popse!

a pop-up social enterprise think tank

bursting policy bubbles

September 2011

POPse! is:

Dan Gregory, Sarah McGeehan, Nick Temple,
Esther Foreman, Andrew Laird, David Boyle,
Mark Walton, Henry Hemming, Dave Dawes,
Kirsten van den Hout, Heloise Wood.

Contents

Foreword

"Cheeky sods."
- Jonathan Jenkins, UnLtd.

Introduction

100 Social enterprise truths

1. Measuring social impact is about improving what you do, not just proving how well it works

2. Choose legal structure after getting clarity on mission, activities, financing, governance

POPse! was the world's first pop-up* social enterprise** think-tank***. POPse! was launched on Monday 9 May and disbanded on Friday 13 May 2011. It provided a burst of critical energy and robust analysis of social enterprise policy and practice through the publication of think pieces, pamphlets and other web-based material.

POPse! drew together some of the UK's leading social enterprise thinkers and practitioners to spend a week together to share and develop ideas and thinking. POPse! did not provide all the answers but had at its core a belief that the time was ripe for challenge, scrutiny and analysis of social enterprise policy and practice.

POPse! aimed to explode some of the treasured myths and policy bubbles in social enterprise thinking. It offered constructive critique and opportunities to collaborate on new solutions.

*'Pop-ups' make temporary use of vacant or idle assets until they can be brought back into economic use. These redundant resources can be exploited through interim creative and enterprising activity to deliver positive economic and social benefits. They can also bring life back to the surrounding community.

**'Social enterprises' are businesses driven primarily by a social or environmental purpose, whose profits are principally reinvested back into services or the community.

***'Think-tanks' are organisations, often not-for-profit, that undertake research and analysis to incubate, test and propose new ideas which provoke debate and influence public policy.

3. It's not the size of the profit, it's what you do with it that counts

So, as quickly as it arrived POPse! went away or, perhaps more excitingly, has "gone dark". During the week, hundreds of people came to events and roundtable discussions, contributed time and thinking, and engaged with the debates. Supportive organisations provided chairs, tables, stationery, refreshments and more. Posts were read, commented on and tweeted around.

The outward-facing aspect of our temporary offices, hosted by Meanwhile Space CIC, worked well, if unpredictably. Whether it was chatting to the pharmacist next door about

4. More-than-profit is better than not-for-profit (profit"s not a dirty word)

microfinance, giving impromptu start-up advice to a local social entrepreneur, or just letting those in the area know what we were up to (and what social enterprise was), it changed the dynamics of the work and made it fresh

The social enterprise world also seemed to relish the chance to discuss something in a different environment with a different feel; organisations through the doors during the week included National Trust, Deutsche Bank, Big Lottery Fund, UnLtd, Social Enterprise Coalition, On Purpose, Society Media, Clore Leadership Programme, Learning Disability Coalition, Big Society Network, Charity Bank, Middlesex Uni, London Youth,

Young Foundation, Fair Finance, OPM, NESTA, NCVO, CDF, DCLG, DoH and many more (acronyms). While there are many of the "usual suspects" among those names, the tone and vigour of the debate, and the mix of participants, certainly felt different to the norm

5. Successful social entrepreneurs build trusted, authentic relationships

That mix of participants is also key to something tangible from the week: new networks, connections and relationships being made. That was true both for those working as part of POPse! itself and also for those who contributed at events and online, and will, we hope, be one of the week's lasting outcomes. It showed that fresh debates and fresh thinking is possible on the stalest of debates if new mixes of people, organisations, expertise and experience are brought together.

6. Social entrepreneurs aren't individual heroes; they build teams, create networks, mobilise movements

What this publication brings together, is a sample of material produced throughout the week. It will be sent to policymakers, influencers, practitioners and contributors who can move those specific debates and areas of practice on. We think, and hope, that there is honesty, insight, and constructive new thinking in there.

What went less well? We could have pushed the diversity and mix of participants further, in retrospect, and gone beyond collective networks even more. We could have been more consistent in letting people know what we were working towards, and what the whole thing was for. In retrospect, we could probably have been more

provocative too; levels of provocation are a difficult thing to judge. One former think-tank employee suggested that we were only a real think-tank if we had "piles of failed funding bids" and "vicious internal politics". Happy to say, in that case, that we failed on those counts too.

7. Social entrepreneurs can work at community, local, national and international levels

Beyond the impact of the reports and papers over the next few months, one small sign of success was that people kept asking us "Where are you doing it next?" or "When's the next one?" To which our answer is, Batman-like (or King Arthur depending on your taste in cultural reference points) if the social enterprise sector needs us, POPse! will appear.

What we have learned is that the social enterprise world relishes a bit of humour (see the social enterprise playlist and 100 social enterprise truths), a chance to debate openly and honestly, and a free space to be creative in its thinking. Those in charge of events, conferences and organisational away-days should take note; if we're all heads-down in survival and delivery modes, the future will be something we experience, not shape.

8. If a pound was donated each time a social entrepreneur quoted Gandhi, no-one would need to fundraise

Top 10 POPse! Recommendations

1. The new Dept. of Health (DH) National Commissioning Board should work with the Association of Charitable Foundations and Business in the Community to create effective support (financial and practical) for new and innovative services and delivery paths.

2. The Waterways Project should work with DEFRA and environmental asset holders to create a coalition to promote access to underutilised environmental assets for social enterprise and community use. The Land Registry should provide open access to data on land ownership – providing transparency on who owns what.

3. The Department for Communities and Local Government and the Cabinet Office should deliver a robust Right to Challenge/Provide, which is as universal as possible across public services. If the market is to become truly self-sustaining it needs to be driven from the bottom-up with front line staff groups driving the process.

4. The Office for Civil Society should publish a realistic route map for the creation of the Big Society Bank which includes possibilities (such as consulting on the business plan or directions to the BLF) for social enterprises, intermediaries and citizens to co-design and co-deliver the BSB in line with the Big Society principles of transparency, localism, independence and putting power in people's hands.

5. Politicians and others communicating public policy should push for 'stronger communities' only if they recognise that a really strong community could be a place that empowers only the local busy-bodies or unelected 'community leaders' with a sense of justice that is unchecked.

6. The Cabinet Office should launch a grassroots efficiency and innovation campaign for frontline public service staff, along the lines of the National Performance Review in the USA.

7. Social enterprise trade associations, representative organisations and social impact measurement specialists should work together to create sub-sectoral impact measures and understanding of barriers to implementation.

8. One or more grant-making trusts or infrastructure bodies should start the UK equivalent of the Collaboration Prize (see www.collaborationprize.org) to provide an incentive and recognition for partnership working in the sector.

9. Social investors, the Association of Charitable Foundations and the Cabinet Office should ensure that the development of leadership skills is given greater consideration as part of investment decisions in order to deliver greater social change, impact and success.

10. Very deep, very powerful conversations are very rare. The Cabinet Office, Society Media, the Social Enterprise Coalition and the Third Sector Research Centre should collaborate to create ways to raise the level of critical analysis and debate around social enterprise policy and practice.

NHS Reform; good for us?

Talking 'bout a revolution?

The NHS reforms are ill conceived and ill thought out. Patients and NHS staff alike oppose Lansley's proposals. With the nurses' vote of no confidence, the health minister's own "pause" in the progress of the health and social care bill and the much maligned listening exercise of the summer of 2011, the voice of reason may yet prevail. We may still save one of our most treasured institutions and the lynchpin of the welfare state: our National Health Service.

Right?

Well, maybe. Or maybe not.

Despite the frenzy claiming the NHS reforms will kill patients, close hospitals and create a privatised healthcare market where once there was access for all, there is still one crucial and central truth that has been lost in the dogfight and politicking. We – the British people – can no longer afford our health system which is in any event, ill equipped to cope with our changing needs and the pressures to come.

We have one of the most highly trained and dedicated set of clinicians and carers in the world, but they are shackled to a system built for entry, solution, exit when what we face now are long term, complex and continuing needs many of which are triggered over a life time of behaviour.

9. **Teach too many men to fish and you screw up the entire marine ecosystem and deplete the fish stocks**

10. **Scale of impact is more important than scale of organisation (or scale of ego)**

11. A particular legal structure doesn't guarantee an organisation won't be rubbish (or that it will be brilliant)

12. You don't need an MBA to be a social entrepreneur; you need a JFDI

We DO need a revolution in the health system. Perhaps not conceived, designed and delivered in this way, but a revolution nonetheless.

Our health is set to undergo a slow but steady change over the next two decades. Life expectancy is rising about three months each year, with over half of people over 65 living with a long term condition. By 2035, 23% of the population will be over 65 compared to 15% in 1984. And we are spending more on healthcare than we ever have before. US estimates suggest it'll be a quarter of GDP by 2025, nearly a half by 2050. In the UK we need to shave £20bn off our £100bn health bill - now. The forecasts may be designed to shock but they contain an important grain of truth. Somehow, spending on health and wellness and jobs in health are bound to grow, but paying for it may not be met (entirely) by the public purse.

But it's not all about what we can afford. What we want and need, who we want to deliver it and how and where we want to give and receive not just sick care but help to make and keep us healthy are changing. Perhaps Lansley is the unlikely champion of changes that are certainly much needed and perhaps long overdue. Are there opportunities for us in thinking radically different about our national healthcare system and how we can get it and us ready for the future? Can social enterprises offer tangible added value and some of these new solutions? Is there potential for a new category

of social investment focused on the UK's new health care system with variable financial, social and health returns? Could this be one of the ways we can pay for the revolution?

The cart and the horse

13. Successful social enterprises have a 'network mindset' not an organisational one: focus on the mission

To understand how social investment can help, we first need to understand the opportunities. Investment (money, capital, cash flow) in and of itself is not transformative. People taking actions make change, not clever financial products. What people and activities form the horse to pull the investment cart?

It's easy to confirm in general terms that we want and need a shift from a sick care system towards services, access and support to make us and keep us healthy. But working out how to shift a service that was designed and developed in a different age for arguably a different set of problems is really tough. We are hampered by political cycles, vested interests, fragmented leadership and an overwhelming sense that why pay today to prevent something that is going to occur on some else's watch?

14. All money comes with strings attached; that's fine as long as you know what they are

Except it's going to occur to so many of us and ultimately we will all pay for it – personally and collectively.

Concerted and honest investment in long term solutions which understand how housing, employment and health are tied together are needed.

15. Social enterprise isn't a panacea; but it can provide a treatment for some social ills, and help prevent others

These kinds of solutions could include more comprehensive care, education and employment opportunities for people with learning difficulties, incentives for support for smoking cessation, weight loss and medicines management or much more effective and sustained set of services for mental health. What all these responses share is an effort to put the individual at the centre of the solution and avoid fragmented approaches that are both inefficient and ineffective.

So, it would seem that the "social enterprise" solution has specific characteristics and strengths to build these kinds of services and make them great and crucially, make them scalable.

16. Social entrepreneurs' work has a ripple effect: mobilising and inspiring others to get involved

It's not that social enterprises have a unique hold on user-centred services but they are well placed to develop new approaches and organise carers, patients and clinicians in new ways to deliver:

- more patient and carer participation in delivery of and control of services.
- More assurance that the health service is responsive to and aware of service users.
- A greater realism that what we want, what we need and what we can afford creates a tension between choices and delivery.
- That the health service should have rights and responsibilities to staff and patients built in.

- That public services mutuals and spin outs should be good for everyone and avoid a second class/ two tier service.

For want of a better description, we can call these total solution centred services.

17. There is nothing more tedious than a social enterprise definition debate (apart from two of them…)

Paying for total solution centred services

So, if there are opportunities can we explore how capital can be used to support new solutions? It seems that while there has been had some contact and some deals are emerging, the worlds of health care, prevention and social care and social investment have been all too distant at a time when there is undue pressure on budgets.

18. Not everyone is a changemaker (FAO Bill Drayton)

Can we do more to "translate" the language and interest of the worlds of social investment into something that can be practical, helpful and useful for health and social care thinkers and doers and vice versa?

This is not a wholesale call for social investment to form the backbone of all the changes needed. The core of payment for health service provision is likely to remain firmly in the public purse. Instead, it's a call for social investment to crowd in – not crowd out to find ways of meeting some of the development and certainly some of the growth costs of total solution centred services.

We are asking:

- What kind of services and approaches could create savings and produce investment returns?
- Are returns available from structuring new types of property (and other asset) deals?
- Could social investment support new services and new service providers?
- What are the most effective strategies for identifying and testing services and innovators?
- How could it grow to scale and create a viable portfolio for an investment approach?

There are different ways of realizing a return that may be of interest to social investors that fall into three different groups.

Invest to save

Investing to save focuses on providing investment – what we might call capital – into new types of service that at scale and maturity can provide savings later. There has been some coverage of Social Finance's Social Impact Bond for reducing reoffending www.socialfinance.org.uk/work/sibs which follows this model, but there are also applications in health and social care.

The Herts County Council and East of England ambulance service's Falls and Social Care partnership is one such example.

19. The thing that connects most organisations that have successfully scaled is length of time

20. Social enterprises overestimate what they can achieve in the short-term, and underestimate it in the long-term

Eighteen per cent of all emergency calls in Hertfordshire relate to some type of fall; usually from patients that are 65 plus, and the impetus for the project came from understanding that 21% of calls in the west of the region were falls call – 3% above the average.

21. Organisations are powered by people, and they should be trained, supported and invested in

The Falls and Social Care Partnership has developed a unique service within the service. The Falls Partnership vehicle joins together a specialist paramedic practitioner (with advanced skills in assessment and prescribing) and a social care practitioner (with direct commissioning rights) to assess and respond to the immediate medical and social care needs of patients at the same time.

22. Networking is important for social entrepreneurs: be generous and genuine, and it will be reciprocated

In many cases, services are directly commissioned such as meals on wheels, or respite care and instant support is directly provided with aids such as grab rails, carpet fixers and chair raisers, often the original reason for the fall and subsequent 999 call.

The project shows just what such creative partnerships can deliver for patients and staff. Early results are showing that the falls vehicle can not only reduce journeys and attendance at A&E but enable older people to stay safely at home. In the long term, the project hopes to show that these early, comprehensive interventions can prevent falls and help people stay active and independent for longer.

That's a real example, but others could be delivery of comprehensive, housing, health and nutrition advice to homeless men, specialist children's services liaison for hard to reach or troubled young people in foster or residential care, incentives schemes such as those delivered by Health Incentives in Birmingham (www.healthyincentives.org.uk) or employment support for people with learning disabilities (www.toucanemployment.co.uk).

23. Even if you call them a client, an end-user or beneficiary, the customer is still king

The 'return' from these types of investment comes in reducing the overall cost of delivery of care and reducing exacerbation/higher cost of services at a later date.

Clever asset development

24. Social enterprise leaders need to look after themselves; if they burn out, often so does the organisation

Financial products – like mortgages and working capital loans – have long been used to help health and social care providers develop buildings for residential and educational uses – specialist schools and residential homes being primary examples. But the commercial business model for residential social care of all types looks increasingly unappealing and individual private providers face ever larger challenges in continuing to make these services pay.

So, new models are developing where providers are locking together service development with asset development (and sometimes cross subsidizing with purely commercial development).

One of the ways Resonance (www.resonance.ltd.uk/index.php/funds/sepi) is advocating for new solutions to property development is through their Social Enterprise Property Investment Fund.

25. Populate the organisation with radiators not drains

This is quite simply because everybody acknowledges the unavoidable cost of bricks and mortar and the long established industry of rent and mortgage.

Their property fund builds/buys the facilities for social enterprises who sell units/places to commissioners. The aim is to build/renovate quickly (more units, more quickly), reduce overall costs, move away from reliance on slow building fundraising schemes and draw together one or several like minded deliverers in the same physical location.

26. Before you get the right people in the right seats, be sure you're driving the right bus

Another example of this type of development is Mustard Seed Property, a community benefit society in Cornwall. It is seeking to attract people to support its community share issue enabling it to invest in person-centred, supported accommodation for adults with learning disabilities in Cornwall. Mustard Seed aims to improve its current property for the benefit of the residents.

This would include offering more choice by restructuring one part to provide a fully self-contained unit, to cater for individuals moving towards more fully independent living, and installing

additional insulation and solar panels to reduce the currently high costs of heating and power and improve general comfort in the house.

If their community share issue raises further capital, Mustard Seed intend to purchase up to two additional properties to respond to needs for similar provision in other Cornish towns.

Backing new solutions

27. Enjoy it: it's not called "earnest-and-worthy-and-dull" enterprise; humour is allowed (& often necessary)

Another – more risk based approach – is to use investment to back a variety of new service providers or new interventions that may have radically different ways of working or offer new pathways or therapeutic processes. Actively identifying a priority and backing a range of potential solutions in this portfolio approach is most akin to venture investment.

28. All organisations live or die by the quality of what they deliver (at the price they do it)

Investors do not expect equal and unparalleled success and scale across the portfolio – but spread the risk and accelerate learning by backing multiple options.

For instance, NAAPS (www.naaps.org.uk) is the UK network for family-based and small-scale ways of supporting adults. Its members are Shared Lives carers and its schemes - Homeshare and micro-enterprise support – focus on helping the very smallest organisations (often individuals) that are providing care for disabled adults, older people with dementia, people with mental

health problems, disabled children in transition to adulthood and parents who have learning disabilities. NAAPS has recognized that effective, in time support for the army of UK carers is a crucial (and cost effective) way of enabling people to stay happy and healthy in their own homes.

25. Populate the organisation with radiators not drains

There are numerous similar strategies that are interesting, but yet to reach scale and critical mass that could be a focus for investment: Slivers of Time (www.slivers.com), Neighbourhood health watch (a neighbourhood companionship and prevention scheme based on the nationally successful national crime scheme), Good Gym (www.thegoodgym.org) are just three examples of small, pilot schemes that with the right support could grow to deliver radically different solutions.

26. Before you get the right people in the right seats, be sure you're driving the right bus

Let's get real

So, there is clear need, there are certainly emerging opportunities and perhaps now is exactly the right time to focus more clearly on designing, raising and delivering capital to support health and social care social enterprises.

The way to convert that opportunity into reality is less clear. There is not yet a ready, unconstrained market of social enterprises from inside and outside existing public services with fully developed business models. If there were, a range of specialist social investment products would in

all likelihood already be here to greet them. There are commendable early experiments but to date probably not enough capital, with a cross section of appetite for risk, return and impacts dedicated to this specialist area unfettered by political cycles and pressures.

27. Enjoy it: it's not called "earnest-and-worthy-and-dull" enterprise; humour is allowed (& often necessary)

Instead, both the demand for investment and supply of capital with an appetite to invest long term in the field remains opaque. It's opaque because it is underdeveloped. All the lessons we can learn from the social investment experiments of the last 20 years suggest that unless we make concerted and multiple efforts to address development needs and match capital to stage and potential return they will remain opaque.

28. All organisations live or die by the quality of what they deliver (at the price they do it)

Perhaps supply does create its own demand – but if it does, it's supply that needs to be appropriately and cleverly designed.

Public Service Mutuals

Heaven or Hell?

There has been plenty of attention given to how we can encourage and support the emergence of public service mutuals - but as yet there hasn't been much thought given to what the mutuals market might look like in five years... will it be thriving and self-sustaining? Or will it have floundered with public services taken back in-house or contracted out to the private sector?

29. Buy from other social enterprises, and get them in your supply chain: but only if they deliver

To plug this hole we decided to spend some time with a group of social enterprise experts thinking about what the optimistic scenario (Heaven) and pessimistic scenario (Hell) for the public service mutuals market would be as well as an honest critique of both.

30. Underpromise and overdeliver: all too rare in social enterprise

We've used a pretty broad interpretation of public service mutuals for our discussions: organisations journeying out of the public sector to independence delivering a variety of services.

The following is what we came up with. Imagine you are looking back from May 2016…

Heaven

It's five years since the publication of the Cabinet Office's ambitious Open Public Services White Paper and - following the rapid passage of legislation to give frontline staff and communities the Right to Challenge

31. A crisis might be a terrible thing to waste; it's also a terrible thing to cause (#bigsociety)

to run services - things are looking very positive! We can genuinely say that a sustainable public service mutuals market is emerging and there is a positive buzz around the mutuals sector in terms of customer and staff satisfaction (and oh yes - value for money too!). After a short period of top down encouragement the norm is now very much for staff groups to drive the process from the bottom up with public authorities playing a reduced but important role as enabler. Other aspects of legislation have been tidied up so that the legal reality now reflects the policy – barriers have been removed and procurement rules have been clarified and simplified – the Social Value Bill was passed five years ago (undiluted) and social value is now an established, well understood and accepted aspect of all public procurement. This has done a lot to level the playing field for small social enterprises. To support this, there is now a standardised and robust method of measuring social value which everyone is pretty happy with.

The benefits of the successful mutualisation agenda have spread to other areas of public sector delivery through the natural inclination of the mutuals to share best practice with fellow public service professionals (wherever they sit). The Chief Executives of some of the UK's best known private companies have even been spotted making secret pilgrimages to visit mutuals to see if they can capture some of the magic!

32. There are more holy grails in social enterprise than in Indiana Jones and the Last Crusade

Access to funding, which was for so long a genuine block to growth and development, has been resolved through the emergence of new and innovative financial vehicles for start up and expanding social enterprises. The Cabinet Office's pot of cleverly structured funding along with the Social Enterprise Investment Fund played incredibly important roles in pump priming the mutuals market to create the space for these new financial vehicles to emerge.

The issues around pensions, contracting and employment conditions have all but disappeared as the (Hutton report inspired) public sector pension reform has now kicked in and the pension provision gap has reduced notably.

33. When talking about asset transfer and finite resources, don't forget the most important assets + resources are human

The emergence of public sector mutuals who "own" entire service cycles has generated a much greater focus on early intervention. Investment in early intervention and prevention in order to reduce the demand on services are now a standard aspect of any mutual business plan and as a result they are improving outcomes for service users (and well as reducing overall costs).

As a final point - those staff groups who decided not to take the opportunity to "spin out" and the Local Authorities and commissioning bodies who discouraged their staff are sorely regretting it!

All in all a cracking five years!

Hell

What a mess. For a few years, no-one came forward. Public services were cut, put out to tender and scooped up by the private sector while teams of staff interested in mutual and social enterprise spin-outs waited for central government to deliver for them.

34. For 'niche in the market', read 'need in the community' (and vice versa)

Then, as it became clear that Cabinet Office, the Department for Communities and Local Government and others were wasting everyone's time, public servants realised they just had to give it a go themselves and tried to exercise their incredibly flimsy and watered down "Right to Challenge".

Most never even made it. They were told to get back to the day job or the redundancy notice was in the post. Others wasted millions of pounds of taxpayers' money on options appraisals, business plans and transition plans, which never saw the light of day (although the consultants and lawyers were happy).

Some made it through. Then fell over. Immediately, it became clear that the extra VAT costs were unmanageable, cash flows were too uncertain, or contracts were badly negotiated and undeliverable. All this arrived as budgets were being squeezed – so these new mutuals found themselves pushing a bigger rock up a steeper hill with a smaller team. A few made it so far and then the legal battles began. Uncontested contracts granted

to spin-outs were contested in court and rescinded. Assets which had been transferred had to be returned to the public sector, bankrupting the spin-out.

A dozen or so lasted a year or two. But then staff started to rebel against their management and brought business to a halt. Others were demutualised and the assets were drained away by investors. The Trojan Horse opened up.

35. Addressing market failure probably won't have a commercial rate of return

A brave handful lasted the term of their initial single contract and then collapsed as new contracts failed to emerge, they couldn't attract the risk capital they needed to develop, the private sector entered the market and undercut on price and quality. Pensions and other liabilities started to materialise. Mistakes made by the early adopters proved costly. Some services were mismanaged and brought back in house. The high profile of these failed pioneers caused irreparable brand damage to social enterprise ("that thing what government did which went wrong").

36. Learn by doing, learn from others, learn from failures, keep learning

Who was left? Those who let their social mission slide, who treated their staff like dirt, who piled public services cheap and high. A few dominant monoliths.

Of course, one or two made it and delivered well. But no-one got to hear about them. Meanwhile, Co-ops UK and SEC haven't spoken to each other for years now and the Voice 2017 conference

has been extended over 12 days to provide enough time to deal with the definitional debate.

So here we are, left with our failed public sector models and private profiteers. But let's be positive! The Transition Institute has a new logo, the Cabinet Office taskforce is about to report and the Public Services White Paper is due any day now…

Synthesis

So meanwhile back in 2011, what can we learn and how do we plan from these very different five year out scenarios?

We have heard again and again that the journey from being a public sector manager to social entrepreneur can be long and lonely. There is no faulting the drive and commitment of the managers and teams that seek to spin out – but they do not emerge as fully formed independent businesses. They need help support and more that a dash of practical advice and infrastructure services.

Risks and how to mitigate them (and attract money that understands risks) are different as independent entities. If spinning out is scary – facing open competition for services you did months or even weeks before can be harrowing. Reading (and translating) the world of balance sheets, cash flow (and for those developing buildings or seeking fast growth) pitching to an investor are all daunting.

37. A 3-year government contract is no more sustainable than a 3-year grant

38. Sustainable financing comes through not being over-reliant on any one source of money

The financial management of the business and how it is funded can be bewildering, but it is possible to intermediate. No advocacy for protectionism or monopoly here – but some recognition of the intermediate stages of growth in strength and independence would help more spin outs to get and stay on their feet.

The challenge of navigating the new world of contractual rights and responsibilities is another huge area for professional advice and peer support. Even once spin-outs navigate emergence, transfer of employment contracts and secure initial contracts, there is still the need to continue to maintain standards, protect assets and guard against hostile private merger or acquisition.

39. Optimistic pragmatists and realistic opportunists flourish

Finally, one of the reason new mutuals are championed is because of their hoped for ability to engage staff, users, patients and customers in new ways. Not off-set the cost of increasingly unaffordable services – but engage in a considered and productive dialogue about service design delivery and participation. That takes new ways of working and a new wave of responsibility.

A 21st Century Commons?

A long time ago, in a land not so very far away, local people were able to use open or common land (including that which was privately owned) to help them meet their basic needs. This included activities such as cultivation, grazing of livestock, fishing and the collection of timber and turf.

40. There a lot of good social enterprise business plans, not many good businesses

From the 12th century onwards a series of Inclosure Acts resulted in the enclosure of land, removing it from public access and common use. Despite the protests of movements such as the Diggers in the 17th century this process gathered pace in the 18th and 19th centuries with a series of Acts resulting in the enclosure of over 20% of common land.

Even against the backdrop of such a wholesale land grab the ancient rights of 'commoners' to graze livestock and undertake traditional activities on unenclosed common land, including that in private ownership, remain in place.

20Th century trends in land ownership

Through the 19th and into the 20th century the 'land question' (basically feudal tenure, the ownership of Crown estates and the concentration of landed wealth) was a major political issue. After the First World War however a rise in home ownership, the break up of many large estates and land reform laws took the heat out of land ownership issues.

Trends in State Ownership

41. If the motivation isn't really there at the start, it certainly won't be when times get hard

During the 20th century, in particular in the period following WW2, many countries saw an increase in state land ownership (up to a sixth of the UK land area at its mid-century peak). Since the 1980s neoliberal ideology has promoted the transfer of much state land into private hands and significant land holdings were transferred to the private sector during the 1980's. Currently the largest government owners are the Defence Estate and the Forestry Commission.

Trends in Community Ownership

Community ownership or access to land has risen from being a marginal debate to an increasingly significant area of new policy and practice in recent years. The Countryside and Rights of Way Act 2000 brought in the 'right to roam', enabling greater public access to private land and in Scotland the Land Reform Act of 2003

42. Charm and 'being nice to people' are enormously underrated

Recent years have seen community organisations, led by the development trust movement, engaging in significant asset based community development, and promoting and developing the practice of 'asset transfer' of public property (usually local authority assets) to local community organisations.

A new politics of land ownership?

Asset transfer and asset based development has stimulated a new era of debate and discussion about the empowering effects of ownership including the potential it has to support economic and social development and turn failing assets into successful ventures.

43. Edison was right (1% inspiration, 99% perspiration)

The current Government sees community ownership of land an assets as a key part of its 'localism' and 'big society' agendas with new rights being brought forward to enable the building of homes by community land trusts and the purchase of land and buildings for community use.

Concurrently however, another strand of the Coalition's agenda has been less welcomed by communities. Defra provoked a furious public reaction with its plans to 'sell off' significant parts of the publicly owned forestry estate. The department was forced into a humiliating climb-down despite assurances that the management or ownership of much-loved community woodlands would be undertaken by charities and community organisations rather than private sector commercial operators.

The fallout from the forestry debacle reportedly put paid to plans for externalising the ownership of state owned nature reserves and other environmental assets.

44. The "Facebook for social entrepreneurs" is Facebook

Proposals to transfer 2,200 of inland waterways from the management of British Waterways (a public body) to a new charitable structure have survived and are currently out for consultation. However whilst meeting one Government agenda (shrinking the role of the state) the proposals as they currently stand fail to address another agenda (localism) by creating a new 'big beast' in the charity sector with a limited role for local communities.

Are environmental assets a special case?

There seem to be a number of issues which arise in relation to environmental assets. These are both practical and emotional.

45. Newsflash: your social network for a niche community won't fund itself by advertising

Habitats and waterways networks are often large with strong arguments in favour of managing the assets and policies consistently over wide areas. The waterways network for example often requires the diversion of resources to address issues like breaches, tunnel collapses or other engineering works. It may be that fragmentation of ownership to a community scale would raise practical issues.

The forestry sell off, and to a lesser extent the externalisation of the waterways, have tapped a deep public emotional response which seems to feel that these are 'public' assets for which government's should be held accountable and even charitable ownership is seen as a form of

'privatisation'. In reality however some of our best loved and best supported charitable organisations, the National Trust, Wildlife Trusts and Woodland Trust own hundreds of thousands of hectares of land in the UK.

46. Honesty builds trust builds credibility builds support: 'calculated candour' is the way forward

In practice however management of environmental assets focuses on conservation, heritage and access, preserving them in aspic rather than managing them to maximise public benefit.

The current embrace of localism principles recognises that the initiative, imagination, knowledge and capability of communities can often deliver better services, more viable businesses and better-managed assets. The incentive for such community led activity is the ability to utilise the asset to deliver a range of local benefits – social, economic and environmental. However, whilst environmental assets remain dominated by an expert led approach to conservation and the preservation of heritage they are often inaccessible those who live alongside them.

A 21st century commons?

If we are not prepared to accept a patchwork of local ownership of our environmental assets, whether for practical or emotional reasons, perhaps we can enable access in other ways. A 'right to manage' or 'presumption in favour of community use' could create a straightforward mechanism for communities to negotiate with the owner of the local wood or waterway and agree a lease or management agreement that would deliver cost savings to the owner, and create jobs, training, and social value for the community.

In addition to creating mutual benefit, such a right would lower the high bar of ownership, enabling time and financial resources to be committed to generating a viable social business.

It seems unlikely that communities in 2011 are champing at the bit to exercise rights to graze livestock or cut turf for fuel. There is however an appetite for low impact housing on waterways, woodland enterprise and food growing and a range of other activities that could reconnect people in a meaningful way with their environment and form the basis of sustainable social enterprise.

Perhaps what we need to reinvent a vision of the commons that is fit for the 21st century.

47. Diversifying too early usually means doing lots of things averagely rather than one thing well

48. Don't scale up before the model's proven, however much noise & encouragement there is

The New Efficiency

The systems thinker John Seddon set out a series of revelations about the real efficiency of UK public service systems at the end of the first decade of the 21st century. It was a system that was clearly striving for efficiency, but which was manifestly failing to achieve it, and nowhere more than in housing benefits administration.

49. There's more truth spoken over drinks and meals at a conference than on the stage

People would apply by phoning the call centre. The call centre staff would send the applications for processing to the experts in the back office, and their every move would then be measured – how quickly the phones were answered, how quickly letters were answered, how long the claim took to calculate, and so on.

In one council, Seddon found it took an average of 52 days for people claiming housing benefits to get the money, but sometimes as much as 152 days. He says that managers often seemed shocked when they saw the figures, which usually showed something very different to their official targets.

In practice, some councils which got four stars for excellence were actually no better than those which were doing badly. The target measured the time between the claim for benefit arriving at the front office and when a decision was made. This was one of the government's "best value performance indicators", but in practice it did not measure the time it actually took for the average person claiming.

As Goodhart's Law implies, any target used to control people will always be inaccurate. That is because staff subjected to targets will always find ways to make the figures look better. So, in the case of housing benefits, staff kept the forms out of the statistics until they had been nearly finished. Then the inspectors would find out – about this and other ruses – add in more rules, and they would use their ingenuity to massage the figures some other way.

50. BigSociety, Social Enterprise, Civil Society, Third Sector: it's more important what we do than what we call it

The system was being used to protect frontline staff from the inspectors and to make their managers look effective, rather than what it was supposed to be for. It fed the delusions of those higher up the hierarchy that things were working when they weren't. In one council, only three per cent of claimants were getting their claim settled in one call or one visit.

51. Believing your own hype is the start of the downward spiral

The new coalition which took office in 2011 was quick to declare that the targets regime was over. They abolished the Audit Commission which used to oversee it. But the job was only half done. The targets had disappeared, but local authorities and other public bodies are being advised by inspectors to stick to them. The split between front office and back office also remains, and so do the inflexible IT systems pedalled to the last government by so many management and IT consultancies. The inefficiencies therefore remain.

This can be summed as one fundamental mistake. Whitehall became committed to the industrial model of public services, as if services were like assembly lines and could be made more effective by reducing the human element, and by controlling the staff ever more closely.

52. The biggest challenge for spin-outs is not technical but cultural

They still are, which is why they seem unlikely yet to tackle the problem of rising costs and declining effectiveness.

The key problems are:

1. The audit regime based on specified outputs and 'best practice'.
2. The fantasy of central control.
3. The division of jobs into multiple tasks held together by expensive new IT systems.
4. The failure to distinguish between useful work and pointless work caused by failures elsewhere.
5. The increasingly centralised and bureaucratic procurement system.

First task: make services more flexible

Public housing repairs in the UK are one of those areas of practice which combines central control, with bureaucratic systems dividing front and back offices – the least effective aspects of UK services. Most repair systems assign a job number to callers, but don't allow them to make any kind of contact with the technicians. Seddon has inspired one of the solutions to this problem, which has

been pioneered by Owen Buckwell, the head of housing for Portsmouth City Council, who has to deal with the upkeep for 50,000 people living in council homes in the city.

By 2007, they had designed a process, which reversed the approved system, and reflected actual work flows, rather than fitting work into rigid centralised standards and protocols. Within a few months, Buckwell and his team had created a process where tenants could call up for service, get a real human being on the first ring, and schedule service at exactly when they wanted – not a half-day window, a two-hour window, or even a fifteen-minute window. The technician now shows up with all the correct parts and asks if there is anything else that needs fixing.

53. The UK is a pioneer in the field; but first mover advantage also means first mover mistakes

54. If the government created an investment fund for construction, it would be called BuilderBuilders

There is no paper print-out of jobs and technicians get one job at a time to avoid delays. Days tenants had to wait for a repair dropped from 60 to seven, while the proportion of problems fixed on the first visit rose to 99 per cent, from 45 per cent. At the same time, the cost per repair was cut by more than half.

The work culture changed from what Seddon described as "learned helplessness and cheating to meet targets" to one that encourages employees to use their initiative and imagination. John Seddon's system is designed to root out the costs of what he calls 'failure demand' – the work

55. Measuring social impact is where financial reporting was 200 years ago (so don't beat yourself up)

that is created by failures elsewhere in the system. That involves:

- Studying demand on systems to see where it is coming from and why, rather than assuming that all demand is bound to be the same.
- Making sure people have direct access to the experts who can deal with their problems there and then.
- Sticking jobs back together again so that staff can take responsibility for dealing with issues immediately themselves, and getting it right first time.

Second task: build services which reduce demand

The early years psychologist David Olds, now Professor of Paediatrics and Preventative Health at Colorado University, was increasingly frustrated by the damage he saw inflicted on children in their first years by parents who were too young, too poor or too badly-educated.

Often they were in intractable situations themselves, with few resources, either financial or psychological. Olds developed a system, which could provide them with support in those crucial early years, and – over a whole generation – he measured the results, which have been dramatic. His idea was that services which build on what people can do, rather than trying to fix what people can't do, makes for a subtle change in the way they see themselves and everyone else.

That was the original idea behind Family-Nurse Partnerships, which began in New York, Memphis and Denver in 1977, and which has developed into a programme now running in 20 states of the USA, and is now launching in the UK.

56. Too many people confuse innovation with novelty; an idea is easier than continuous improvement

The result is a battery of evidence that shows that the Nurse-Family interventions carry on having effects on children up to the age of 28, and that the cost savings to the public purse can he huge.

In the very early years, it prevents child abuse and neglect. It changes the way mothers behave – there is less smoking, better nutrition, fewer infections and better emotional and behavioural development for the children.

57. It is possible to go to a social enterprise conference or seminar every working day of the year

But it also seems to have an impact on the lives of the mothers – less welfare dependency, for example. Crucially, it also reduces children's involvement in crime and anti-social behaviour later in life. There were only two programmes identified in The Lancet as capable of reducing maltreatment and child abuse, and Family-Nurse Partnerships was one of them.

But it will not be enough for a few innovative programmes that can prevent, while other services remain the same. Prevention needs to go at the very heart of the commissioning process. Bids for contracts for all mainstream and acute services, including contracts

for back office or call centre services, should be required to show how they plan to:

- Reduce demand on their services over the period of the contract.
- Build social capital and create the local supportive networks of users in order to do that.
- Maximise the positive impact on the local economy.

The idea is to move away from the perverse incentives that operate now and which encourage demand, and reward rising throughput as evidence of success. Instead, anyone bidding for a public sector contract should have to demonstrate that they have plans in place to reduce this demand, and answer questions on them – to make sure that the preventive infrastructure is in place to help them achieve it.

Third task: co-produce services to reach out and rebuild community.

Imagine going along to your local doctor's surgery to learn IT skills or creative writing, or to find a friend. You might get support to give up smoking, but even so most of these are not usually on the list of services available on the NHS.

Nor are services like lifts to hospital appointments or collecting prescriptions for people who are too ill to go themselves, even though these are pretty important health objectives. Yet these are among the services available at the innovative Paxton

58. There is a difference between having great contacts and actually making use of them

Green Group Practice, on the borders of Southwark and Lambeth in south London. Paxton Green is one of the latest surgeries to use time banking and co-production, and it means that people who live in the same area, whether or not they are actually patients at the practice, can now get involved in a range of activities including befriending, visiting, lifts, art, creative writing, meditation, walking and much more besides. All these services are delivered by other members of the time bank.

This is public services imagined more broadly. What makes Paxton Green, and those like it, different to the mainstream is their attitude to their patients. They recognise that these are people who, whatever health problems they might have, also have huge experience, skills, often time – certainly the human ability to connect with other people.

What Paxton Green is doing now is building on pioneering work, which began in Brooklyn in New York City in 1987, run by one of those health insurance companies that seem so alien to the UK. This one was called Elderplan, and they originally launched their Member to Member scheme, their own version of the Paxton Green Time Bank as a way of getting their members to look after people who were slightly more infirm, so that they could stay in their own homes for longer.

59. Work is needed on better exit strategies for social entrepreneurs (no more 'life president' stuff)

60. More than 146,000 new species have been discovered since the first Social Investment Task Force began

61. UK social enterprise debate is too internally-focused: huge amount to learn from international models

They earned 'time dollars' for the effort they put in, which gave them the right to draw down time from somebody else in the system when they needed it. What was fascinating about the success of these medical time banks is that the members are doing very simple things, often no more than companionship or picking up the phone, but they make a huge difference to people.

The point is that patients in these surgeries represent a huge untapped resource, which could humanise the service, broaden the support available and – crucially – reduce demand.

This implies a new commissioning system that has three elements, rather than one inflexible one, which should make it more effective and cost-effective. The system would put the preventive infrastructure first. It has priority over other layers, which need to fill in the gaps to create support and services for people who genuinely need it. This proposal reverses the traditional order, whereby gaps are filled between acute services.

These shifts are also required to make co-production easier. 'Co-production' is a term coined by the Nobel prize-winner, Elinor Ostrom, originally to explain why crime went up in Chicago when the police started patrolling in cars – in describes the crucial role that service users play`, working alongside professionals. Co-production is the way that people help deliver

services, not just the users, but their families and friends – not necessarily the same services either, but crucial work that provides mutual support or prevention.

The evidence is that co-produced services can cut their cost and enormously increase their effectiveness.

62. Mission isn't about a nice statement: it's for decision-making, communication & planning

It means a huge increase in local volunteering, not through the voluntary sector but through the public sector. It also means:
• Rewarding reciprocity
• Expecting public services to find ways of involving users as equal partners in the delivery of services
• Reforming professional training
• Providing a 'Big Society Guarantee'.

63. Beware the 'self-styled' social entrepreneur; normally means it's more about 'self' and 'style' [see Melody on the Apprentice]

Fourth task: build human-scale public services.

It was Bob Stone, and the writer and consultant David Osborne, who met Vice President Al Gore in the winter of 1993 and came up with the idea of the National Performance Review, a grassroots movement to spread new ideas to make local services more effective.

Stone's experience at the Pentagon coincided with the revelations of the cost of simple items when it went through armed forces bureaucracy. The $7,622 coffee percolator bought by the air force was the most spectacular, but

the one that really caught the public imagination was the $436 hammer bought for the navy, or – as the Pentagon called it – a 'uni-directional impact generator'.

The Federal Reports Elimination and Sunset Act 1995 ended hundreds of reporting requirements, and ended the rest after five years unless they were specifically renewed. The 10,000 page Federal Personnel Manual was junked. And, most important of all, public organisations were allowed to recruit people however they wanted.

64. Empowerment means giving power to and equipping with skills, not 'asking a few questions'

But the most important element that Gore's Review understood is the importance of scale. Real revolutions in cost-effectiveness, or anything else, do not tend to be top down. They rely on local inspiration and individual imagination, applying ideas and seeking out solutions in a million different ways at local level.

This is the heart of the changes that must happen in public services. Big, industrial systems do not produce this kind of flexibility or inspiration.

Whitehall remains wedded to the idea of economies of scale, which clearly exist, but they are often blind to the costs of externalities which result from these huge silos with their concrete processes – how they alienate the public, become obsessed with their own processes at the expense of the real work, corrode local initiative and fail to build effective relationships

between professionals and the people they are trying to help.
There is considerable evidence that bigger institutions are less effective, and therefore more expensive, than smaller ones.

65. You can't really solve or change much from your desktop #slacktivism

66. Entrepreneurship is a mindset, an attitude, a set of behaviours (so is social entrepreneurship)

Conclusion

Is this going to happen? On the face of it there are some indications that elements in the coalition understand some of this new agenda. The emphasis on mutuals and social enterprises, the ending of the targets regime, the abolition of the Audit Commission, all suggest this. The problem is that there are so many indications the other way. Payment-by-results threatens to continue the targets regime under another name, but with even more danger of subverting services from within. The idea of shared back office services and shared administration, favoured by the same consultancies that pushed the last government down such a disastrous and expensive path, flies in the face of all the objectives set out here.

So while the rhetoric may be moving in the right directions, Whitehall is continuing with the old industrial scale, making services more inflexible.

As a minimum, we need to make sure the systems of commissioning used by government departments don't undermine their broader objectives. It means organisations bidding for contracts need to be able to show how they plan to build social cohesion, reduce

demand over time, build mutual support, encourage co-production and other areas which tend to get lost when outputs are too closely specified.

67. You can't teach entrepreneurship, but you can learn it; learn it by doing and from others

The key questions for system change are here. Does it make the service more flexible? Does it make it more human? Does it increase the ability of frontline staff to tackle problems once and for all, and get it right first time? Does it reduce demand in the future? Does it allow services to become catalysts of local renewal?

20 recommendations

1. The Office for Civil Society should publish a realistic route map for the creation of the Big Society Bank helping stakeholders to understand the timelines better and routes for engagement. Lack of clarity on 'if' and 'when' has undermined confidence and commitment.

68. Look back after you leap, and work out how you might leap differently next time

2. The development of the BSB should include possibilities for social enterprises, intermediaries and citizens to co-design and co-deliver the BSB in line with the Big Society principles of transparency, localism, independence and putting power in people's hands.

3. If the Government cannot negotiate terms of the Merlin Bank's investment in the BSB which uphold the principles and purpose of the Bank, then they should walk away.

69. There are many social impact measurement tools, with more in common than they care to admit

4. The Big Lottery Fund (BLF) should lead a fair and open process to select which organisation(s) to capitalise.

5. The Big Society Bank should not be called the Big Society Bank. It could be compromised in practice and over the longer term by association with a party political slogan. It should only be called a bank if it is a bank.

70. Social entrepreneurs are often 'biographical': powered by a personal injustice or experience

6. The mission of the BSB should be clarified as, for example, growth of the sector is no accurate reflection of impact. The objectives should also be clarified in order to, for example, establish how its mandate to improve opportunities for young people is prioritised against other objectives.

7. There has been little focus on environmental impact. The Government should clarify the relationship between the BSB and the Green Investment Bank. There is a risk that investment in community recycling, for example, could fall between the cracks. The BSB should have clear environmental impact policies and investment criteria.

8. An independent body, rather than government, should approve the BSB's investment guidelines. The mission and function of the bank should be subject to further independent oversight, beyond any FSA regulation.

9. The Bank should lead in terms of transparency for both financial and social sectors. For example, publishing terms and conditions of its investments, analysis of its portfolio, summary minutes of investment committee meetings, breakdown of investments, remuneration policy and social impact.

**71. The word
'synergy' should
be outlawed from
daily use**

**72. Risk literacy
and risk
awareness are
where we need to
get to (not just
risk vs risk
aversion)**

10. There should be a clearer understanding of what is meant by "social investment infrastructure", other than the Social Stock Exchange idea.

11. Greater consideration should be given to whether the BSB could be a leveraged institution, attracting further capital and opening up the possibility for pension funds, local authorities and citizens to invest for a primarily social purpose.

12. The BSB should probably not cover its operating costs from the return on its investments. Self-sufficiency should not be an operating principle of the BSB as this could compromise its social mission. This principle should be subject to review as the market develops.

13. Cabinet Office and other departments, NESTA, the BLF and the BSB should agree a memorandum of understanding to avoid using public or quasi-public funds in a way which undermines each other's work.

14. There should be further thought given to whether the BSB should be a bank for civil society or a bank for social impact. In other words, which organisations are eligible for investment, and which are not.

15. There should be a further exploration of where money should

be invested if sufficient demand is not forthcoming, including consideration of socially and environmentally responsible investments.

16. Social impact should not be forgotten. The BSB should seek to engrain social impact measurement into all financial flows and the BSB represents a significant opportunity to advance the discipline of social impact measurement.

73. The best CaféDirect coffee is the Machu Picchu: not too strong, but smooth + robust

17. A CIC limited by shares should be considered as the primary vehicle for the BSB. If this is not appropriate, we should know why not.

18. The opportunity presented by the BSB should be seized to demonstrate best practice in terms of employee ownership and engagement and responsibly aligning employee incentives over the long-term. The BSB should seek to harness voluntary, in kind and non-paid capacity where appropriate.

19. The BSB should include social and environmental factors when procuring partners to deliver all corporate services, such as IT, telephony, marketing, auditing and other services.

20. The BSB should be located in London's East End or a regional financial centre, such as Leeds.

Big Society/Small Communities

A narrative of decline…

Our traditional experience of community is in flux. Blame it on our dwindling interest in organized religion, the number of times we move house, our daily spatial mobility, population density, or the impact of television or cars. Either way we see less of our neighbours than our great-grandparents would have done. Local human contact appears to be diminished. Collectively we carry a 'core social wound'.

Our experience of community – similarities and differences

74. (Social) entrepreneurs are a little bit born and a lot made

75. A group of social entrepreneurs always ultimately revert to gossip

But this is not the same wherever you go. In some London neighbourhoods, community is a verb rather than a noun. By moving in you do not acquire an automatic sense of community: community is something you seek actively. In other parts of the country a sense of community may go hand-in-hand with moving into in a particular area. Yet what these different experiences of community share is a similar sense of decline. Wherever you go it seems that community is not what it once was.

Sounds familiar

Isn't this what we've always told ourselves? We are by no means the first generation of Britons to claim that our sense of community is in decline. During the late 19th century there were those like William Morris or John Ruskin who bemoaned the death of community. What makes the discussion

today distinct is the range of solutions on offer.

A local restoration

So how do we restore community? For many the starting point is a reflection on the past. Just as Ruskin and Morris pined after life in the pre-industrial English village, so Philip Blond and Lord Glasman – to take just two –lace their respective visions of community renewal with references to medieval England. Even if you don't buy into this neo-medieval perspective there's a good chance that you share their passion for a renewed sense of local community. If we develop a greater attachment to our neighbourhoods and the people who live there a stronger sense of community will ensue. But how do you go about it?

76. Bad partnerships mean muddied thinking, a multitude of meetings, & compromised delivery

Some solutions

Do nothing and hope for bad news

Negative as it may sound, nothing unites a community like a sense of shared adversity. It might be the threat of cuts or closures, it could be the announcement of plans to build an unwanted supermarket or wind farm in the area. As Elias Canetti once explained, a fire will unite the audience in a theatre more than a play ever can. Often you'll find successful local community groups that were formed originally in opposition to a shared local threat. It's important to recognize the extent to which an

77. There are a spectrum of replication options: it's not 'open source' vs 'command and control'

external threat can galvanize people in any given area and transform a latent community into a real community.

Do nothing and hope that the recession gets worse

78. Social enterprise blends outlooks and approaches; so a blended return makes sense

There are others who suggest that as times get harder we'll be forced to experience a greater sense of community. This is interesting, and certainly contains undertones of a millenarian sense that what society really needs is an epic disaster. Then, in our post-Armageddon daze, we'll get back to basics and experience a renewed sense of community.

Create Narratives

79. Understanding the problem is part of the solution (tackle the causes, not the symptoms)

But community does not have to be about straitened circumstances or resistance. There is always scope for a sense of community inspired by positive action. On the one hand this might involve a scheme or project attached to a narrative with genuine appeal. Just as communities form around a sense of resistance and solidarity they might be inspired by anything from guerrilla gardening to the introduction of a complementary currency.

Points and Prizes

Building on this, another strand within current thinking on community is the idea that community renewal can be achieved by offering incentives for good community behaviour. This might involve a points system whereby one

good turn earns you social credit that can be redeemed at a later date.

Appeal to our Desire for Knowledge, Mastery, Society and Fun

But the idea of a social credit system is reductive, to say the least. Perhaps a better way of framing this is to talk about desire. It's important to ask what people hope to get out of their involvement in a community initiative. It seems that many of us want more than the burr of altruistic virtue or points. Instead we seek knowledge, mastery, society or just fun. It's important not to see any incongruity between the active desire for any of these and community renewal.

Government Intervention: Tax externalities, consider social returns

Another element of the discussion surrounding community renewal is the idea of taxing externalities with revenue being fed back into the local area. It could also be possible to offer subsidies to organizations or individuals whose services provide a social return. In other words, as we get to know more about the mechanics of community spirit – exactly where this occurs and how, who is responsible and the positive effect it can have – we are better placed to nurture its constituent parts. These are just some of the ways that we may be able to renew community spirit.

80. **Imperfect action is almost always better than perfect inaction**

81. **BigSociety is a riddle, wrapped in a mystery, inside an enigma (apols to Churchill)**

An afterthought

Stronger Communities: How Strong is Too Strong?

Over the coming months and years we're going to hear a lot about 'stronger communities'. Try googling 'stronger communities group' and you'll see just how many committees and steering groups have already been set up along these lines. The notion of 'stronger communities' is at the heart of government rhetoric on localism and the Big Society. But has the idea of 'stronger communities' been thought through?

One of the most striking elements of our discussion was the divergence of views on the desirability of much stronger communities. Some villages, neighbourhoods or estates are already strong communities. Yet this does not stop them from being prison-like and hard to leave. In a strong community you may find that justice is communal and unchecked just as there are elements of social control that you would not associate with modern liberal values.

There is a danger with any government-led emphasis on 'stronger communities' that we end up empowering not just communities but the busy-bodies, curtain-twitchers and unelected 'community leaders' within. A stronger community is not always a better community.

82. **Financial management matters; you need to know your way round a P&L and cashflow**

83. **Investors and social entrepreneurs don't speak different languages, they speak different dialects**

We need to strike a balance between the need for greater community cohesion and the core ideals of modern liberalism in which it will always be possible to opt out of your local community just as you can choose to opt in.

84. There are as many social enterprise support agencies & networks as actual social enterprises

Social impact measurement. Words to send a chill down the spine of many, and a shiver of excitement down some (you know who you are). For some, an utter turn-off, for others a near-impossibility, and for even more something to ignore or fear.

85. "Build it + they will come" only works if you build it right (& listen to the people you're building it for)

And yet, absolutely crucial. Whether you look at business guru Michael Porter's recent writing on Shared Value, the growth of impact investing, the Social Value Bill, venture philanthropy, social impact bonds and more, the ability to measure social value and the impact of an organisation is absolutely central.

And, for the social entrepreneurs and social enterprises, not only crucial for communicating and proving their worth to those external agencies and investors, but also for improving their work, learning from their activity, motivating themselves and their team, and mobilising support.

86. Social enterprise isn't an easy option; starting a business never is

But (and there are quite a few buts…):

- There are more tools to choose from than in an over-excited DIY enthusiast's garage;
- There is as much agreement on approaches as on when the Big Society Bank might open;
- There are those who think attribution is vital, and those who think it just doesn't make sense;
- Simply not enough impact measurement is going on at a grassroots, practitioner level;

- Government says it's important but has often summarily ignored it when making decisions about which organisations it should back (or save).

87. Finding a good social enterprise web designer is like finding a needle in a haystack

The debates have become stuck as well: SROI is critiqued for its cost and its 'boiling down' to a ratio, but its broad principles and international partnerships overlooked; multiple agencies work with individuals (as they should) but all claim the outcomes; individual sectors can't agree standards or shared approaches; reporting and monitoring is mistaken for transparency and accountability; the different 'camps' have become entrenched; practitioners don't have the necessary resources. And so on…

88. 'Be the change you want to see in the world': with fewer 'deep' quotes and more doing

And the large grey, big-eared pachyderm in the lounge is the growing view that such impact and evaluation reports are just glorified marketing: solely aimed at an external audience and at arming the communications department with a handful of key statistics.

There are those who point to the fact that evaluation is located in the marketing department, not in research. This means that an increasing number consider them the social enterprise equivalent of Jennifer Aniston saying, "Here comes the science bit" on the L'Oréal adverts: figures that give a veneer of credibility to the marketing of a product.

89. If London-Edinburgh trainline was a social enterprise, it would stop outside Newcastle when it ran out of funding

It's time to shift the debate on, work out what's next, untrench the entrenched (or something like that), work together (cue shocked gasps), take this stuff seriously (and implement improvements internally), and, most importantly, avoid the superficial attractions of glossy hair and prove that we are really, genuinely worth it.

Should be fairly simple.

90. Most investors, funders, policymakers to do with this space are in London (it's not an anti-Northern conspiracy)

Ends and Means

The unintended consequences of lobbying

A key principle behind the New Labour 'project', with roots going back to Antony Crosland's seminal The Future of Socialism was that ends mattered, not means. It's about what works. The triumph of managerialism over ideology. Pragmatism over principle.

91. The dark Divine Chocolate is a bit full on: go for the (lovely) milk / mint / orange / hot chocolate

In this respect at least, the Coalition Government is following in New Labour's footsteps. Francis Maude, for example, has said he's pretty relaxed about the ownership models of organisations running our public services. Impact not form matters. Outcomes not structures.

But, and particularly in the long term, how can we be confident about the ends and the outcomes? When is the end?

92. Sectors are diverse + contain multitudes; don't talk about the public or private sectors (or social enterprise sector) as if they are uniform

Let's take a few examples of lobbying led by the social enterprise sector and try to look at the ends and the impact. Social enterprise and third sector advocates argued for a Right to Challenge for community groups to take over public services. Subsequently, a Right to Challenge is being enshrined in the Localism Bill going through Parliament. The end. Right?

Well, the latest noises emerging from the Cabinet Office are that plans to open up vast swathes of public services to contestability and market forces are being ripped up. The Government will not dare to go this far. Services can stay in-house. The truth is surely that these aren't ends at all?

93. Survival rate is meant to refer to the business, not the social entrepreneur

Perhaps the Right to Challenge could lead to a backlash against contestability in public services. Or it may lead to some fantastic outsourcing and public services that prove we didn't have so much to be scared about after all. And the Big Society Bank may operate commercially and, in doing so, prove that social enterprises can be viable investment propositions. Or the Bank may struggle to identify suitable investments and so prove after all, that the sector does need more support and encouragement, leading to a new wave of more appropriate investment. Who knows?

We don't know. That's the point. How can we be sure that ends trump means if the horizon from where we stand is really just a staging post on a longer, more evolutionary journey?

94. There is an over-supply of loan finance already, with not enough organisations fit, able or willing to take it

So what's the point here? That we need to be careful what we wish for. Very careful about what we ask for. That we should be humble about how much we know. And who knows, that maybe principles do matter after all.

Traditional Revolutionaries

Why POPse! Keeps up with the neighbours

For a week in May, POPse! resided in a defunct Subway outlet. POPse! may be the world's first pop up think-tank social enterprise, sparking fierce debate of ideas. But in doing so, it also kept up with the neighbours, for Clerkenwell has long been a hotbed of revolutionary activity.

Clerkenwell Green in particular has seen a number of protests and has been influential in international policy and politics. For example, Wat Tyler and the peasant revolt camped on Clerkenwell Green in 1381 before meeting Richard II. And it was later the site for an anti-corn laws meeting and for a protest against bloody oppression in Jamaica. There was also a lot of Irish protest there from the Fenians, including a highly violent attempt to free Irish prisoners from the local Clerkwenwell prison (a book published in 2002 claimed that the cover-up of British intelligence during the time made it extremely difficult to know what was really done by whom.) In 1890, the Green saw the staging of London's first full May Day; organised by the London Trades Council, 28 radical organisations and trade unions.

Karl Marx wrote his 'Das Kapital' when he was based in Clerkenwell Green (despite the name, the green hasn't actually had any grass on it for over three hundred years). The Green is now the site of the Marx museum. Lenin and Trotsky apparently first met at

95. **Social entrepreneurship isn't a career, it's a calling (do something before you take the label)**

96. **Secretly, most social enterprises are still pursuing the "hope for a sugar daddy or mommy" business model**

the Crown Tavern on the Green (in the amicable days, far before the former decided to have the latter killed with an ice-pick).

The surrounding area also witnessed a colourful history. Down the road from the Green, Saffron Hill was the place for general vagabonds in the Victorian period: thieves and prostitutes used to congregate there and escape down Fleet river (now Farringdon road) when the law came calling (Dickens also set the character of Fagin there). Nearby there is the vividly named 'Bleeding Heart yard' – so called because it was rumoured that the wealthy and beautiful débutante Lady Hatton was murdered by the devil himself posing as a Spanish ambassador during a society ball. Her dismembered body was supposedly found in the yard the next morning, with her heart still beating.

97. The first social entrepreneur was a Sumerian who started the first library / tax system in 1500 BC

98. Enterprise support agencies are often amongst the most un-enterprising organisations around

But let's move from the bleeding hearts and ice-picks to the slightly nicer left-wing happenings. The Guardian was based in Farringdon until a few years ago; the site is now the Free Word Centre, the international centre for literature, literary and freedom of expression with its own, (extremely reasonable) pop up café (teas are only a pound!).

Unsurprisingly, the area was still relatively cheap to rent in the 1980s-90's so it became a hub for a number of charities, including Revolving Doors Agency, Clinks, Drugscope, Action Aid and the Prison

Reform Trust. It retained an eclectic vibe with a mix of architects, media firms and increasingly gentrified cafes.

POPse!, with its' roots in an old sandwich shop, its' eclectic mix of policy vagabonds, 3rd Sector tarts, social enterprise mercenaries and reformed Marxists, as well as its' taste for something different, outside the existing system, can be seen not only as a continuation of the area but as a contributing force to the rich heritage of the local/global thinking community.

When I started one of my first jobs at a small criminal justice reform charity round the corner in 2006, my boss greeted with me with the words 'Did they have topless models in the lift again?' Our charity shared the building with a photographic agency that did shoots for Spearmint Rhino. If that isn't community - what is?

99. Despite the cynicism + in-fighting, there are great orgs, great people, real change happening

100. Don't believe anyone spouting supposed social enterprise truths at you; they clearly don't know what they're talking about ;0)

Top 10 POPse! Recommendations

1. The new Dept. of Health (DH) National Commissioning Board should work with the Association of Charitable Foundations and Business in the Community to create effective support (financial and practical) for new and innovative services and delivery paths.

2. The Waterways Project should work with DEFRA and environmental asset holders to create a coalition to promote access to underutilised environmental assets for social enterprise and community use. The Land Registry should provide open access to data on land ownership – providing transparency on who owns what.

3. The Department for Communities and Local Government and the Cabinet Office should deliver a robust Right to Challenge/Provide, which is as universal as possible across public services. If the market is to become truly self-sustaining it needs to be driven from the bottom-up with front line staff groups driving the process.

4. The Office for Civil Society should publish a realistic route map for the creation of the Big Society Bank which includes possibilities (such as consulting on the business plan or directions to the BLF) for social enterprises, intermediaries and citizens to co-design and co-deliver the BSB in line with the Big Society principles of transparency, localism, independence and putting power in people's hands.

5. Politicians and others communicating public policy should push for 'stronger communities' only if they recognise that a really strong community could be a place that empowers only the local busy-bodies or unelected 'community leaders' with a sense of justice that is unchecked.

6. The Cabinet Office should launch a grassroots efficiency and innovation campaign for frontline public service staff, along the lines of the National Performance Review in the USA.

7. Social enterprise trade associations, representative organisations and social impact measurement specialists should work together to create sub-sectoral impact measures and understanding of barriers to implementation.

8. One or more grant-making trusts or infrastructure bodies should start the UK equivalent of the Collaboration Prize (see www.collaborationprize.org) to provide an incentive and recognition for partnership working in the sector.

9. Social investors, the Association of Charitable Foundations and the Cabinet Office should ensure that the development of leadership skills is given greater consideration as part of investment decisions in order to deliver greater social change, impact and success.

10. Very deep, very powerful conversations are very rare. The Cabinet Office, Society Media, the Social Enterprise Coalition and the Third Sector Research Centre should collaborate to create ways to raise the level of critical analysis and debate around social enterprise policy and practice.

Now That's What I Call Social Enterprise

The POPse! soundtrack

Side A: – don't stop believin'

- Don't Stop Believin' – Glee Cast
- Keep the Faith – Michael Jackson
- Stand and Deliver – Adam and the Ants
- Talkin' About A Revolution – Tracy Chapman
- I'm Still Standing – Elton John
- Opportunities – Pet Shop Boys
- Dynamo of Volition – Jason Mraz
- A Rush and a Push and the Land is Ours – The Smiths
- Heroes – David Bowie
- Wanna Be Startin' Somethin' – Michael Jackson
- We're All In This Together – High School Musical feat. George Osborne
- The Times They Are A-Changin – Bob Dylan
- The Only Way Is Up – Yazz
- Mr Blue Sky – ELO
- By The Mark – Gillian Welch

Side B: – negative about social enterprise

- Another One Bites the Dust – Queen
- Hard to Explain – The Strokes
- Money For Nothing – Dire Straits
- Dead in the Water – David Gray
- What's Going On? – Marvin Gaye
- Elusive – Scott Matthews
- Under Pressure – Queen & David Bowie
- Mess – Ben Folds Five
- Fake Empire – The National
- Unemployed in Summertime – Emiliana Torrini
- Road to Nowhere – Talking Heads
- Time to Pretend – MGMT
- The Price You Pay – Bruce Springsteen
- Stuck In the Middle – Stealers Wheel
- Everybody Hurts – REM

Think Thanks

Think thanks

UnLtd, The Young Foundation, Social Enterprise Live, Imaginals, Pen and Gravy, Unpackaged, Transition Institute, Meanwhile Space.

Shout outs

Plus a big shout out to the Anthea Sully from The Learning Disability Coalition, Jonathan Jenkins, Tim West, David Mills, Matt Black, Ben Metz, Tim Pope, Dom Potter, Ceri Jones, the OCS team, Steve Moore, Martin Bright, Caroline Mason, Simon Tucker, Fergus Lyon, Jason Mollring, David Wilcox, the OnPurpose crew, Graham from Deutsche Bank, Martin from Social Finance, Mark Campanale, Mark from the Big Lottery Fund, Niamh from Small Change, Helen H, Fergus from the TSRC, Joe from NESTA, Matthew from LCRN, Faisel from Fair Finance, Clore Social Leadership Programme, Venturesome and many others.

Feedback quotes

"Well done for injecting some energy and new ideas in the debate"

"An innovative intervention in the social enterprise space"

"Excellent: good networking and inspiration"

"I've not had such good red wine from any other think tank"

"Out of the confines of conventional thinking and suitably unrestricted - great!"

"Great atmosphere, open place, lovely people and quality debate"

"(Even) more interaction and action to go with the thought would be good"

"Excellent event and excellent concept: keep me informed"

"Looks amazing and a great vibe"

"Great discussion + good to have in the community"

"Most exciting thing in social enterprise for a long time!"

Afterword

"What?! So you come up with ideas? For
no money? What's the point of that?!!"
– passing kid on BMX.

Should the social enterprise sector need us, POPse! will appear.