

BRITAIN: WHERE NEXT FOR THE SOCIAL INNOVATION ECO-SYSTEM IN THE UK?

The UK has a well-developed social innovation (SI) eco-system that has helped drive the rapid advancement of SI, particularly through social enterprise. However, whilst the UK continues to lead, there are further opportunities for research and capacity building beyond the field of social enterprise.

Charlotte Heales

THE UK'S SOCIAL INNOVATION LANDSCAPE

In the UK, like many other places in the world, the definition of social innovation (SI) is fluid. It can be as broad as “new ideas that work” or as narrow as “innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organisations whose primary purposes are social”[1], but typically definitions fall somewhere between the two [2].

The language of social innovation is well developed in the UK and, whilst its use is often still confined to specific communities, it is understood among a broad range of actors within government, civil society, and research institutions [3]. This indicates a certain degree of institutionalisation of SI and indeed, policies that are supportive of SI have proliferated over successive governments, indicating an enduring level of ‘buy-in’ among policy makers. As a result of this, UK policies have been instrumental in the creation of one of the most developed SI eco-systems in the world, having provided capacity building and funding to both demand and supply side interventions.

LEGAL AND REGULATORY FRAMEWORKS

Measures for supporting SI have included the development of some of the world's first legal structures, built specifically for social enterprise, as for instance the development of frameworks for Community Interest Companies (CICs) and Community Share Offers.

This can be seen as working in conjunction with work around regulation. The UK's Financial Conduct Authority (FCA) became the first regulatory body in the world to create a Regulatory

Sandbox, an initiative which releases innovative business models from the strictures of some regulation in return for conforming to close monitoring and evaluation. Following this, the model has also been trialled by Ofgem, the UK's energy regulator. This represents a progressive approach to regulation which can help to address market failure by reducing barriers to innovative ventures in sectors where consumers have poor levels of choice.

COMMISSIONING AND FUNDING

Commissioning has also been a focus of government action and the Social Value Act (2012), which requires commissioners to consider the broader social benefits of using certain providers, has been an enabler of socially innovative approaches to providing services. In addition, the UK's ‘Buy Social’ campaign, started by Social Enterprise UK, encourages people, as well as private and public sector organisations, to buy from social enterprises.

In the UK, funding mechanisms for SI are many and various, and range from traditional grant funding to more ground-breaking models. Big Society Capital (a wholesaler of social investment capital) and Social Impact Bonds were developed in the UK, representing global firsts, and being clear examples of the pioneering role that the UK has taken. In addition, the UK Government has taken additional action to provide tax relief for social investment funding in order to encourage private investment in social innovations and social enterprises.

SUPPORT AND RESEARCH

The UK remains a hub of research around SI with many institutions (e.g. the Saïd Business School) having dedicated programmes to social innovation. There is also a thriving sector of social innovation intermediaries, including organisations such as The Young Foundation, NESTA, the School for Social Entrepreneurs and the Social Innovation Exchange (SIX), providing cutting edge work supporting SI.

BEYOND THE PROGRAMMATIC

However, if we look at many of the above stated examples we can see that whilst SI in the UK is understood as being distinct from social enterprise, it is also the case that developments in social innovation have been particularly focused on enabling these business models. This must be seen in the context of a lasting programme of state austerity since around 2010, during which social enterprise has been held up as one solution to the challenge of meeting social needs despite the rolling back of the state.

Among many SI actors, it is recognised that social innovation goes beyond the programmatic [4]. The emphasis on social enterprise and design-focused SI has been positive for creating new innovative products and services. However, SI is also about new partnerships between actors, new

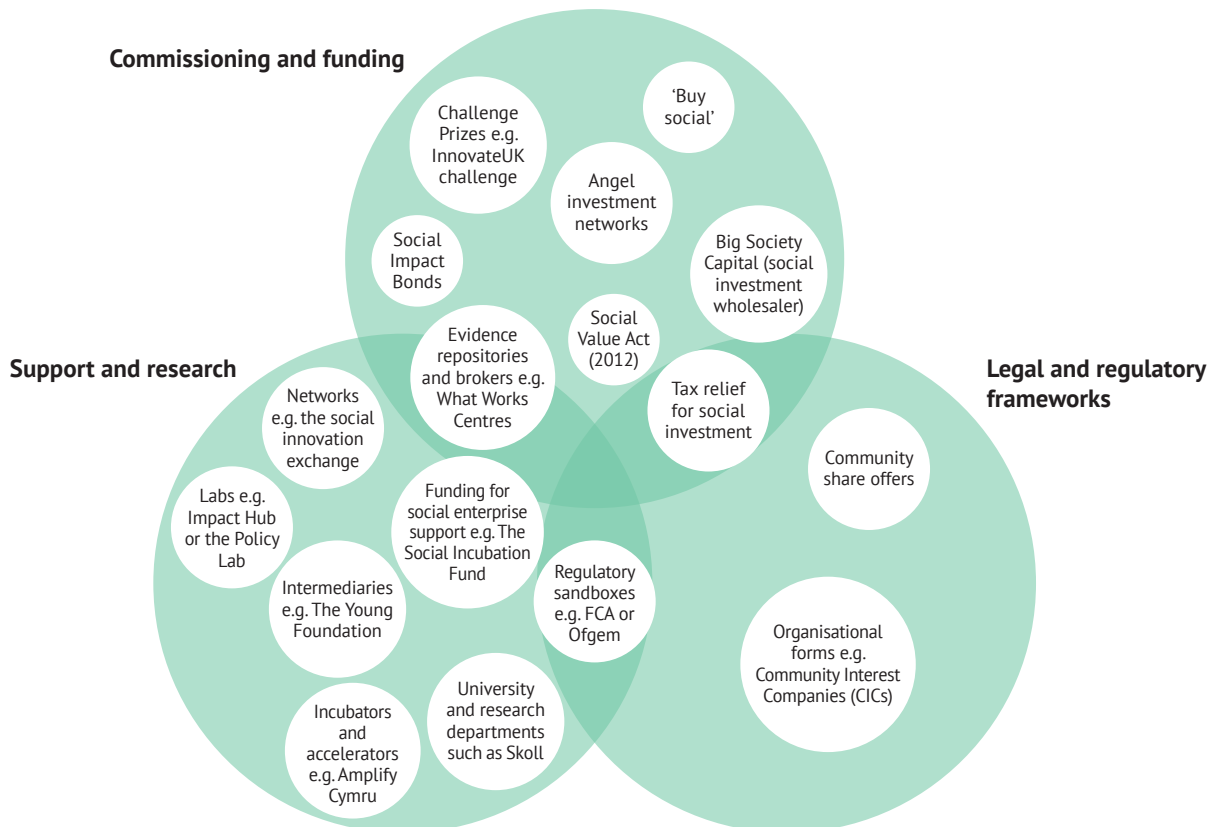
business models, new ways of working etc. Indeed, many of the pioneering examples in financing and regulation can be seen not only as enabling socially innovative enterprises but also as innovations in and of themselves.

The UK is also making inroads in the public sector which appear to be increasingly focusing activity on social innovations, and particularly in ways which move beyond specific programmes of work and focus instead on changing practices. Examples of this include the work of the Behavioural Insights Team (BIT) which has utilised a behavioural science approach in order to change the ways in which government interacts with citizens.

USING THE TOOLS AND METHODS OF SOCIAL INNOVATION

There is increasing focus too, on the use of the tools and methods of SI, again, particularly by the public sector. Beyond user-led design approaches, public bodies have been utilising new approaches in order to engage with actors in new ways and adopt new working practices. The user-led design approach is the idea that user experience and expertise is valuable in identifying need and developing ideas for solutions.

In 2012, for example, Argyll and Bute Council's Children and Families Service Department utilised a co-design methodology



Examples of enabling factors from the social enterprise ecosystem in the UK

in order to design a new funding mechanism along with local third sector organisations. They found that this process allowed them to remove unnecessary administrative burdens on civil society and provided greater flexibility without sacrificing quality assurance.

In another example, the customer engagement team of Warwickshire County Council decided to improve the commissioning of services for people with learning difficulties by incorporating five people with learning difficulties onto their panel of trained peer reviewers. Whilst such approaches require sensitive and careful management, the process was seen to have had positive results.

STRATEGISING FOR SOCIAL INNOVATION

Indeed there are a number of examples of local authorities and specific government departments utilising the tools and methods of social innovation. However, there is a lack of coordination in the way in which this occurs. Frequently these approaches arise in an ad hoc fashion and learning from them also is informal.

There is more that can be done in order to entrench social innovation more broadly across different sectors and in a more connected way. There is also space for these collaborative social innovations to diffuse into new sectors, beyond public bodies and into areas such as community-led social innovation and corporate social innovation.

The UK's Department for International Development, for example, has looked strategically for opportunities to develop corporate social innovations through initiatives such as their partnership with Vodafone (which resulted in corporate social innovation in the form of mobile money transfer service 'M PESA') and their strategic partnerships window within their Girls Education Challenge work. However, such approaches are, again, sporadically implemented.

CONCLUSIONS

The UK has a claim of having one of the most advanced environments for social innovations in the world. The social enterprise sector is strong and increasingly well supported. However, social enterprise is only one potential model for social innovation. Despite the development of clear field leading practices, the entrenchment of frameworks for SI remains uneven. There is more that can be done to mainstream the concept across societal actors and the use of socially innovative practices.

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