

David Cameron: How to cure our social malaise

Let's give the social enterprise sector higher billing in the debate over public service reform

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One of the things I've enjoyed most about this leadership campaign is the chance to see how people all over the country are working to tackle our most complex social and environmental challenges. Many of those people are social entrepreneurs, and many of those most impressive organisations are social enterprises. Since today has been declared Britain's first Social Enterprise Day, it's a good opportunity to celebrate their success.

But first a word of explanation. I've been a passionate advocate of social enterprise for many years, but I'm aware many people don't really know what it is - even though it plays a distinctive and increasingly important role.

They are neither traditional charities, nor conventional businesses: they are businesses that trade with a social purpose. They use business tools and techniques to achieve social aims. The best known examples in this country are The Big Issue and Jamie Oliver's Fifteen restaurant. But there are thousands of others achieving great things all over Britain. And the people that run them are real entrepreneurs - as dynamic and forward thinking as the likes of Richard Branson and Anita Roddick.

In North Tyneside recently, I met the people who run Regenerate, which creates community activists by going door to door, listening to people's concerns, and setting up businesses and projects to deal with them - such as, for example, establishing a city farm growing organic vegetables which are then sold in their own local shop. And one of the first social enterprises I came across is going from strength to strength in South London - the Kingston-based drug rehab organisation, Kaleidoscope.

Social enterprises like these are dealing with some of the most intractable problems facing our society: family breakdown, chaotic home environments, persistent unemployment, drugs, crime. And just as business entrepreneurs have helped cure the British economic disease, so social entrepreneurs can help cure Britain's social malaise.

Given the chance, they could do so much more. While many social enterprises are small, operating in disadvantaged communities and set up in response to local problems, there are substantial social enterprises operating in many different sectors. In fact, they contribute more than £18bn a year to our economy and employ around half a million people. We should take them more seriously. They are vehicles of innovation that deserve more encouragement.

Take public services. I'm a strong supporter of choice and competition as mechanisms for driving up standards in public service delivery, and a key part of that agenda is the need to break down the barriers between different sectors. We've heard a lot recently about the potential role of the private sector in delivering public services: why not give the social enterprise sector similar billing in the debate?

There is a pioneering model that can serve as an inspiration. In 1993, the Borough of Greenwich faced hefty budget cuts, including a 20 per cent reduction in funding for leisure centres. In response, the Council spun off its leisure services into an independent, employee-owned trust, set up so that any profits were reinvested locally.

Since then, Greenwich Leisure has improved the range and quality of its services, the turnover has risen from £2.5m to more than £9m, and staff are now, according to one survey, the best paid in the country - and, perhaps most importantly, have real power on the board. On top of all this, the costs to the council of providing the service have halved.

Although Greenwich Leisure was created in response to a crisis, the benefits have clearly gone well beyond any initial financial savings. Former public sector employees have been given a new lease of life - free from bureaucracy, with the opportunity to innovate and the knowledge that profits go back into service delivery. Other local authorities have recognised the value of this approach: more than a hundred similar leisure trusts now exist all over the UK.

Only this week, Sir Andrew Foster's assessment of the further education sector called for new organisations to run failing further education colleges. He's right - but will the government have the courage to take such bold steps? We need to see many more social enterprises like Greenwich Leisure driving up the quality of public services.

Social enterprise is an unheralded success story. It should be seen as a mainstream choice for entrepreneurs, contributing to a stronger and more diverse economy. I aim to encourage and support social entrepreneurs to act as role models, inspiring others to set up and grow new businesses that create jobs, wealth and opportunity. Ultimately, we all benefit from their success.

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