

Transcript

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Chairman: I welcome Mr. Paul O'Sullivan, the CEO of Clann Credo the Social Investment Fund, Mr. Jonathan Coburn, the director of Social Value Lab Scotland and Mr. Seamus Mulconry, the executive director of Philanthropy Ireland.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official by name or in such a way as to make him or her identifiable.

By virtue of section 17(2)(1) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of the evidence they are to give to this committee. If witnesses are directed by the committee to cease giving evidence in relation to a particular matter and they continue to so do, they are entitled thereafter only to a qualified privilege in respect of their evidence.

Witnesses are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable.

I ask Mr. O'Sullivan to begin his presentation on the findings of the Clann Credo report, From the Ground Up -

How Social Finance Can Help Communities Regenerate and Create Jobs.

Mr. Paul O'Sullivan: I thank the Chairman and the committee. Clann Credo is delighted to have an opportunity to come before the committee and discuss the findings of the report, From the Ground Up.

Clann Credo was established 15 years ago and raises private capital and invests it for social or charitable purposes. Most of what we do is by way of lending. In 2009 and 2010 we approved approximately €10 million worth of lending to community and voluntary groups and charities throughout the country and this year we will approve a similar amount.

The terms of the lending are more favourable than those available commercially, if lending is even available commercially. We are in the fortunate position of being able to approve any project, which meets the social criteria and has repayment capacity. Over the 15 years of its existence Clann Credo has not received State funding for capital or operational reasons. Capital is raised privately, initially from more than 20 religious congregations and in more recent years from the banking sector through the Social Finance Foundation.

The operational costs of the organisation are covered by the income it earns. In many respects, Clann Credo is a social enterprise. It has charitable status and it is a company limited by guarantee without a share capital which means we do not have shareholders. Any surpluses are re-invested in the social purposes of the organisation.

This is a good definition of what a social enterprise is. Essentially, a social enterprise applies commercial and

business principles with a view to achieving positive social outcomes such as the provision of services where there is market failure and they are not supplied by the public sector, or the provision of employment, which is the focus not only of the committee but of the entire country.

Two or three years ago when the country started heading towards crisis, along with others in the sector we identified that a long and proud tradition of social enterprise exists in Ireland although it may never have been called this. It is really common sense.

A community group with assets and people seeks to earn revenue and does so in a commercial way. This tradition in Ireland includes the credit union movement, which is probably one of the strongest credit union movements in western Europe. Rehab is another organisation, which for many years has engaged in commercial activity for social purposes.

For a period of ten or 15 years, the sector has suffered from neglect. A large, untapped potential was identified for communities in terms of growth, self-belief and self-reliance and for the economy as a whole in terms of the provision of jobs. It is estimated that the social enterprise sector amounts to 1% to 2%, whereas the figure in the United Kingdom is estimated to amount to approximately 7%. It is approximately 5% across the European Union.

If we were to achieve the EU average, it is reckoned that 5,500 jobs per year could be created for the next five years. This could be a significant component. In addition, services would be delivered to communities which do not currently benefit.

In attendance are delegates from two successful social

enterprises. They include Mr. John Murphy of Speedpak, which is based in Clonsaugh. Members may wish to speak to him after the meeting about his work. These enterprises are selling commercial services in an innovative way, but their target population is the long-term unemployed. Ms Veronica Barrett is with Roscommon Home Services, which employs 380 people. I was surprised when I saw that number. It has taken on an additional 79 employees this year. Not many enterprises west or east of the River Shannon have this record.

A conscious policy decision was identified. Scotland that is the same size as Ireland and has a similar population and history has a more developed social enterprise sector. We wondered why. We were fortunate to meet Mr. Coburn of Social Value Lab in Scotland and we have been drawing on his knowledge and experience. The committee asked for him to accompany us and we will be pleased to hand over to him shortly.

Included in our submission is a number of suggestions and recommendations on matters we hope the committee will pursue. We can discuss them in more detail later, but the key recommendation is that there be a Minister of State at the Department of Jobs, Enterprise and Innovation with responsibility for the development of social enterprise.

If the commitments in the programme for Government are to be given effect, this area must be someone's responsibility. This initiative should be supported by a development unit within the Department which would pull together existing resources and make them available to social enterprises.

It might surprise members that in many parts of the

country the resources of the city and county enterprise boards are not available to social enterprises, as they are specifically excluded. This makes no sense, but the rules are written in this way. I will now hand over to my colleague, Mr. Coburn.

Chairman: Mr. Coburn is welcome.

Mr. Jonathan Coburn: It might be helpful to begin by painting a picture of what has occurred in Scotland in terms of social enterprise in the past five years or so. I have been involved in community business-social enterprise in various forms for the past 17 or 18 years. I designed and managed the first area-based social enterprise support programme 12 or 13 years ago in Glasgow.

I have noticed a significant change in the sector in the past six years, in particular. From modest beginnings with a sizable grant dependence in the community and voluntary sector, there has been a considerable shift towards a more enterprising and entrepreneurial culture.

Driven by government policy, this has led to great transformation in opportunities and prospects. Beginning in 2003 or so, there was a large programme of investment and an emerging strategy to support social enterprise in the country, one that was firmed up in 2007. There has since been a shift.

Scotland enjoys strong cross-party support for social enterprise, as it features heavily in every party's manifesto. It also features strongly in the programme for government and is being backed up by substantial resources. Approximately £94 million was given to support enterprising third sector organisations and social

enterprises in the last three year spending cycle.

During the past 12 months there has been a 16% increase in support to the social enterprise sector, despite significant cuts across Departments. In the latest budget there is an emphasis on preventive spending in Scotland, with an extra £500 million to be allocated during the next three years to tackle issues such as reoffending, adult social care, employability and early years intervention.

This recognises the importance of investing to make long-term savings and help to transform public services. Social enterprise is being presented as a solution in seeking growth within the local economy, the reform of public services and supports that vulnerable communities need in times of recession.

The government has developed a national indicator of the turnover for social enterprise in Scotland. This figure grew from £2.5 billion in 2004-05 to £3.1 billion in 2009, representing a five-year 24% increase in a sector that accounts for approximately 100,000 jobs and a growing proportion of Scottish GDP. A substantial investment is beginning to yield real results in terms of an upward trend in employment and business.

The Scottish approach is based on demand and supply. It is about creating a demand for social enterprise, mainly within the public services market. It is about helping to transform the way public services are delivered by recognising that community and voluntary organisations and social enterprises are often best placed to deliver them, while stimulating a social enterprise sector with the capacity, capability and sustainability to grow and meet demands. A range of innovative programmes support the sector in opening up public markets. Work on public social

partnerships and community benefit clauses is ongoing in the recognition that obligations to build in the added value of the social sector sometimes need to be included when procuring services for the public sector.

There is a substantial investment in what is the largest programme of specialist business support anywhere in the United Kingdom and probably the world. In the next two years £3 million will be given to social enterprise start-ups, to grow established social enterprises and to promote and develop leadership within the sector.

A programme of investment in up-scaling the potential of social enterprise is also under way. It incorporates three main funds. First, there is a fund to support social entrepreneurs, individuals with good ideas who will start social ventures and make considerable differences within their communities. Second, there is a social enterprise growth fund which is investing in fledgling social enterprises. Third, there is an investment fund similar to the social finance fund of Clann Credo which is investing substantially in large-scale social enterprise scale-up activity.

Alongside these, there has been substantial investment in support for the infrastructure lying behind the social enterprise sector to ensure it is co-ordinated, speaks with a single voice, can take forward an integrated programme of activity and have a strategic relationship with the government that is being led by the Scottish social enterprise coalition and a range of intermediaries and support bodies.

As such, we have a national programme of activity through a number of main programmes as well as a local support infrastructure through what are called local support

interfaces and social enterprise networks. As such, there is an integrated programme, nationally and locally, backed up by investment, recognising that it is an investment in the future of the economy in Scotland.

Chairman: I would like now to move on to the question and answer session, unless Mr. Mulcrony would like to add anything further.

Mr. Seamus Mulconry: There is a perception that the not-for-profit or community and voluntary sector is a type of poverty industry, which is incorrect. This sector employs approximately 100,000 people in Ireland, has a turnover of €5 billion and provides approximately €279 million in PRSI. It is an economic sector in its own right, employing 75,000 and 25,000 more people than the pharmacem or hi-tech sectors, respectively. It is an economic sector, which is the reason it should come within the remit of this committee.

Deputy Peadar Tóibín: I was going to ask about the strength of the Irish social enterprise sector. What would be the views of the groups in terms of what we can do to take that further? Priority of funding within the enterprise sector appears to be an important issue. Are there any changes to the regulations we could make which would advance the cause of social enterprise?

Mr. Paul O'Sullivan: Members will have received a copy of the report and summary document. During recent years, we have had many conversations with civil servants on the issue of social enterprise. People's eyes glaze over and they do not understand or have any perception of the untapped opportunity of this sector to deliver jobs and services. Having talked to our colleagues in Scotland, the same was the position ten years ago in Scotland. What

changed that was a change in the attitude of the various political parties and Government. What is important for us is recognition and acknowledgement at political and administrative level that social enterprise has a significant contribution to make in getting us out the economic hole we are in.

In terms of regulation, if social enterprise was treated on an equal footing to the remainder of enterprise, development people would have access to the mentoring services of county enterprise boards and to the whole range of services available to small business. I know of a social enterprise engaged in export which was told by Enterprise Ireland that it does not deal with social enterprises.

I contacted Enterprise Ireland and told it an organisation could not be discriminated against based on its organisational structure. When Enterprise Ireland again engaged with that social enterprise, it came up with a second reason it could not support the organisation, which was engaged in internationally traded activity, namely, because it was not privately owned, Enterprise Ireland could not support it.

An entity focused on reinvesting its profits back into social purpose was not able to fit with the criteria of Enterprise Ireland because there was no potential for private gain. I find that difficult. Changes in regulation will probably come about following changes in attitude. Strong support is needed for this to happen.

Deputy John Halligan: I take it the groups raised this issue with the previous Government and various Departments and so on. I am interested to hear what their attitude was to Enterprise Ireland refusing to deal with the

particular organisation.

Mr. Paul O'Sullivan: The report of the task force on social enterprise, which was the work of a number of different organisations coming together, was launched by former Minister, Deputy Batt O'Keeffe.

Efforts to get an articulation of policy in relation to the development of social enterprise have failed, perhaps because of the manner in which we are articulating ourselves, the way it is being heard or the language we are using. I do not get a sense that there is an appetite within the administrative layers to develop and promote social enterprise. There is evidence from our near neighbours that focus would work and does deliver results, jobs and services.

Deputy John Halligan: Can Mr. O'Sullivan back up his statement that he believes there is an unwillingness to promote what is being done? What have been the indications in that regard?

Mr. Paul O'Sullivan: There has been no significant change in policy. As regards whether things in terms of social enterprise are any different now than they were two or five years ago, they are not. That is the test. Perhaps we have not to some extent articulated our case properly and are trying to do so now.

Chairman: Is it fair to say that there is perhaps a lack of ownership in this area? Is it that no one has taken control of it? Is Mr. O'Sullivan saying that today is about trying to focus minds on someone taking control of it rather than blaming anyone. Is that correct?

Mr. Paul O'Sullivan: Yes.

Mr. Jonathan Coburn: What presented the catalyst for action in Scotland was strong and early Government buy-in. A unit was established within then community Scotland, now the Scottish Government, to provide a co-ordinated focus to support and develop social enterprise. A comprehensive strategy put in place in 2007 was the catalyst for action. Some strong champions within Government made things happen.

In terms of our experience around business support, to be fair, Scottish Enterprise, the main body for enterprise and business support in the country, took some steps towards embracing social enterprise. There is certainly no discrimination against social enterprise but more can be done. I point the joint committee towards the model of Highlands and Islands Enterprise which covers rural areas in the north of Scotland and the dramatic interventions and outcomes it has created through the provision of really targeted business support to the social enterprise community in the highlands and islands. There are models of good practice that can be used in terms of mainstream business support.

Deputy Brendan Ryan: I thank Clann Credo and Mr. Coburn for their presentation. There is a commitment in the programme for Government for social enterprise, although it is contained in a short paragraph.

Nevertheless, there is potential for a massive commitment and I welcome the contribution of the witnesses in spelling out how they would see the process going.

The potential for jobs outlined, with 5,000 jobs per annum over five years, if we get from our current level of 3% of GDP to 5% of GDP is very attractive. At a time of high

unemployment we should be jumping at this and committing to it. Steps were outlined but with regard to getting from 3% of GDP to 5% of GDP, is it just a question of the Government providing support by loosening current restrictions compared to regular enterprise? Will that achieve the goal in itself? I am interested in the Scottish model and how government support manifests itself in order to achieve what is outlined.

I notice some reference to potential areas for loosening up procurement practices and inserting a social dividend model in procurement policies. With regard to competition, the example of Roscommon Home Services is given. Are there any potential competition issues regarding a strictly private operator seeing support for social enterprises as being uneven? Has anything like this been seen in the Scottish model?

Mr. Jonathan Coburn: There are a number of issues, with the first being the approach to stimulating social enterprise. There must be action on two fronts and the debate should be started so people can understand social enterprise in a meaningful way. If people in communities do not understand what social enterprise is about or its opportunities, it will not happen. If people within the business support community do not understand what social enterprise is or how to support it, it will not happen, and if public procurement officers do not understand the opportunity to buy from the community voluntary social enterprise sector, it will not happen either. There must be awareness and information in this regard, and the best way to do this is to take a policy lead, getting down in black and white what the Irish Government wants to see and achieve over the coming years. That provides a good starting point.

From this, action is needed on two fronts. The first is on the demand side and relates to the conditions required for creating a market or space in which social enterprise can flourish. That happens slowly and over a long period. Public sector buyers must get used to different relationships and ways of working or buying services from the sector. This must be built into the process of transforming public services, and there is no difference between Ireland and the UK's substantial cuts in public spending required over the coming years.

There is a real opportunity to consider alternative models of delivering services in a cost-effective way, and there are more effective ways of buying services. There are also different relationships in the design of services in a commissioning process to bring together public service commissioners with the third sector or social enterprises.

This will create services that are more responsive and cost-effective, and there are measures within procurement that can be used, including community benefits clauses or different arrangements for co-commissioning or co-designing services. That is the demand side.

On the supply side choices are to be made with regard to creating a raft of new social enterprises. We can either consider what we have now and try to upscale or grow the existing body of emerging social enterprises or there can be some investment in grass roots. I suspect both would need to be done. It is incredibly surprising what a very small amount of resourcing - even €2,000, €3,000 or €4,000 - can do to give somebody within a community an opportunity to take forward their business venture. It is also amazing what a small amount of seed capital or social finance would do to release the potential of social enterprise. For very modest amounts of investment and

with mainstream business support in alignment, we would see a dramatic transformation in prospects over five years.

This has taken a little bit of time in Scotland and there has been quite a steep learning curve. With the range of programmes, initiatives and learning we have put in place there is an opportunity to accelerate that learning curve very quickly.

Mr. Seamus Mulconry: The Government is still the biggest purchaser of goods and services in the State and if procurement rules are modified slightly, a social market could be created that social enterprises could chase, possibly in competition with the private sector or with other social enterprises.

I do not know if anybody here has had the misfortune to tender for a Government contract but it is very painful and there is a significant level of unnecessary bureaucracy. For example, one may be asked for information that is already available to the body in question. Changes to that process would be good for social enterprise and enterprise in general.

Mr. Paul O'Sullivan: Roscommon Home Services does not receive any kind of largesse from the State. It is not in receipt of grants which enable the service to carry out its business. It is like any normal business and covers costs from income earned.

That income is earned by keeping customers satisfied and providing them with a service, with the only difference that the purpose is greater than just profit for an individual owner or shareholder. The IDA provides a service to communities that would not otherwise have that service

available to them. The competition or displacement issue, as it is sometimes called, does not arise. It is an independent commercial business that happens to be a social enterprise.

Deputy Brendan Ryan: If we began to roll out further supports, would there be an issue?

Mr. Paul O'Sullivan: There is a potential issue but it can be addressed and is dealt with easily in other jurisdictions across the European Union.

Mr. Jonathan Coburn: State aid and other issues are easily addressed within the design of funding programmes and support arrangements.

Chairman: That is important.

Senator John Kelly: I welcome the witnesses and thank them for their presentation. I also welcome my good friend, Ms Veronica Barrett, from Roscommon Home Care Services. I compliment her on the great work she is doing without significant Government recognition.

In order for us to examine how to solve unemployment in this country, we will have to work from the ground up. I am a former member of a county enterprise board and I agree that it is very restricted and limited in what it can fund. If the word “social” is involved in the enterprise sector, county enterprise boards cannot seem to consider funding them. There is much potential but only if we change the way we do business. When we formulate new ideas no answer should be that we cannot do it because it has not been done in the past or there is a restriction. We should examine ways of changing the process in order to create jobs and invest more wisely.

I suggest that Clann Credo make a submission. I have not read the document completely but has the group made a submission along those lines to the Government, outlining what can be done and the benefits accruing to the Government from doing so? The committee can take it from here and if the submission is logical, it will receive our full support.

How does the repayment process work in the lending of money to social enterprise? Will the witnesses give a specific example of that? Can the county councils borrow money for what could be viewed as social enterprises? If so, how would that work?

Senator Feargal Quinn: I had a very interesting day two weeks ago. I went to an event in a school in Tralee in Kerry. There were 600 transition year students attending a day called “blue sky day”. It was put together by one man with a great team behind him who sold his business for a substantial sum of money and decided he wanted to invest in youth entrepreneurship. He did a great job and got others involved. I joined 50 students from Drogheda because they do not have anything like this in any other county.

I mention this because it came about because of someone who had been successful and wanted to put something back into the community and did so this way. This could be followed through across the country.

Whatever about social enterprises needing State support, are there restrictions on similar successful people going into philanthropy who would like to invest in something that would give back to the community because they have done well? In the United States huge efforts are made by

those who were successful in business who want to put something back but there are restrictions on this area in Ireland.

I did not realise until I read the other day that Clann Credo was started with funding from the religious orders. Did it come from individual entrepreneurs or people who had been successful in Scotland? It did not seem to come from religious order there.

Mr. Seamus Mulconry: For people who avail of tax incentives, contributions to charity or philanthropy are regarded as a tax incentive so there is a ceiling. It is strange because all other tax incentives offer a benefit but a person is not allowed to benefit from a contribution to a charity or philanthropy. That could be decoupled so that if people take philanthropic business decisions, they could be separated because to treat them in the same way is incorrect. Philanthropy in Ireland is underdeveloped. We represent 25 organisations that between them invest about €75 million. That is less than other countries in European and the USA.

We are currently working with the Department of the Environment, Community and Local Government to craft a strategy for the development of philanthropy and we hope to make a report to Government shortly. There are many things that could be done, not least the investment of time by people who understand these issues.

Mr. Jonathan Coburn: The advancement in social enterprise in Scotland is driven by the state. The main social finance fund is mostly funded by the Scottish Government but that is matched by funding from the high street banks to create a pool of capital that can be reinvested over and over in social enterprises. Some of

the smaller seed corn funding comes directly from Government through a range of trusted intermediaries that disburse those funds.

Mr. Seamus Mulconry: I should mention that we are talking to Business in the Community later who support many of these initiative and will be glad to take the committee through them.

Mr. Paul O'Sullivan: In some respects, relative to the rest of Europe, particularly Britain, we are positioned better than they were when they started with these policies. There is capital available that was all sourced from the private sector for social investment without any State money.

The advantage of that is it can be used as matching finance for EU funding or statutory funding, unlike the Exchequer funded entities in Britain. Because of the efforts of many people, a pool of capital is available for investment through social finance organisations like ourselves.

How does repayment work? Thankfully it is working well, touch wood. Clann Credo, before it makes an investment in a community or voluntary group, will apply two tests; is there a social benefit from the activity and does the group have repayment capacity? We have always taken the responsibility of lending money to an organisation very seriously.

We have a responsibility to the people who lend us the money in the first place, to ensure it is repaid, but also we are aware we have a responsibility to the person who is borrowing to make sure people do not borrow more than they can reasonably expect to repay. We do not have an

application form but we spend time with the groups working through their plans and forecasts and how they intend to repay the loan. The most recent analysis of our loan book stands at €17 million, and it is a lot less distressed than other loan books out there. Much of that is because when we lend to a community group, we are lending to individuals.

The difference is that we do not ask those individuals to provide a personal guarantee because people working in the community are already giving their time and should not have to put their house at risk.

Would we lend to a county council? I have heard the county councils are hard up but I did not know they were that strapped. There is a Leader programme that applies across the country except in the main cities and what were classified as the gateway towns. We do a lot of work in association with local Leader companies and in many instances some of the local authorities are helpful for community groups in assisting to access Leader funding and in giving them access to council lands to enable them to do the developments.

I heard on the radio this morning that the Leader funding fell within the reform of the Common Agricultural Policy and will be renegotiated. Now is a good time for us to get our act together as a country because there is a potential in the next round of Leader to place social enterprise firmly within it, securing jobs, employment and services for rural areas.

There is probably a need for a similar programme, albeit without European funding, for the areas not covered by Leader. There is a significant absence of support in areas of high deprivation in cities and large towns that are

excluded and that should be addressed.

Senator John Kelly: The reason I asked about local authorities because there are projects local authorities may have to co-fund alongside Government funding. There are restrictions where Leader cannot be involved.

Currently, many county councils are cash strapped. Has this organisation the funds to make available to local authorities, which will repay over time, in such cases where these projects could be considered social enterprises that could make money, although they could also lose money?

Senator Michael Mullins: Given the economic activity generated by these social enterprise projects, the creation of employment and a large turnover, it is incredible so little is known about them. The organisation has a major PR job to do. Has it met with the Minister? I see significant potential in this movement. Along with Senator Kelly, I am familiar with the Roscommon Home Services project and Ms Veronica Barrett lives in my electoral area.

I am very familiar with the fantastic work this organisation does in east Galway as well as Roscommon and Mayo. Very few organisations in our part of the world employ 389 people and would have recruited 79 people this year. It is a significant operation in providing a fantastic service to the people who avail of it.

I would like to see some of the bureaucracy broken down. I would like the County Enterprise Board, Leader and all the other State agencies to assist in the development of this sector. What is their next move and how can members help progress the wonderful activity in which they are involved?

Deputy Brendan Ryan: Scotland is leading the way in this area. We are very thankful for Mr. Jonathan Coburn for taking the time to come before the committee. In terms of members of this committee going to Scotland to see what is being done and how they do it, would he see the merit of that, given that it is easy to go Scotland at low cost.

Deputy Seán Crowe: There is general consensus that this organisation plays an important role. There is significant goodwill but that goodwill has not been transformed in Ireland. The Scottish Parliament seems to be able to adapt much quicker to meeting social needs. For instance there was a crisis in the construction industry in Ireland at the same time as in Scotland. Part of the procurement changes brought about by the Scottish Parliament meant contracts were linked to apprentices.

They adapted to the change more quickly. I do not know the reason for this. Is it that the Scottish Parliament is newer and members have a can do attitude? We can certainly learn from some of the more successful solutions it has come up with. Is it about breaking down State contracts so they are smaller and more accessible to business? We have similar problems in relation to the roll out of roads contracts, because only the big multinationals can take on the contracts. Should we think of breaking large contracts into many different contracts thereby opening it to a number of companies?

Mr. Jonathan Coburn: I will start with the final question. Those in the social enterprise movement in Scotland recognise the very significant contribution of government in providing the catalyst for change. There have been strong champions in government who quite simply made

things happen and civil servants who are willing to listen who have formed a strong strategic and formal relationship with the voice of the social enterprise sector, the social enterprise coalition. There is a strong informal link to government and there is a lot of dialogue on an ongoing basis which provides the ground work that is required to make things happen.

There has been good influence across the levers and arms of government, which is also important. In terms of the specific point around procurement, obviously there is an ongoing requirement to secure best value in contracts and there is a great deal of pressure on procurement officers to ensure the size and specification of that contract is such that we get economies of scale and efficiencies.

What that means is that sometimes there is not a level playing field for social enterprises and SMEs which quite possible can tender for and deliver contracts that run into multimillions of pounds. The way we began to address that in Scotland is not by breaking down the contracts into inefficient smaller blocks but by making sure the specification of the contract is such that it is designed to bring about added social value.

A very practical example of that is that we have brought in arrangements in Glasgow city council and other councils in Scotland that a proportion of the decision on that contract will be based on the ability of the contractor to deliver social value. One of the aspects of that is supplier linkages and engagement with social enterprises. While large contractors in the construction industry might continue to win the multimillion pound contracts, it enforces a requirement that as part of that supply chain social enterprises and SMEs will get in as subcontractors.

Without substantially changing the way that services are procured, one can get the added value of bringing social enterprises in through the back door to ensure that in terms of jobs and services one gets the added benefit from it.

Mr. Paul O'Sullivan: I will pick up on the other points that were made. Senator Kelly raised the question of whether we would talk to a local authority. We would be more than happy to talk to any local authority. Our two criteria is that there would be a social outcome and a repayment capacity.

The idea of members of this committee or some of them making a visit, either formally or informally, to Scotland to see what is happening on the ground and meeting the people who made it happen, is good and we would be more than happy and very pleased to try to facilitate that. I am sure our friends in Scotland would be hospitable hosts and would draw up a programme that would be of benefit to the committee. I was asked what our next move would be.

We would be pleased if the committee could communicate with the Minister or the Government, whoever is the appropriate person, that a junior Minister would be appointed in the Department of Jobs, Enterprise and Innovation to have specific, accountable responsibility for the delivery of that commitment around the development of social enterprise in the programme for Government.

We are not just standing back from that. In our submission, we have also said to the powers that be to kick it back to the people in the sector and bring together a small group of people and give them 60 days to come up with a plan and a set of proposals. Let the people who

know the business come back to that unit in the Department of Jobs, Enterprise and Innovation stating the things that can be done within the current constraints and realities, and outline the things that we can do and move closer to the European norm. There is a win for everybody in that.

Deputy Seán Crowe: If that cannot be done, can that suggestion come through this committee and we would push it through?

Chairman: That is our job. We have done some research in this area already. The committee was very anxious to bring in members to talk about this in more detail. There is a general agreement among members of the committee to try to focus the Department's view on this and to sharpen up and drive it on. We have a role and there is no problem with that.

Once we have completed our research we will make recommendations. It is very clear that it requires somebody to take responsibility for this area and drive it, be it a Minister, a departmental official or a certain team of people. We will certainly look at making such a recommendation and we will be backing it up through the committee.

Does anybody wish to make a further comment?

Mr. Seamus Mulconry: There needs to be a named Minister and a named assistant secretary or principal officer who can be invited in by the committee to report on the progress that is being made. If such a facility is not available, nothing will happen. If it is available, there is a real opportunity to make this an integral part of job creation in Ireland and to create jobs in places where no

one else is willing to do so.

Chairman: I thank our witnesses, particularly Mr. Coburn who travelled from Scotland. We appreciate that. It was certainly worthwhile having them here. We will report back to them on how we are getting on with our recommendations. We will keep them informed.

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