprise organisations working together to support new and emerging CFI/social enterprises
- training sessions and ongoing mentoring/coaching
- meeting others doing it

Infrastructure

- it was agreed that infrastructure involves very practical factors that would enhance the supply chain for community-based activity around food such as transport, refrigeration, IT and storage but also involved the pursuit of higher value outlets and more effective procurement systems.



Key points:

- there is a need for infrastructure to be at the most appropriate and strategic level rather than dictated by local authority, health board, community planning or community health partnership boundaries;
- infrastructure involves generating a critical mass and operating at an appropriate scale through practical alliances beyond unhelpful boundaries;
- it was felt that the experience of credit unions could be learned from;
- trading beyond fruit and vegetables was suggested as much of the local activity extended beyond these important but limited items.

How can SCDP, national bodies and others support community food and retailing initiatives?

- a clash of cultures between community business / social enterprise approaches to service delivery and traditional ways of operating/funding by local authorities and particularly the Health Service needs to be addressed;
- there is a particular need to address the above when enterprises are in transition from grant assistance to self sustaining (halfway house);
- it was agreed that there needs to be better research and more dissemination to create a better understanding of what constitutes 'a critical mass';
- there is a need to explore means of improving or at least easing procurement, possibly through larger scale feasibility studies or even pilots.

Launch of 'Minding their own business'

Lizanne Conway, Communities Programmes Manager, NHS Health Scotland and contributor to the guide.

"I am delighted to share with you all in the launch of 'Minding Their Own Business' - a much awaited, much needed and highly practical resource for all those involved in community food activity across Scotland.

Despite our newspaper headlines continually telling us about the proliferation and domination of supermarkets and the burgeoning food retail giants, for some of the most vulnerable groups across Scotland, access to a sustainable source of affordable, high quality and healthy food still remains highly problematic. Community food activity in all its guises, from community allotments to catering and retail outlets such as those we have just had a flavour of from the case study presentations, go a long way to address Scotland's food access barriers. This resource will help them go even further by presenting options and ideas to help all involved become more business-like, but in ways that can only enhance the ethos and value of community food activity.

In short, I commend to you 'Minding Their Own Business', which I am quite sure will keep its promise to help us all think, learn and act more effectively together. However, as a final thought, maybe we should think of this resource as not just 'their business, but as 'our business'. Indeed, finding sustainable solutions to addressing poor food access in Scotland through social enterprise and social business approaches is not just the responsibility of paid and unpaid workers within community food initiatives. It is all of our business and all of our responsibility to think, learn and act together to find sustainable solutions whether we work within national organisations like NHS Health Scotland, statutory bodies like a local authorities, the wider voluntary and community sector, and importantly also the business and financial communities including banks and funding bodies. Only when we are all really getting down to business together will community food initiatives be able to fully realise their aspirations, however they want to define them, and ultimately flourish!"

Next steps

The guide is seen by SCDP as a resource to be developed to support CFIs that are becoming more enterprising. The seminar was organised to help SCDP find out what support is needed and what other organisations are already doing.

As a result of the seminar and other conversations SCDP has had the following work will be undertaken or is currently being explored

- workshops around MTOB and social enterprise in the community food sector at conferences – Federation of City Farms and Community Gardens and the SCDP Bridges conference already planned;
- feasibility study into providing infrastructure for community food initiatives
- pilot work with community cafes with a view to develop training for these and other groups (e.g. community co-ops).
- discussions between SCDP and social enterprise organisations to
 - establish what can be done to enable useful networking between CFIs using an enterprising approach and the wider social enterprise network.
 - raise the profile of community food initiatives using an enterprising approach with local authorities, banks and other organisations that provide funding and the health service.
- support to informal networks for community food initiatives using an enterprising approach through the discussion forum on the soon to be launched new SCDP website and encouraging sharing of experience and knowledge.
- Ensuring that Source 07 (SCDP's guide to funding for community food projects) contains up to date information on sources of advice and funding for social enterprises. In addition, providing good links to social enterprise organisations and funding sources on SCDP's new website.

Supporting CFIs to become more enterprising is ongoing work for the project, so do let us know if there is other work we should be doing, remembering that the above may lead into other work.

Thanks to participants

SCDP would like to thank everyone for taking part in the discussions. We would particularly like to thank the projects that presented case studies and Flourish House for hosting the launch.

Participant list

Name	Organisation
Maria Allsop	Food Standards Agency Scotland
Andrew Broadfoot	Gorebridge Health and Regeneration Project
Tina Burgess	NHS Western Isles
Eleanor Clark	Communities Scotland
Lizanne Conway	NHS Health Scotland
Avril Crossley	Green Door Catering Company
Samuel Cumpsty	Edinburgh Cyrenians
Ian Goodbrand	Edinburgh Community Food Initiative
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Jackie Johnston	Green Door Catering Company
Stefan Kracjik	Flourish House
Paul Lawton	Eday Community Enterprises
Jackie Lawton	Eday Community Enterprises
Tracy McGillivray	South Edinburgh Healthy Living Initiative
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