Report

ROCKET SCIENCE

Cabinet Office Office of the Third Sector

Review of Social Enterprise Networks

Rocket Science UK Ltd

Contents

Introduction

> *"Networks should not be encouraged for their own sake; they are a means to an end and not an end in themselves. Unless they fulfil some need they will not survive. It is 'networking with a purpose' that delivers the real benefits in terms of . . . success. This is true whether the networks have sought to deliver common skills or training needs, joint marketing or R&D."*[1]

The 2006 Social Enterprise Action Plan recognised the value of networks and set out a commitment to "address any gaps in provision".[2] Following this commitment Rocket Science was commissioned by the Office of the Third Sector (OTS) to review social enterprise networks operating across England and to identify gaps in provision.

Our research was based primarily on a desk-based review of current provision, supplemented by a limited number of fact-finding discussions with key individuals and organisations. Our review identified 79 different social enterprise networks operating across England (see Appendix 1). We recognise that the list is by no means exhaustive (and indeed it's not meant to be). In particular it has gaps at the local and informal levels. We know that networks exist at this level but many have no internet presence and/ or are not well-known.

The networks we identified come in all shapes and sizes. Some are set up and run *for* the sector, often funded by a third party, while others are set up and run *by* participants. Most are geographically-based, with members coming from the same region or locality, while others are sector-based, with members across England who are working in the same field, such as recycling. There are also a growing number of 'cluster' networks, which combine a geographical base with a particular sector, e.g. community arts enterprises in West Yorkshire.

This report contains:
- An overview of the national, regional, sub-regional, local and sectoral social enterprise support networks currently operating across England;
- An exploration of what constitutes a good network, including general characteristics, how to measure these characteristics, how these characteristics vary for different types of network, case studies, and evaluation methods.
- The identification of gaps in networks provision and suggestions on how these might be addressed.

---

1 Ecotec (2004) "A Practical Guide to Cluster Development", DTI

2 Social Enterprise Action Plan: Scaling New Heights OTS (2006), Cabinet Office

Understanding networks

In order to get a more nuanced understanding of how social enterprise networks operate in practice an initial exploration is needed of two variables that determine the nature of a network:

- Lifecycle stage;
- Purpose.

Lifecycle stage

A network needs to be reviewed in the context of its 'lifecycle stage'. Virtual Business Network (VBN) identifies four lifecycle stages for networks, set out in Figure 1. VBN's explanation provides useful insights into what we should expect a good network to be achieving at each stage of its lifecycle[3].

Figure 1: The lifecycle of a network
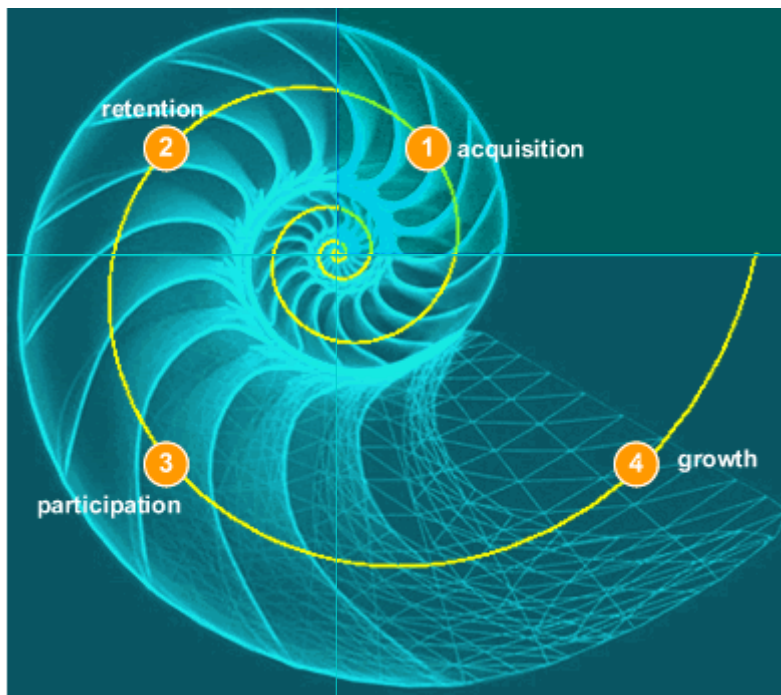
1. Acquisition (getting the users)

During its early stages, a network should concentrate on providing a service that its target audience needs and cannot get anywhere else. It should be dynamic but approachable, with any publicity or a website having a human face. The onus at this stage is on the network organiser to use every tool

---

3 The summary is adapted from information on VBN's website: www.vbnonline.com

and opportunity to reach out to the target audience and encourage them to come back. VBN's advice to new networks is:

> *"Concentrate on what you can provide for your audience, not on what they might provide for you. New visitors will expect to get something for nothing and are unlikely to register or login for a number of visits."*

2. Retention (keeping the users)

Stage 2 involves developing loyalty amongst network users, converting interested parties into active members. One way of getting people more actively involved is to allow members access to resources (e.g. via a website login) that non-members are not allowed to reach. For larger networks, membership services can be streamlined to best serve individuals, with targeted updates sent out to specific groups or personalised areas of the website for members to retrieve the content they are interested in.

3. Participation (involving the users)

An important indicator of a successful network is when it enables its members to communicate with each other, especially with others they have yet to meet, without using the network organiser as a conduit. This is one of the most valuable services a network can facilitate and should be the ultimate goal of all networks even if in practice it's a hard thing to achieve.

Signs that a network has achieved this include:
- marketing sections of the website for members (where they can post information such as news, jobs, events, products and services);
- sub-groups forming around special interests (with control of the sub-group delegated to selected administrators); and
- non-marketing based participation (discussion fora, help boards, etc).

Many networks also produce a directory of members where they can profile themselves, and their organisations, in a structured way.

4. Growth (adapting to the evolving needs of the users)

Networks that reach this stage should plan for sustainable growth in all areas and increase the level of resources used to manage the network. Networks need to be prepared for change and reconfiguration, to keep pace with the evolving needs of members and the changing environment in which the network operates. The network organiser should analyse what is working and what isn't, getting rid of unnecessary services and expanding on popular ones. Any network website should be redesigned regularly (VBN recommends every 12 to 18 months) to show that the network is active and that organiser is still investing in the site.

Stage 4 is perhaps the stage where most networks need external investment. Often in the form of working capital to cover the time-lag between costs associated with increasing the level and sophistication of paid-for services and the anticipated earned income that will result from these services through membership fees, sponsorship, selling services, etc.

Purpose

The second variable that networks should be reviewed against is their primary purpose. For example, the **Blue Book: A Network Co-ordinator's Guide**[4] recommends that a membership of up to 30 is optimal for a network which aims primarily to share ideas and experience and support each other. They suggest, however, that a membership of more than 50 is needed if providing opportunities to gain new business is the main purpose of the network.

The table outlines WBN's guidance on what purposes different sizes of networks can fulfil:

Size	Small network (0-15 members)	Medium network (15-50 members)	Large network (50-500 members)
Purpose	encouragement	inspiration	motivation
	problem solving	new contacts	new business
	shared learning	shared learning	shared learning

Both of these variables – lifecycle stage and purpose – should be remembered when considering the remaining sections of this report.

---

4 produced by the Women's Business Network (WBN)

Overview of social enterprise networks

By Geography

Social enterprise networks vary across the country and in particular from region to region. Despite the sometimes significant regional variations, there are some general points that hold true across the country:

- The **national** networks tend to operate at the strategic level rather than responding to the everyday needs of individual social enterprises (although many also have regional offices throughout England that do this). Their main function is national representation to external stakeholders, particularly government, of the social enterprise sector as a whole (e.g. the Social Enterprise Coalition) or of specific parts of the sector (e.g. the Sports and Recreation Trust Association for leisure trusts, and Social Firms UK for social firms). They also provide a national focal point and repository for social enterprise research and development, and information sharing.

- The **regional** networks perform some of the functions of strategic bodies and act as channels of communication between the national and local levels. They also act as the primary interface with various devolved government agencies, e.g. RDAs, Business Link and LSC. To varying degrees they all provide networking opportunities at a regional level and also deliver specific projects, e.g. for developing public sector procurement.

- **Sub-regional** and **local** networks fall broadly into two types. The first type of networks is top-down and act as "delivery organisations" or as "gateways" to other support organisations. They are third party funded and their coverage and quality across the country is variable often related to the nature of funding they've received.   The second type is those networks that have formed more organically and from a bottom-up perspective. These are often informal and ad-hoc, reliant upon a small number of committed individuals, have little or no external funding, and therefore and can be fragile.

General characteristics of these networks are set out in more detail below.

National (sectoral or generic) networks

COVERAGE.	UK wide. Many, for example, DTA, Co-operativesUK, and Social Firms UK also have regional networks throughout England, and in Scotland and Wales
MEMBERSHIP	For specific types of social enterprise (e.g. development trusts, co-operatives, social firms) or specific sectors (e.g. recycling, credit unions, leisure trusts). Some national networks are more generic, e.g. SEC, CAN, Nearbuyou and UnLtd.

PURPOSE	national representation, lobbying and influencing government and other stakeholders, promotion of social enterprise, R&D, repository for information sharing between social enterprises.
SERVICES	lobbying and campaigning, representation (to government at a national level), research, publications and events (set-piece conferences), networking opportunities, advice, information and support.
FUNDING	external sponsors (at both a national and a local level), membership fees, sponsorship, earned income - selling services (consultancy, e.g. DTA), publications, events, etc.
MEASURABLE OBJECTIVES	objectives usually clearly set out and evaluated, e.g. SFUK uses its own Social Firm Performance Dashboard as a performance monitoring tool

Regional networks

COVERAGE:	All of the 9 regions have RDA-supported networks: London (SEL), North East (NESEP), Yorkshire and Humber (SEYH), East of England (SEEE), South West (RISE), East Midlands (SEEM), South East (SESEN), West Midlands (WMSEN), and North West (SENW).[5]
MEMBERSHIP	not just social enterprises but anybody interested in social enterprise.
PURPOSE:	Often launched or developed in conjunction with a regional Social Enterprise Strategy and form key part of regional support structure for social enterprises that such strategies aim to build. Aims are fairly generic and standard, for example: • To be the voice for social enterprises in the region. • To represent the regional social enterprise sector on the national Social Enterprise Coalition. • To promote the strength, capability and diversity of social enterprises in the region. • To shape, inform and improve the delivery of support to social enterprises in the region. • To undertake research and development activities to identify the future market opportunities for social enterprise. • To provide social enterprises across the region with the most up to date information on such issues as funding, legal structures, procurement, market opportunities and skills development.
SERVICES	Wide range including: networking events, seminars and conferences; newsletter and/or e-bulletins; research; organise membership consultations on regional social

5 See Rocket Science's previous report for the OTS on Regional approaches to providing business support for social enterprises for more details on what's happening at the regional level.

	enterprise policy; provide direct support/training or support signposting services; some have online discussion forums or blogs for members; some have a regional social enterprise directory.
FUNDING:	chiefly funded by their RDA, often part funded by the EU/ESF and by their local government office or local councils. Some charge membership fees but these are a small part of their overall income. A few generate income - selling services (consultancy, publications, events)
MEASURABLE OBJECTIVES	AGM and produce annual reports/business plans which often contain measurable objectives and performance indicators. Many have had evaluations undertaken in conjunction with their funding or partnerships.

Within these common features, they can differ quite substantially in the extent of their reach and membership and in their levels of activity. Some sub-divide their members and member activities up between geographical sub-networks (e.g. SEEE is linked to 6 county-based networks), while others divide them into sectors (e.g. SEL).

There are also regional networks (often linked to the key RDA-supported regional network) that act primarily as "gateways" to support services, e.g. Business Advice Network (BAN) linked to RISE in the South West.

Sub-regional networks

Top-down sub-regional networks are set up to act primarily as 'gateways' to support services (e.g. Sunderland's Social Enterprises, Social Enterprise Tyneside (SET), Cumbria Social Enterprise Partnership, Partners for Social Enterprise). Others – like Tyne and Wear Social Enterprise Partnership (TWSEP) – are 'delivery' networks that aim to bring organisations together to create/promote social enterprises, to share best practice, or to collectively apply for funding. In these types of networks, there can be minimal unprompted contact between the social enterprises themselves. Contact is often via the central body.

COVERAGE	sub-region, e.g. a county
MEMBERSHIP	social enterprises and social enterprise business support services.
PURPOSE:	to link social enterprises with support services or funding opportunities; to create/promote social enterprises; to share best practice.
SERVICES	signposting, ongoing direct support (e.g. business counselling, business management, financial management, procurement, and expansion), information and advice, funding programmes (especially for new social enterprises), joint funding applications.
FUNDING:	funded and delivered by a central organisation, which in

	turn is funded by the RDA, EU funds, LAs or other partners. Individual partners often provide some additional funds themselves. These types of networks earn very little if any of their income through trading.
MEASURABLE OBJECTIVES	sometimes have specific objectives about the no. of social enterprises their services must reach.

Bottom-up sub-regional networks are more organic/bottom-up and are often started by on-the-ground groups or individuals. Examples include Birmingham & Solihull Social Economy Consortium (BSSEC), Hull & East Riding Social Firms Network, Social Enterprise Lancashire Network (SELNET), and Social Enterprise Network (SEN) Ltd in Merseyside.

COVERAGE	only a fairly small proportion of the UK is covered by such networks.
MEMBERSHIP	social enterprises and other interested parties.
PURPOSE	to address gap and provide more formal networking opportunities for local social economy and voluntary sector bodies/practitioners
SERVICES	networking, information and advice.
FUNDING	ad-hoc small pots of external funding, tend not to be tied to any particular long-term funder. These networks earn very little if any of their income through trading.
MEASURABLE OBJECTIVES	often lack measurable objectives and have aims that are more generic.

Local networks

Most form organically and have similar features to sub-regional bottom-up networks but cover a smaller area, usually a city. Examples include Community and Social Enterprise Partnership (Doncaster), and Together Works (Greater Manchester). Others are "gateway" networks, e.g. Barrow Social Enterprise Network. Given the informal and local nature of this type of network external information on them is patchy and difficult to access.

By Urban/Rural

The Small Business Service's *Survey of Social Enterprises across the UK* in 2005 identified that 11% of social enterprises operate in rural areas.[6] This is smaller than the overall proportion of English businesses operating in rural areas (32%) but it still represents a significant group of social enterprises with distinct needs in terms of networking.

From our search we identified two national networks that support social enterprises operating in a rural environment, although neither is exclusively aimed at social enterprises.

---

6 http://www.berr.gov.uk/files/file38343.pdf

Most significant is the ***Plunkett Foundation*** which includes an annual Rural Social Enterprise Conference as part of its services. The Plunkett Foundation is an educational charity which supports the development of rural group enterprise world-wide. It facilitates debate and discussion through networking events, which bring together policy-makers, practitioners and participants. The Rural Social Enterprise Conference is now in its seventh year and previous conferences have attracted over a thousand delegates from across the country.

Other rural social enterprises are members of the Defra-supported ***Rural Community Buildings Network.*** This brings together parish councils, community building managers and advisers. It is particularly relevant to rural development trusts, which are often focussed on a community building. The DTA itself is a member.

At a regional level, some regional networks recognise that they operate in a predominantly rural area and make particular efforts to cater for rural social enterprises. One example is ***SEEE*** (which is explored in more detail in the case-studies section); another is ***RISE***, which was a partner in last year's Plunkett Foundation Rural Social Enterprise Conference, held in the South West.

By Sector

The *Survey of Social Enterprises across the UK*[7] identified the four most significant sectors of trading activity for social enterprises:

- Health and social care (33%)
- Community/social/personal services (21%)
- Real estate (20%)
- Education (15%)

There are varying levels of network provision in each of these sectors, as set out below. However, the overall pattern is one of national sector networks being better developed than regional, sub-regional or local sector networks, with a few notable exceptions (see the examples of the cluster network experiments highlighted in the case-studies section of this report).

Health and social care

At a national level, there are a few health and social care networks emerging. The ***NHS Social Enterprise Network*** was the first "national network for those with an interest in social enterprise and social entrepreneurship in health and care". Formed in 2005, it aims to cater for existing and potential social enterprises in the health and care market, commissioners, and social entrepreneurs. In November 2007, it held a conference "Social Enterprise – a world-class solution?" which aimed to help

---

7 http://www.berr.gov.uk/files/file38343.pdf

attendees understand how social enterprise can help the NHS and social care industry meets its targets.

More recently, the Social Enterprise Coalition has launched a *Health and Care Forum* for their members. It aims to allow social enterprises in the emerging health and social care markets to come together in a membership network to exchange good practice, share resources, and use their collective lobbying weight to influence private organisations and the public sector. The Forum has just held its second meeting, bringing together existing and aspiring social enterprises with policy makers, NHS leaders, and other key players.

Social enterprises may also be members of the *National Care Forum*, the national body for not-for-profit organisations in health and social care. As the government pushes for social enterprises to play a larger part in the future delivery of health and social care, several national networking events took place in autumn 2007. For example, London South Bank University's "Understanding Social Enterprise in Health & Social Care" conference in October emphasised "Participation & Networking" as a core component of the event. Also in October, the Health Service Journal ran a conference on "Social Enterprise: Harnessing the Potential to Transform Primary and Community Services", aimed at current or potential service providers, as well as commissioners.

At the regional, sub-regional and local levels, social enterprise networks specifically aimed at those working in the health and social care sector are harder to identify. However, health and social care is one of the sectors with a cluster network as part of the *REALiSE Social Enterprise Micro Cluster Pilot (SEMCP)* in Birmingham and Solihull, and also as part of the *West Yorkshire Social Enterprise (WYSE) Link* Cluster Networks.

Community/social/personal services

At a national level, there are various organisations catering to social enterprises that provide other kind of community/social/personal services. Some of these only have social enterprises as members, while others are more generic sector networks that include social enterprises but not exclusively so. Examples include:

- *Development Trust Association (DTA)* – for development trusts
- *BASSAC* – for community development organisations
- *Co-operatives UK* – for co-operative enterprises
- *Mutuo* – for consumer co-operatives, building societies, mutual insurers and friendly societies
- *Community Development Finance Association (CDFA)* – for community development finance institutions (CDFIs)
- *Social Firms UK (SFUK)* – for social firms, which are market-led businesses set up specifically to create good quality jobs for people severely disadvantaged in the labour market
- *Scarman Trust* – provides awards to individuals catalysing community regeneration and tackling social problems, with networking events for award winners

- ***Supporters Direct*** – for supporters' trusts, which are groups of football supporters combining enterprise and democratic ownership for the long-term interests of the both football clubs and local communities
- ***Sports and Recreation Trust Association (SpoRTA)*** – for cultural and leisure trusts, which provide leisure and sports services for the benefit of the community
- ***Association of British Credit Unions Limited (ABCUL)*** – for credit unions
- ***Community Broadband Network (CBN)*** – for anybody involved in community-based broadband initiatives
- ***Community Composting Network*** – for those involved in community management and use of bio-degradable resources
- ***Community Recycling Network UK*** – for organisations promoting community based sustainable waste management
- ***Community Transport Association*** – for organisations working in community transport
- ***Furniture Reuse Network*** – for those involved in furniture and appliance re-use
- ***Recyclable Market Development (ReMaDe) network*** - for organisations involved in developing markets for recyclables

At a regional level, the DTA and Scarman Trust have a presence in all nine of the English regions. Other national organisations – like SpoRTA – have a presence in some regions, but most of the others have no regional presence.

At the local level, Community Services and Youth Services have cluster networks as part of the ***WYSE Link project***, while Culture and Sport is a cluster network in the ***REALiSE SEMCP***.

Real estate

At a national level, the ***National Housing Federation*** (for independent non-profit housing associations) and the ***Confederation of Co-operative Housing*** (for housing co-operatives, tenant-controlled housing organisations and regional federations of housing co-ops) cater for some social enterprises involved in real estate. However, many housing associations and housing co-operatives do not consider themselves to be social enterprises, which makes the issue of specific networks for social enterprises in this sector a tricky one.

Meanwhile, the ***DTA*** networks cater for another set of social enterprises involved in the property sector, with development trusts often focusing on managing community buildings.

Other social enterprises are active in the areas of community-based facilities management, business cluster management, or construction, but we could not identify any national networks for these.

At a sub-regional level, one of the *WYSE Link Cluster Networks* is dedicated to Housing and Construction.

Education

At a national level, there are no prominent networks for social enterprises involved in education.

At a local level, Employment & Training and Education feature as a cluster network in the *REALiSE SEMCP*.

Networks in Practice

As we've noted several different models have been used in developing social enterprise networks. These include dividing up the members of networks into sub-networks that have more in common (either sectoral clusters or geographical networks), and finding a balance between top-down organisation and bottom-up enthusiasm.

This section explores these models in more detail using case studies to highlight the challenges associated with each approach and offer examples of good practice.

Cluster and Sector Networks

Most social enterprise networks have members that are active in a vast range of industries, come from many different backgrounds, and have a wide variety of needs. In this context, the central challenge faced by a network is to ensure that it is relevant to, and adds value to, its member organisations.

One response to this has been to organise member organisations into **'clusters'** according to their sector. This is a model which has been used extensively in private industry. The 'clusters' model has been used in several different contexts. In 1998, Michael Porter used the term 'clusters' to describe "geographic concentrations of interconnected companies and institutions in a particular field".[8] The most appropriate definition of a 'cluster' in the context of social enterprises is that used at the World Congress on Local Clusters:

> *"A group of industries and organisations that are linked together in buying and selling relationships, or who share the same infrastructure, customers or skills base and whose linkages enhance competitive advantage."*[9]

A cluster network tends to be more targeted and focussed than a generic network based on geographic boundaries. In the social enterprise context, a cluster network can encompass both social enterprises and support organisations working to increase the productivity and performance of the sector. As the baseline study for the Cluster Development for the East Midlands Voluntary & Community Sector project explained:

> *"In a successful cluster, long-term relationships and the exchange of know-how amongst organisations create an environment conducive to success. There is a synergy amongst organisations, and they are aligned to meet each other's needs. For example, training organisations produce the skilled people needed by end-product or*

---

8 Harvard Business Review (Nov – Dec 1998)

9 Local Productive Systems – Local Clusters for Local People, World Congress on Local Clusters, Paris 23-24 January 2001

service-delivery organisations; support agencies deliver services tailored to the needs of the industry; financing organisations understand and cater to the particular financial conditions of the cluster."[10]

Benefits of networking in a cluster were set out by the West Midlands' Social Accounting Cluster (WMSAC), which ran from 2005-6. This project found that benefits included:

- Opportunities to share knowledge and experience throughout;
- Shared approach to accessing external funding – one bid for 8 organisations;
- Mutual support and encouragement – confidence building;
- Opportunities to share good practice – from within and outside the cluster;
- Easier access to structured support – economies of scale as support only needs to be provided to the cluster, not individual organisations;
- Reduction in costs – shared training and other resources;
- Allows general (non social audit) networking.

There were also some issues which arose during the set-up and running of the WMSAC network, which provide useful insights into what makes a good network. These include:

- Communication channels, roles and responsibilities must be clear and 'signed up to' by all participants;
- Expectations must be clear across the cluster;
- A 'lead agency' should be appointed ideally within the cluster;
- Confidentiality;
- Each organisation might progress at a different pace[11]

The issues identified by WMSAC are ones which seem to have been recognised and planned for by the two case studies of **REALiSE Social Enterprise Micro Cluster Pilot Project (REALiSE SEMCP)** in the West Midlands and **West Yorkshire Social Enterprise Link (WYSE Link) Cluster Networks**.

Geographical networks

Another approach to networks is to focus them on a particular geographical area. They may cover a region, sub-region, city, county, or neighbourhood.

Some social enterprise networks cover a whole region, spanning several counties, and including urban and rural areas that may not feel that they have much in common. Sub-regional networks can be particularly useful in

---

10 Cluster Development for the East Midlands Voluntary & Community Sector: Executive Summary, p. 2

11 Social Auditing Network case studies: West Midlands Social Accounting Cluster,
   http://www.socialauditnetwork.org.uk/what%202.htm

regions made up of counties and cities that each has a strong separate identity, or regions with a dispersed population and organisations.

The case study of **Social Enterprise East of England (SEEE)** and the East of England's six sub-regional networks demonstrates the challenges associated with creating networks in a largely rural region and offers some examples of good practice in addressing these challenges.

Another network with a specific focus on rural issues is **Partners for Social Enterprise**, set up in 2004 to co-ordinate social enterprise activity, support and partnership working in Herefordshire and Worcestershire. It was set up in response to a lack of coordinated support for social enterprise in the two counties, which research undertaken in 2003-04 found to be preventing the emergence of a potentially significant and vibrant local social economy.

Top-down and bottom-up networks

Networks that are established *for* an area or a sector from top down perspective, often funded by a third party, can feel more distant and lack real engagement from 'on the ground' enterprises and individuals. They can also fold or stagnate when external funding or support is withdrawn, especially if the network has existed as a series of relationships between network members and the central co-ordinator, rather than fostering connections between members themselves.

Networks set-up *by* an area or sector and originate from the bottom up can lack direction, organisation and (vitally) funding. This means that they sometimes disintegrate through a lack of structure and momentum, particularly if they're reliant on a small number of committed individuals.

In their early stages, bottom-up networks often lack the resources to provide the range of services that top-down networks can offer to their members and consequently find it hard to build momentum and grow. However, if bottom-up networks reach an appropriate scale they often command higher levels of trust and reciprocity than top-down networks.

The case studies of **Social Enterprise Network (SEN) Ltd** in Merseyside and **Community and Social Enterprise Partnership (CSEP)** in Doncaster offer some examples of how this can be achieved in practice for regional and local social enterprise networks.

Case-Studies

The case studies demonstrate different types of social enterprise networks in practice.

1. REALiSE Social Enterprise Micro Cluster Pilot (SEMCP)

Origins
REALiSE SEMCP is a pilot project launched in January 2007 as a result of the DTI's review of the Social Enterprise Strategy, which highlighted the growing "interest in cluster development as a way to grow the sector and build capacity, thus increasing business development opportunities."[12] REALiSE SEMCP was set up to explore the potential of the cluster development model by piloting it in the most disadvantaged areas of Birmingham and Solihull.

Structure
Each 'Micro-Cluster' is a self-contained cluster of up to 10 social enterprises which will seek to develop as individual businesses while also working together to further develop the marketplace for social enterprise goods and services. Each cluster is managed by an established and experienced social enterprise (the Cluster Lead), is supported by a business support agency specialising in social enterprise development, and produces a Cluster Action Plan.

Members
SEs operating in: Health & Social Care; Employment & Training; Education, Culture and Sport; Environment & Sustainability; and, Business Support.

Purpose
"Business networking, the exchange of best practice, and access to specialist business development expertise".

The ultimate aim is to develop "a business model which could be replicated in other parts of the country."

Activities
Business support, collaborative working (e.g. to develop inter-trading agreements or to develop arrangements that will help them compete more effectively for procurement contracts), information advice and guidance, knowledge sharing and exchange of best practice.

---

12 GHK for DTI (2005), Review of the Social Enterprise Strategy, p. 42

Challenges
The evaluation is on-going. If the evaluation shows the pilot project to have been successful, then the challenge is to create a business model which can be replicated elsewhere.

Good practice
The Micro-Cluster model makes networking more relevant to social enterprises as it allows them to gain ideas from other organisations in the same sector, and also provides specialist support tailored to their needs.

2. West Yorkshire Social Enterprise (WYSE) Link Cluster Networks

Origins
The WYSE Link Cluster Networks have developed over the last couple of years in response to feedback from social enterprises accessing WYSE Link services, and suggesting how the service could be improved or broadened to meet the needs of the sector. The cluster networks were promoted by the Social Enterprise Link advisor team, their newsletters, and at various events.

Structure
There are local Social Enterprise Links for Bradford, Calderdale, Kirklees, Wakefield and Leeds, with 6 cluster-specific networks currently involved in the cluster support programme:
- Community Arts
- Environment and Recycling
- Health and Social Care
- Housing and Construction
- Youth Services
- Community Services

Each district has a team of social enterprise advisers (the Cluster Leaders) that deliver tailored business advice and support.

Purpose
To allow social enterprises in the same business clusters to: share good practice; exchange information and ideas; network and peer learn; gain access to experts in the field via Cluster Leader Programme; explore new market opportunities; develop collaborative approaches to contracting with one another and with the public and private sector.

Activities
- Tailored business advice and support (on funding, procurement, new legislation, social reporting, marketing etc)

- business development and learning grants
- eNewsletters and websites (with over 1300 subscribers in April 2007)
- industry-specific events and workshops on new market opportunities and joint-contracting approaches
- specialist support for social enterprises from the BME sector.

Challenges:

The ongoing challenge is to make the clusters large enough and relevant enough to be useful to the needs of their target audience. The WYSE Link Cluster Network project found that the 10 sectors initially chosen for cluster networks – based on the industries social enterprises operate in – resulted in the creation of a few networks that were too small to be very active or useful. For example, only 13 organisations signed up to the Food and Drink cluster network and the network was not big enough to hold an industry-specific event.

Good practice:

WYSE Link is addressing these challenges in a number of ways. In order to make the networks large enough to be viable, small networks like Food and Drink were incorporated into bigger networks (in this case, the Community Services network) following the recommendations of an evaluation report in April 2007. The result has been that the 10 original networks have been consolidated into 6 current cluster networks. By April 2007, there were a total of 247 organisations signed up across the 6 new cluster networks, an average of 41 per network – a good size for a generating momentum. There are also plans to encourage expansion into new sectors; and for a number of mentors (rather than one cluster leader) to be identified in order to provide a wider range of expertise.

Each cluster network is being made more relevant to its target audience by developing the network areas on the website to incorporate a separate branded entity and by creating individual membership packages. All the industry-specific events are themed, with the agenda developed under the supervision of the relevant cluster leader and guided by member suggestions of topics, such as developing sustainability (the most popular theme for events so far). This ensures that events are relevant to the sector and well-attended.

WYSE Link is also tackling the problems of a top-down network by encouraging networking between members, along with two-way email communications and sharing of information through the network newsletters. The networking section included in each industry-specific event has been highlighted as one of the most useful aspects of the events.

The role given to an experienced social enterprise as the cluster leader has helped to make the networks more relevant to the business needs of social enterprises in the sector. Interviews carried out as part of the evaluation with people having received cluster leader support found that:

> *"The general consensus was that the cluster leader's support was extremely useful and had been hugely useful to the organization and the staff that were involved. In particular the high levels of expertise the cluster leaders were able to provide and the experience of the sector in which they worked was expressed as the main reason that the support was so successful. Also useful was the contacts of useful and relevant businesses and associations that the cluster leaders were able to provide links to."[13]*

It is anticipated that by the end of the programme 50 organisations will have received support from the cluster leaders, with 40 having received at least 15 hours of intensive support.

3. Social Enterprise East of England (SEEE)

Origins
SEEE emerged from a development partnership for an ESF EQUAL programme, Supporting Social Enterprise in the Eastern Region (SSEER), which received three year funding from 2002-05. When the programme ended, key players who had been meeting for three years expressed a wish to maintain a sustainable partnership and to broaden out the membership.

This wish was corroborated by the first Social Enterprise Strategy developed for the region, funded by the East of England Development Agency (EEDA) and released in August 2005. The strategy, based on consultation with the sector, identified the need for a regional vehicle to provide the momentum for taking the strategy from an agreed framework of actions to a delivery stage with real impact on the ground.

Structure
SEEE is a membership and networking organisation, as well as an independent company limited by guarantee. SEEE's structure is designed to enable members to have democratic control of the organisation, with its work overseen by a Board of Directors elected at the AGM. This can consist of up to 20 people with representation from each of the 4 categories of members.

Members
Members are categorised as follows:
- Social enterprises based in the East of England;
- Regional umbrella groups for social enterprises;
- Sub-regional networks; and
- Partner organisations.

---

13 Social Enterprise Link Cluster Network Evaluation Report 2006/2007 (2007), p. 7

Purpose
"To support and promote our social enterprise sector as a valuable part of the region's economy which also has significant social impact"
"[to be] the voice for social enterprise in the East of England"

Activities
- Weekly Virtual Coffee Meeting (using Skype),
- Website
- 4 newsletters pa (InTouch) and on-line newsletter (InTouch Express),
- commissioning and collating research
- online calendar of events
- conferences and training events
- advertising space for training events and job opportunities
- special interest groups on topics (e.g. public sector procurement, access to funding, development of business advice and support)
- management of asset fund
- management of peer mentoring programme.

Challenges
The main challenge facing SEEE is that of operating a network in a predominantly rural region. As the Social Enterprise Strategy for the East of England pointed out, "There are particular difficulties for many of the businesses operating in rural areas, related to their remoteness, limitations of local markets and infrastructure problems."[14] Despite these difficulties, there are many social enterprises in both rural and urban areas in the East of England. A mapping exercise commissioned by EEDA to identify the size and scope of social economy activity ascertained that in 2001 the social enterprise sector accounted for 30,000 full time jobs, 13,500 part time jobs and had an estimated turnover of £3 billion in the East of England.

In this context, the challenge facing SEEE is to reach out to social enterprises across the region and to persuade them of the benefits of networking even when transport and infrastructure difficulties make events difficult to get to.

Good practice
In order to meet the challenges associated with operating in rural areas, SEEE has made its services as interactive as possible, using its newly revamped website, online resources, member forums and Skype-based virtual coffee mornings to engage with organisations that would be unlikely to attend physical meetings.

SEEE has also tackled the problems of communicating across the region by delivering its objectives through a series of six sub-regional networks

---

14 Social Enterprise Strategy for the East of England (2005), p. 5

(SRNs) that reach out to social enterprises in each of the six East of England counties: Bedfordshire & Luton; Cambridgeshire & Peterborough; Essex, Southend-on-Sea & Thurrock; Hertfordshire; Norfolk; and Suffolk

Each county-based network works within SEEE's objectives and most of them are currently represented on the SEEE Board.[15] As a result of how each network was created and has developed, they have different structures and levels of activity, and face different challenges as they continue to develop. The following sections will explore their similarities and differences in more depth.

4. East of England's sub-regional networks

Origins

Most of the sub-regional networks (SRNs) were in existence before the creation of SEEE in 2005 and were created as part of the same SSEER programme from which SEEE emerged.

- **Bedfordshire Social Enterprise Network (BSEN)** was established in 2003 by the Business Link for Bedfordshire and Luton Social Enterprise Adviser, funded via the SSEER project.
- **Social Enterprise Network Essex, Southend-on-Sea and Thurrock (SENEST)** was established in 2004 by Anglia Ruskin University and Business Link for Essex with support from SSEER.
- In 2005, **Cambridgeshire and Peterborough Social Enterprise Network (CAPSEN)** was also developed as part of SSEER by The Social Enterprise People (TSEP), the social and co-operative enterprise support agency for Cambridgeshire.
- **Hertfordshire Social Enterprise Network (HertSET)** emerged around the same time through Exemplas' Elaine McCorriston, who was a key player in the creation of SEEE and the six SRNs.
- **Norfolk Social Enterprise Network (NSEN)** was set up with the help of The Guild (a Norwich-based social enterprise support organisation) in 2005, making use of SSEER funding.
- **Social Enterprise Network Suffolk (SENS)** was launched in November 2005. It has run several events since then, but is still in an early stage of development and is undergoing a process of significant change.

Structure

Most of the SRNs are loose associations while, unique among them, **BSEN** is a company limited by guarantee, with a formal board of directors made up from operating social enterprises. This structure, set-up in 2005,

---

15 The Cambridgeshire and Peterborough network, like Essex, does not currently have a SEEE director representing it but there is a member of the network on the board, although not as a representative of the network.

formalised the network's independence and allows it to directly seek funding in its own right. **SENS** is currently undergoing a similar process, changing from an unincorporated voluntary group to an incorporated group, possibly a Community Interest Company. A management committee is being established and a formal constitution for SENS is being reviewed. The proposed constitution will allow SENS to seek external funds.

The other SRNs are run by part-time co-ordinators based at and part-funded by, host organisations like TSEP (Cambridgeshire) or Exemplas (Hertfordshire). In Norfolk, the network's four officers have given their time voluntarily since there is currently no money to cover basic running costs. Many of the networks also have a Steering Group that makes decisions, comprising representatives from member organisations with committee members varying according to the network's needs at any time.

Members
Members joining SEEE automatically become members of their SRN, while the SRNs encourage their members to join SEEE.

Purpose
This varies from network to network but the common themes are:
- to be the voice for social enterprises within the county
- to share learning and promote mutual support
- to influence public policy and funding agendas
- to raise awareness of social enterprise
- to promote and support social enterprise development
- to increase trading opportunities

Activities
The SRNs provide locally based activities and events which link into, and reflect the aims of, the regional SEEE network. They are essentially the place where local social enterprises and support organisations get together for peer support and where funding is available to put on local promotional events and networking meetings. The frequency of these events varies from county to county.

All 6 SRNs have web pages and an online forum within SEEE's website. **BSEN** and **SENS** also have their own independent website, and most of the networks have a free regular newsletter to keep their members up-to-date. Several of the networks also provide direct access to training opportunities, business support and resources. For example, **CAPSEN** has a Commissioning Access Programme with specific training events and workshops made available to the network (on issues such as contract management, full cost recovery and the tendering process).

Many of the networks have run ad-hoc activities in addition to those listed above. **HertSET**, for example has an 'agony aunt' section in its newsletter, regular 'breakfast briefings', and a Roadshow which gives people a chance to see other examples of social enterprises in the county. **BSEN** has run

similar roadshows and also organised a Spring School in April 2007 for the social entrepreneurs of the future. It's Cluster Programme, which enabled six social enterprises to support, mentor and develop each other, was successful and continues today, maintained by the individuals within the cluster.

The SRNs have also been active in promoting social enterprise to local policy-makers and funders. **HertSET**'s two most notable successes to date have been to influence the Investment in Communities (IiC) business plan and the Hertfordshire Economic Plan, both of which impact on its members. In Norfolk, **NSEN** has produced two useful publications: one directed at procurement officers and Local Authorities; and the other a marketing leaflet promoting social enterprise to the wider community as a business model.

Challenges

Like SEEE itself, the SRNs face the challenge of the lack of transport and communications infrastructure that can lead to isolation and inhibit the development of networks. Research carried out by TSEP in 2005 discovered rural social enterprises in Cambridgeshire tend to attain a lower trading income than their urban counterparts, as well as being younger and less securely established. TSEP also found that the social enterprise sector has also been held back in rural areas by a lack of awareness amongst consumers, the public sector, and social enterprises themselves, many of which did not see themselves as such.

Working in this environment, the main challenges for the SRNs are to promote awareness of the social economy and to locate and recruit as many social enterprises as possible. Some have found that this is difficult to do. In Norfolk, for instance, there are an estimated 200 social enterprises that are neither members of **NSEN** nor SEEE, compared with just over 40 social enterprises in NSEN. Partly owing to the difficulties of recruiting members there has been limited activity within the network in 2007.

Operational problems have been compounded by a lack of funding. Most of the SRNs have received no core cost funding since the initial SSEER funding of £15,000 and this has limited how much they have been able to do. Much of the initial funding was spent on launch events and on marketing the networks and their members, with little left for day-to-day operations and administration. However, these problems are about to be at least partially alleviated as SEEE makes new funds, obtained from emda, available to the SRNs.

Good practice

Many of the SRNs are proactive about reaching out to established and embryonic social enterprises and voluntary groups considering the social enterprise models. Both **HertSET** and **BSEN** are currently engaged in mapping exercises to capture current social enterprise activity in their counties and to bring more social enterprises into their networks. HertSET

has over 100 organisations already on its database. Meanwhile, **CAPSEN** has focused on raising the sector's profile in Cambridgeshire.

CAPSEN has also addressed the issue of rural isolation by holding meetings at locations throughout the county to allow groups with time and transport issues to attend meetings. Some of the more isolated members, having experienced the benefits of networking, now make the effort to attend some of the central networking events but there is still a significant challenge in running a meaningful network for rural social enterprises.

5. Social Enterprise Network (SEN) Ltd

Origins
Social Enterprise Network (SEN) Ltd was formed in 1999 and incorporated in 2000. It was formed when a group of neighbourhood organisations, CVS groups and social enterprise practitioners recognised the need for a forum to develop collaborative working and a combined voice for the sector in Greater Merseyside and Halton.

A steering group was formed to take the necessary work forward. SEN's development was actively supported and facilitated by Liverpool City Council and the Development Trust Association.

Structure
SEN is an autonomous body, constituted and incorporated as a company limited by guarantee. It has a Board of Directors but its main purpose and focus is driven by the collective concerns of its membership. The network is funded by the North West Development Agency, membership fees and earned income (consultancy, training, auditing).

Members
Social enterprises and CVS organisations in Merseyside. Other interested parties or social enterprises from other areas can join as associates.

Purpose
"to present 'one voice' to promote the sector and to support the development of new and existing Social Enterprises in Merseyside."

Activities
Events, advice, sign-posting to support delivered by other organisations (including SEN members), bi-monthly e-Bulletin, e-news flashes with relevant sector information, members directory, online document library, glossary, links, online market place, course/events listing, job vacancies, membership of the SEN Business Network including regular events.

SEN is also the lead agency for Merseyside Social Enterprise Initiative (MSEI), set up in 2001, which offers social businesses access to appropriate business support, workforce development and funding opportunities.

Challenges
To balance being a sector-led organisation with satisfying the requirements of external funders.

Good practice
SEN's longevity and high membership (it claims to have the highest membership and network coverage in the UK) demonstrate its effectiveness as a network.   The outcomes of an evaluation carried out by SEN's funders at the end of their initial contract highlighted the value of its services and resulted in them committing follow-on funding.

6. *Community and Social Enterprise Partnership (CSEP)*

Origins
CSEP originated from a small group of social enterprises who used to meet informally in Doncaster. Discussion groups that they ran concluded that the social economy needed strong networks, direct support from skilled professionals, readily accessible information and advice, business skills development, trading links, and help in business planning. With these needs in mind, CSEP was launched in March 2005, at an event that was attended by over 200 people. The attendees were enthusiastic about the network and committed to learning from each other, exchanging information, and sharing best practice.

Structure
Although it originated primarily from frontline social enterprises, the network receives top-down support, with activities being funded by Key Fund South Yorkshire and the Network Support Officer (employed by Doncaster CVS) funded by Business Link. The Network Support Officer gives some structure to the network, helping to link groups together and encourage clustering by sector. There is also a Management Committee, with representation from member organisations.

Members
Social enterprises, some CVS organisations (as potential social enterprises).

Purpose
"CSEP aims to provide a voice for its membership and works to raise the profile of social enterprises and the social economy in Doncaster."

Activities
Website (with online members' directory, information, news, events, and glossary of terms), 4 large events a year, smaller network meetings focused around specific themes and sectors.

Challenges
CSEP needs to maintain the initial momentum displayed at its launch event and to channel enthusiasm into a structured network. Its up-to-date website and a series of recent and upcoming events suggest that it is managing to meet this challenge.

Good practice
The network was developed by social enterprises themselves with support from partners. This meant that there was both enthusiasm about the network from the start and secure funding to deliver activities. As a result, the network is very active, with 70 members and a running programme of events, which have this year included a trade fair for social enterprises, and a 'one stop shop' bringing together funders and business support services.

Characteristics of a good network

Ultimately, a 'good network' is one that is valued, used and enriched by its participants.

In order to help practitioners and funders draw up an image of an effective network, based on the evidence reviewed we've identified seven characteristics that impact on the performance of networks, i.e. one that is valued by its users:

- **Track record:** the network is able to demonstrate the appropriate level of development in relation to its age.
- **Membership:** large proportion of eligible organisations that could potentially be members are members.
- **Activity:** services offered by the network are well used and sufficient to create momentum and commitment, e.g. regular and well-attended meetings, active online discussion fora.
- **Connections:** directly between members, rather than between individual members and a central co-ordinator.
- **Direction:** there is a steering group providing direction, co-ordination and organisation.
- **Objectives:** the network has clear objectives, which it publishes and works towards.
- **Resources:** appropriate to deliver objectives and provide the level of service expected by its members.

These characteristics interact in a variety of ways, depending on the purpose and maturity of the network. For example clearly a new cluster network aimed at giving social enterprises access to specialist business development expertise would have a shorter longevity, but higher levels of activity and resources, than a longer established organic network that provides its members with an informal place to share experiences.

The characteristics outlined are both direct and proxy indicators for determining the characteristics of a good network. Whilst it is not always possible to determine the exact impact of networks, those that exhibit all or most of these characteristics would be expected to be providing a good service to members and therefore having an overall positive impact.
What we are looking for within each characteristic is appropriateness, e.g. are there sufficient members for information sharing to be useful? Are there enough resources to deliver the objectives that have been set (whatever they might be)?

Measuring these characteristics

The seven characteristics provide a framework against which the effectiveness of existing networks can be measured. As practitioners look to develop their networks and funders look to support those that have the

greatest potential, there is benefit to be gained from using these factors as a basis for evaluating networks.

The characteristics suggest various quantitative indicators of a network's success, including:

	Possible indicators
Track record	• length of time that a network has existed • evidence of demonstrable success and development
Membership	• % of organisations within the network's target regional base or sector that are members • Where this measure is not possible, the total number of members can also be used as a measure
Activity	• number of meetings/events per year • number of members attending meetings (50% is recommended as a target by the Women's Business Network) • number of posts on online discussion fora • number of resources (e.g. information leaflets, publications, case studies, examples of best practice) available on website
Connections	• number of members who have worked together for procurement/trading purposes etc.
Structure	• number of meetings of the steering group per year
Objectives	• number of measurable objectives set and reported against
Resources	• Ratio between core and project funding • % of total income raised through membership and earned income • Ratio of paid staff to volunteers

Summary of network provision

This section has segmented the identified networks according to their *geography* and according to their *audience* (either generic or catering to a particular type of social enterprise). This provides two different ways of looking at existing network provision across England and from these drawing conclusions about gaps in this provision. We have cross-referenced these two ways of categorising networks in order to provide a fuller analysis of the networks that we identified.

The geographical categories are relatively self-explanatory: national (England-wide), regional (covering one of the 9 English regions), sub-regional (or county-level) and local (town- or city-level).

The audience categories are defined as:
1. 'Generic' networks are those that cater to all types of social enterprises (and indeed to non-social enterprises).
2. 'Specialist' networks as those that cater to a particular type of social enterprise. This would include specialist networks for rural enterprises, networks for enterprises operating in a particular sector, or networks for different types of organisations (e.g. co-operatives, social firms) within the social enterprise movement.

Using the categorisation the table below places the 79 networks we identified through this review.

NETWORK TYPE	Generic	Specialist	TOTAL
National	2	23	**25**
Regional	9	4	**13**
Sub-regional	29	7	**36**
Local	4	1	**5**
TOTAL	**44**	**35**	**79**

The main conclusions to be drawn from the overview are that:

- **Provision is adequate at a national level:** whilst there are only a couple of national generic bodies (SEC and CAN), this is natural as they represent strategic umbrella bodies for the whole country and there is no need to duplicate this role with more organisations.

- **Provision is adequate at a regional level:** there are 9 regional generic bodies, one for each region. In addition, there are 4 specialist regional networks, and this is not counting the regional DTA/Social Firm etc. networks that are linked to their national 'parents'.

- **There are gaps in sectoral networks:** whilst there are some specialist networks operating, our research suggests that real estate

and education are lagging behind health and community services in terms of network provision, both at the national and local levels. Given recent government polices in both these areas, particularly in relation to the use of public and community assets and the extended schools programme, both of these sectors should be a focus for support. Whilst social enterprise infrastructure support organisations and funders should not look to establish networks from scratch they should be proactively searching for networks in these fields and providing they meet the good network characteristics they should be prioritised for support. Also existing organisations, such as DTA that already provide support to social enterprises around assets should be supported to further develop their networking services, particularly at the local level.

- **There are gaps at the sub-regional level:** In terms of geography the biggest gap in provision seems to be at the sub-regional network where many networks under-perform, and ultimately close, due to lack of pump-priming resources or momentum. Some of these have received no external funding; others have received some initial support but are in need of a second wave of investment to consolidate and get them to scale. Even in regions which have developed social enterprise networks like the East of England and the South West there is concern about lack of funding for these networks to continue and expand their work.

- **There are a limited number of cluster networks operating.** Whilst they are a relatively new form of network the evidence suggests that cluster networks can be very effective at developing social enterprises. Cluster networks are a high-cost high-return option. Whilst clusters may require considerable up-front investment, if investment is targeted at appropriate sectors they can develop into dynamic, user-driven networks that operate 'with a purpose'.

- **The demand for more peer-to-peer networking is strong**. The recent Capacitybuilders consultation Rocket Science carried out for SEC highlighted the demand for more opportunities for peer-to-peer networking. Support for this type of networking would enable existing successful social enterprises to pass on the knowledge pool that they have acquired and would also allow the sector to build on its successes and avoid replicating mistakes and pursuing 'dead-ends'. Any support should build on the good practice already happening to enable existing networks & organisations to develop new peer-to-peer support schemes and to expand existing proven approaches such as the School for Social Entrepreneurs (see box).

Case Study: School for Social Entrepreneurs
The School for Social Entrepreneurs (SSE) is a national organisation that supports individuals and organisations who are committed to applying their entrepreneurial and creative skills for the explicit benefit of local communities and society generally.

Each local or regional SSE fashions flexible and practical programmes of learning that are underpinned by the following four principles:
- Practitioner-led
- Peer support
- Practical learning
- Personalisation

Each programme employs various methods of learning and intervention. Highlights of the programme include support that is delivered through peer networks and in one-to-one formats, via mentoring and expert sessions. So far, over 300 social entrepreneurs have completed the programmes across the country.

- **There maybe gaps at the local informal level**, however our review is not able to confirm this.

We recognise that funding networks is not, and should not, be a priority for OTS or RDAs. As we stated in the introduction networks should not be encouraged for their own sake. They are a means to an end and not an end in themselves.

Linked to this, we recommend that if the OTS and other interested parties decide to support networks that they build on existing and emerging networks rather than trying to create entirely new ones in areas where there is no interest or initial mobilisation to build on. This reflects the approach recommended by Ecotec[16], which starts from the perspective that *"policy intervention cannot create* [networks] *from scratch but that it can help existing* [networks] *to develop."*

The challenge, as with any other public policy intervention, is to find the right networks to support. Our recommendation is that any support must first **identify** the networks that are displaying some or all of the characteristics of a good network identified in this report and secondly any **support** provided is appropriate to enable them to develop their network and grow to their optimum size.

---

16 op cit

Appendix 1: Identified networks organised by type

National generic
1. Social Enterprise Coalition (SEC)
2. Community Action Network (CAN)

National specialist
3. NHS Social Enterprise Network
4. SEC Health and Care Forum
5. National Care Forum
6. Development Trust Association (DTA)
7. BASSAC
8. Co-operatives UK
9. Mutuo
10. Community Development Finance Association (CDFA)
11. Social Firms UK (SFUK)
12. Scarman Trust
13. UnLtd
14. Supporters Direct
15. Sports and Recreation Trust Association (SpoRTA)
16. Association of British Credit Unions Limited (ABCUL)
17. Community Composting Network
18. Community Broadband Network (CBN)
19. Community Recycling Network UK
20. Community Transport Association
21. Furniture Reuse Network
22. Recyclable Market Development (ReMaDe) network
23. Nearbuyou
24. National Housing Federation (NHF)
25. Confederation of Co-operative Housing

Regional generic
26. Social Enterprise London (SEL)
27. North East Social Enterprise Partnership (NESEP)
28. Social Enterprise Yorkshire and Humber (SEYH)
29. Social Enterprise East of England (SEEE)
30. Regional Infrastructure for Social Enterprise (RISE)
31. Social Enterprise East Midlands (SEEM)
32. West Midlands Social Enterprise Network (WMSEN)
33. South East Social Enterprise Partnership (SESEP)
34. Social Enterprise North West (SENW)

Regional specialist
35. Business Advice Network (BAN)
36. South West Social Enterprise Trade Association (SETA)
37. RIO – Regional Infrastructure Organisations in South East England
38. South East England Regeneration Network (SEERN)

Sub-regional generic
39. Merton Social Enterprise Network
40. East London Social Enterprise
41. Forum for Social Enterprise

42. Tyne and Wear Social Enterprise Partnership (TWSEP)
43. Social Enterprise Northumberland
44. Tees Valley Social Enterprise Partnership (TVSEP)
45. Community and Social Enterprise Partnership
46. Social Enterprise Network Barnsley
47. Humber Social Enterprise Practitioner groups
48. Social Enterprise Network Essex, Southend-on-Sea and Thurrock (SENEST)
49. Hertfordshire Social Enterprise Network (HertSET)
50. Suffolk Social Enterprise Network (SENS)
51. Bedfordshire Social Enterprise Network (BSEN)
52. Cambridgeshire and Peterborough Social Enterprise Network (CAPSEN)
53. Norfolk Social Enterprise Network (NSEN)
54. C3 Partnership
55. Birmingham & Solihull Social Economy Consortium (BSSEC)
56. Social Enterprise North Staffordshire (SENS)
57. Shropshire Social Enterprise Partnership
58. Partners for Social Enterprise, Herefordshire and Worcestershire
59. CBC Community of Practice (CoP)
60. Bucks and Milton Keynes network
61. Oxfordshire Network
62. East Sussex network
63. Cumbria Social Enterprise Partnership
64. Social Enterprise Network (SEN)
65. Social Enterprise Lancashire Network (SELNET)
66. Together Works
67. Cheshire and Warrington Social Enterprise Network

Sub-regional specialist
68. West Yorkshire Social Enterprise Link (WYSE Link) Cluster Networks
69. Co-operative Futures
70. Bristol Development Trusts Network (BDTN)
71. Avon CDA
72. Enterprise Solutions Northamptonshire (Northamptonshire CDA)
73. REALiSE Social Enterprise Micro Cluster Pilot Project (SEMCP)
74. Coventry & Warwickshire CDA

Local generic
75. Social Enterprise Tyneside (SET)
76. Sunderland's Social Enterprises
77. Social Enterprise West
78. Barrow Social Enterprise Network

Local specialist
79. Hull & East Riding Social Firms Network

Appendix 2: Evaluation Methods & Approaches

The case studies illustrate how some networks have managed challenges and demonstrated good practice. While the case studies have been largely narrative-based, there are also more formal ways of evaluating a network's performance and demonstrating its effectiveness.

The following pages set out some evaluation methods that social enterprises have used and explore how they could be adapted for evaluating networks.

- Social accounting and social audit
- Social firms performance dashboard
- C3Perform
- KSCPIs
- Self-evaluation with stakeholders

Whilst most of the methodologies have been designed to evaluate *organisations* against certain criteria, they could equally be used to measure *networks.* They could be used in conjunction with the criteria of a good network that were earlier identified:

- Longevity
- Membership
- Activity
- Connections
- Structure
- Objectives
- Resources

Social Accounting and Audit

What is it?
Social accounting helps an organisation to create a **framework** to help clarify its values and objectives, report on performance against their objectives and demonstrate social, environmental and economic outcomes/impacts. The approach emphasises stakeholder engagement.

How does it work?
There are three steps in the process following the Social Audit Network approach:

Step 1: Planning
The organisation clarifies its mission, objectives and activities as well as its underpinning values. It also analyses its stakeholders through completing a 'stakeholder map'. These exercises help the organisation to make explicit what it does, why and how it does it, and who it works with and whom it seeks to benefit.

Step 2: Accounting
In this phase, an organisation decides the 'scope' and focus of the audit. The organisation then sets up ways of collecting relevant information over a period of time to report on performance and impact against its values and its objectives, encompassing both quantitative and qualitative. The information is then brought together and analysed.

Step 3: Reporting and audit
The information that was collected, collated and analysed in Step 2 is brought together in a single report. An external reviewer can be engaged to Assure the report for accuracy. When the reviewer is satisfied with the report and its findings, the organisation can make its report available to the stakeholders and wider public in full or as a shorter summary.

Who can use it?
Organisations of all types and sizes can undertake social accounting.

Strengths
- This is already a well-known and used method of self-assessment amongst social enterprise organisations.
- It is flexible and can be combined with other tools for self-evaluation
- Stakeholder perspectives feed into the organisations' planning and measurement process

Weaknesses
- This method can be overly complicated and there is no real uniform way to undertake the self-assessment.
- It requires a lot of effort
- This tool does not provide a snapshot of the evaluation on completion like some other tools do, this means that the weaknesses that an organisation may identify using this evaluation process may get 'lost' in the method

Social Firms Performance Dashboard

What is it?
Social Firms UK (SFUK) has developed its own evaluation system for its members and also uses this system to evaluate its own progress. The system is called the **Social Firms Performance Dashboard**.

It is a performance management tool that enables users to measure progress against their own objectives. SFUK recommends data to be entered on a regular basis, for example, quarterly.

How does it work?
For monitoring and reporting, the focus is not on aims but rather the objectives are grouped by perspective:
- Financial

- Stakeholders
- Learning and Growth
- Internal

Up to eight objectives can be set under each perspective and for each perspective the organisation sets its baseline, its targets and the measures by which it will monitor its performance.

Figure 2: Example of progress analysis for a specific objective

Objective Heading	Key Objective	Measure(s)
Financial Planning	Determine funding needs of the organisation at least 3 years ahead.	Core funding need to be identified; 'Add-ons' or project specific tasks identified.
Comment on progress: achieved overall, though easier to identify the funding needs than it is to obtain the funding to cover those needs, which is an ongoing priority.		

A summary of the organisation's Performance Dashboard for the year is created using a traffic light system, with green indicating that the target has been exceeded; amber indicating the target was met and was acceptable; and red indicates a target not met.

Figure 3: Example of Performance Dashboard traffic light system[17]

Each column represents one quarter, going left to right

Financial - Financial Planning

Stakeholders - Resources from Sector Growth

Who can use it?
This tool can be used by any size of social enterprise network particularly because the objectives can be adjusted to suit the needs of any organisation or network.

---

[17] Taken from Social Firms UK 2006 Annual Report

http://www.socialfirms.co.uk/document/format_uploaded/download.php/doc614.html

Strengths
- It is simple to use
- The findings can be easily tailored for different external audiences
- It gives a clear visual representation of performance.

Weaknesses
- Not suitable for exploring longer term outcomes and impacts

C3Perform

What is it?

C3Perform is a '**diagnostic workbook**' that provides a simple framework for evaluating how an organisation is performing and identifies strengths, weaknesses and areas for improvement. It should be seen as an approach to embedding quality and improving performance into the culture, the strategic and operational values of the enterprises and of the sector. As well as being a 'stand alone tool', it is also designed to support and encourage participation in other proving and improving tools.

C3Quick Perform is a shorter and simpler version of the C3Perform self-assessment tool.

How does it work?

The tool places emphasis on diagnosing areas for improvement through scoring. It consists of 34 positive statements against which the stakeholders perception of the organisations' performance is assessed and scored on a scale of 1 – 10 (1 - 2 Not started / nothing in place; 5 – 6 Getting there / we regularly review and improve, and 9 – 10 Fully achieved / we are role models for others to follow.

> *Example Question from the C3Quick Perform workbook*:
> **Partnerships & Resources** – how you develop partnerships and use resources
> 1. We monitor our identified partners and work together to achieve our objectives more effectively
> 2. We have sound financial processes, controls and reporting mechanisms
> 3. We know what resources we need and have planned how to secure them
> 4. We effectively manage our capital and intellectual resources, including ICT, buildings, equipment and materials, information and knowledge

There is also space where comments can be made. At the end of the workbook there is space to summarise key areas for improvement identified.

Who can use it?
This tool has a wide applicability to organisations and networks of any size and in all stages of development.

Strengths
- Setting clear measurable aims and objectives which can be summarised into a number of statements and giving each a score from 1 to 10 seems a simple but easy way to measure effectiveness.
- It helps to create a culture of continuous improvement
- 'Scoring' can provide an organisation with a benchmark to measure future performance.

Weaknesses
- The degree of prioritisation of the 34 positive statements is uncertain
- The implications of low scores in not clearly stated.

Co-Operative Key Performance Indicators (KPIs)

What is it?
This tool is specifically designed for co-operatives and is **a group of ten indicators to determine how they measure up to co-operative principles**. This tool has allowed the Co-Operatives UK network to gather information about their members and has encouraged the members to benchmark their own performance as the indicators are provided to the co-operatives for self-assessment and they are then asked to report their finding back to Co-operatives UK.

How does it work?
Whilst not all of the ten indicators are appropriate for a social enterprise network, the following represent some useful examples that can be used as a springboard when thinking about designing this approach:
- 1: Member economic involvement
- 2: Member democratic participation
- 3: Participation of employees and members in training and education
- 6: Customer satisfaction

There is a guidance document for organisations wishing to carry out this evaluation that gives suggestions on how this data could be collected as well as case studies.

Who can use it?
The indicators are aimed primarily at co-operatives.

Strengths
- Using 10 indicators is a manageable method of assessment.

- Encouraging members to complete a simple and standardised self-evaluation allows for better relationships to be formed between the social enterprise network and the member organisations.

Weaknesses
- Not all members may be particularly keen in having to conduct self-assessment.
- The provision of supporting evidence to back-up self-assessments is an important issue that is often neglected.

Self-evaluation with stakeholders

What is it?
This is not a specific evaluation tool but an example of how social enterprise networks can complete a **self-evaluation** that involve their members and other stakeholders.

It focuses on the self-evaluation conducted in 2005 by the Business Advice Network (BAN), which was established by RISE (Regional Infrastructure for Social Enterprise) for social enterprise business advisers in the South West.

How does it work?
The methodology for this evaluation comprised of four stages:
1. Desk-based research
2. An online survey of BAN members
3. Interviews with a range of BAN stakeholders
4. Review of "best practice"[18]

The evaluation required answers to specific questions. These included:
- Is the BAN successful?
- Should the BAN be continued?
- What is working well and what is not?
- How should themes for events be chosen/planned?
- Are there any holes in membership and attendance at events?
- Should the BAN be contracted out or delivered in-house?
- Are there any other opportunities e.g. formalising, generating income?
- To what extent is the evaluation process able to test the market for BAN?
- What is the potential for linkage with the RISE training programme as a package of Continuous Professional Development (CPD)?

---

[18] RISE Business Advice Network (BAN) Evaluation, Final report December 2005

http://www.rise-sw.co.uk/uploads/ban_evaluation.PDF

- What should the BAN look like in the future and what resourcing would this require?

Who can use it?
Any network can undertake a self-evaluation exercise of this nature.

Strengths
- This is a simple and user-friendly model
- This would be particularly good for networks with limited funds, smaller networks and newer networks

Weaknesses
- The answers may not provide enough information to determine the impact of the network
- The provision of supporting evidence to back-up self-assessments is an important issue that is often neglected.