Cabinet Secretary for Social Justice, Housing and Local Government

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Our ref: Social Enterprise Intermediary Review 7th March 2022

Dear Convener,

In <u>Scotland's Social Enterprise Action Plan 2021-24</u> we set out our plan to fund an enhanced single intermediary body with responsibility for representing the social enterprise sector across Scotland. I would like to make the Committee aware of the outcome of that intermediary review and what it will mean for the future support of social enterprise in Scotland.

The Scottish Government currently funds two intermediary bodies – Social Enterprise Scotland (SES) and Social Enterprise Network Scotland (SENScot). There have been longstanding and repeated calls from the sector to review the intermediary function to ensure it responds to the needs of the whole sector and continues to be fit for purpose. Both existing intermediaries also agree that the sector will be better served by a single voice advocating for it but have been unable to reach agreement with one another about forming a single organisation, thereby necessitating a competitive grants process.

To ensure an open and transparent selection process and in agreement with both intermediaries, I established an Independent Assessment Panel to scrutinise both applications for funding. Each application has now been scored against a set of selection criteria which were agreed by both intermediaries in advance and drawn from recent Scottish Government research, co-developed with the intermediaries, which asked the sector what they want and need from an intermediary body as well as being informed by key Scottish Government priorities. The research report was published on 22 November 2021: Social Enterprise Intermediary Body and shows a consensus amongst respondents for changes in both the quality and type of support provided by the intermediary and in its structure and governance.

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I have accepted the Panel's assessment on behalf of Scottish Ministers and can confirm that Social Enterprise Scotland will receive funding to become the single intermediary from summer 2022. The Scottish Government is working with both existing intermediaries to ensure there is a continuity of service to the sector in the immediate term and will continue to work in partnership to deliver the transformational change that the sector has called for in its representative body.

I am clear that this is the beginning of a development journey with SES to develop a new type of intermediary for social enterprise in Scotland. The new intermediary body will represent the multitude of differing voices and opinions across the sector and work positively and collaboratively with, and on behalf of, social entrepreneurs across Scotland. The new intermediary will help the sector to realise its potential by promoting resilience and sustainability and developing opportunities in new policy areas and development programmes.

The new intermediary body will also be key in modelling and leading the sector towards long term sustainability and working with other national delivery partners to develop a national infrastructure that represents and supports the sector most effectively and works to support the aims and ambitions of the Social Enterprise Strategy. Scotland's vibrant and innovative social enterprise sector must continue to be ambitious, driving our wellbeing economy with a dynamic offer that delivers nationally and internationally – a sector that is world-renowned.

I want social enterprises, large and small, throughout Scotland to influence the future direction and set the priorities for the new body and I have asked my officials to ensure that anyone with an interest in social enterprise in Scotland has an opportunity to have their say.

Lastly, I would like to reassure you and the sector that Scotland's social enterprise intermediary is about the full diversity of social enterprise in Scotland. It will be funded and held to account for the public money received to ensure that all types of social enterprise are held in equal esteem and share best practice across the sector, enabling all of the sector to contribute to Scotland's success at home and abroad.

Yours sincerely,

SHONA ROBISON

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