Waterways for Growth
The social economy and the stewardship of waterway corridors

Introduction

Waterways for Growth is a project developed under the Interreg IVB North Sea Region programme which explores how the region's navigable inland waterways can be developed as a multi-functional resource. The project runs from 2009 – 2012 and brings together 14 partners from 6 countries surrounding the North Sea - Belgium (Flanders), Netherlands, Germany, Norway, Sweden and the United Kingdom. Partners include national waterway agencies, regional and local authorities and tourism development bodies. The project is led by Canal & River Trust (formerly British Waterways), the main national inland waterway authority in the UK.

One of the themes identified through the project was the potential for the development of the social economy for the delivery of waterway-related services. A working group consisting of a number of *Waterways for Growth* partners was established to investigate this further. Partners with a particular interest in the topic were:-

Partner	Country
Canal & River Trust (formerly British Waterways)	United Kingdom
Scottish Waterways	United Kingdom
City of Bradford	United Kingdom
Municipality of Langedijk	Netherlands
Province of West Flanders	Belgium

A number of workshops were held to take the theme forward. These were supplemented by an investigation carried out by Canal Connections, one of the social economy organisations involved in the project, into the Shipley Canal Zone. This work was commissioned jointly by the City of Bradford and Canal & River Trust and looked at how the social economy could deliver activity in support of the management of the Leeds of Liverpool Canal in the Shipley-Saltaire area of the city of Bradford.

This report brings together the findings of the workshops and key lessons learnt from the Shipley Canal Zone work, together with other learning from social economy projects. It summarises how the social economy might be harnessed to help

manage and deliver services along inland waterways and, at the same time, deliver social and community engagement.

What is the social economy?

The social economy is characterised by a range of business types that can be grouped under the social enterprise category. A commonly used definition of social enterprise is:-

"… a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders or owners" (DTI, 2002).

Social enterprises have three key characteristics:-

- they have a social, community or ethical purpose
- they operate using a commercial business model
- their status is social ownership or 'not-for-personal-profit'

Social enterprise shares the social and ethical values of much of the voluntary sector and the wider social economy, which is frequently being described as the 'third sector'. The social economy includes work carried out by voluntary and community groups, self-help groups, sports clubs, and other 'not for personal profit' organisations set up to benefit communities and people. There is no single legal model for social enterprise, and the range of organisations involved includes housing associations, development trusts, community businesses, charities, cooperatives, employee-owned businesses, intermediate labour markets and social firms.

Social enterprises can help tackle social and environmental challenges, and can deliver improved public services and new approaches to service delivery. At the same time they can provide employment and training opportunities in supportive business environments for groups that mainstream business cannot, or will not, employ, such as the disabled, those with mental illness, the long term unemployed and ex-offenders. They also provide a means by which wealth can be retained and recycled for longer within communities or local areas. And social enterprises also provide opportunities for disadvantaged groups to participate as customers and users of services that otherwise might not be available, whilst also helping to develop an inclusive society with active citizenship.

The social economy and waterway stewardship

The Shipley Canal Zone study focussed on defining a role for the social economy in terms of stewardship of the waterways (both the canal and the parallel River Aire), particularly in terms of taking greater care of the natural environment and cultural heritage. Although a range of organisations were involved in the management of the waterway and its corridor, including City of Bradford Metropolitan District Council and Canal & River Trust, there was no coordinating role for bringing everything together.

Other issues along the corridor are common to many waterways and waterside areas:-

- A lack of significant funding for enhancements

- The poor state of waterside – particularly in relation to debris and litter, both water-borne and from adjacent industrial units
- Missed opportunities from local development
- A riverside habitat under threat – from invasive species, development and lack of management
- Poor access to and along the river by public right of way or other routes
- Lack of information for visitors and locals about the river and canal and how they link with centres
- Fear of crime / anti-social behaviour / security along riverside and canal.

In addition there is a substantial body of under-achieving young people in the surrounding communities, so stewardship of the waterways would provide an opportunity to deliver practical and work based training through environmental and heritage work.

So the stewardship role is based around the twin objectives of:-

- Improving the natural and built environment of the waterway corridor; and
- Delivering education, training and experiences to disadvantaged communities and groups in the locality.

The following types of activity could be delivered along the waterway corridor by a social enterprise taking on a stewardship role:-

Potential Functions of a Stewardship Role	
Functions	**Detail**
Coordination	
Partnerships	Development & coordination of sustainable partnerships
Community engagement	**Locally:** Schools Residents Association Business Forum **On a wider scale:** Communities Activity Land management Community boats
Education	Audit of current users Twilight sessions with teachers (focus groups) Market through current user experience (with above) Link learning plans with heritage sites along the corridor
Training	Boat handling Traditional crafts Heritage skills Links with other employment training organisations in the area
Creative Activities	Artist In Residence Schemes Creative arts initiatives Exhibitions Arts engagement programmes
Volunteer Programmes	Action days "Adopt a patch" Friends of groups
Promotion	
Increasing visitor appeal and tourism potential	Signage Boat trips Guided walks Boat services Festivals Fetes/galas Leisure activity
Delivery of care and maintenance	
Anti social	Activity / reporting

	Ambassadors
Canal	Moorings Bridges Lock Off side vegetation Mile posts Habitat creation- monitoring
River	Invasive species Monitoring water quality Habitat creation –monitoring
Footpaths	Way marking Maintenance Seating
Green space	Management Urban spaces Themes
Waste	Re-cycle Clean ups Cycle of Action days Litter Dog dirt Water borne rubbish Obstruction monitoring / reporting

Working with beneficiaries

A key feature of the waterway environment is the use of boats to support delivery of many of these activities. This creates opportunities that can't be realised in other environments. The innovative use of a boat supports creative engagement, non-traditional learning and the development of social and practical skills. For example, use of boats can deliver:-

- Training in boat handling skills

- Access to the natural environment for people with disabilities

- Inter-generational links between young people involved in employment training and older people who manage / operate the boats (either as employees of the social enterprise or as volunteers)

- A greater involvement / engagement of beneficiaries with outdoor resources, including improved health and well-being. In an education context, evidence from a school in Bradford suggests "three hours working on the canal-related project was worth three days work in the classroom".

A range of opportunities exist to deliver education & training in association with the stewardship role. These include:-

Expand and Improve Provision - Building on current users	
Need and Demand	**Proposed Strategies for Increasing Opportunities**
Marketing and promotion	Develop an Ambassador role through 'marketing' by: • Current organisations • Users in their own schools /organisations • Education clusters
Inclusivity	Develop integrated resources incorporating learning regarding heritage sites along the waterway corridor
Heritage	Traditional crafts Structured improvement and interpretation including for example: • Mileposts • Boundary stones • Lock furniture

Creativity	Build on current creative arts activity by incorporating education workshops in the lead up to events / festivals along the waterway corridor, including use of film / photography

Shared Learning and Exchange	
Need and Demand	**Proposed Strategies for Increasing Opportunities**
Non-traditional learning	Taking people out of their comfort zone into a new environment Families Healthy living
Widening access for the disabled and people with mental health issues	Working with special needs both physical and mental Dyslexia Headway (brain trauma – working with wheelchair users and non wheelchair users) Developing themed circular walks for wheelchair users Provision of wheelchair access boat
Rehabilitation / respite care	Working with specialist groups to support their rehabilitation /reintegration Carers Military Ex-offenders
Social cohesion	Exploit the neutral territory of the canal by developing current users Faith event Taking experience and skill back into own community Develop the current practise of shared learning to incorporate the beneficiaries

Work Based learning	
Need and Demand	**Proposed Strategies for Increasing Opportunities**
Social skills development: Low confidence, self-esteem, vision	Develop a Leadership Course incorporating team building, boat handling, heritage / conservation through a mentor model of senior school supporting primary school pupils Widen horizons
Practical / vocational education	Develop current practise of structured work at specific sites to incorporate: • Conservation • Vegetation management
Multi Disciplines	Develop the theme of Urban Pockets Key sites Local ownership through schools Develop the Integrated Workshops through 3 day events

Enterprise	
Need and Demand	**Proposed Strategies for Increasing Opportunities**
Residential courses	Develop a residential course through local provision Volunteer camps
Specialist courses	Develop Specialist courses Traditional crafts Photography
A centralised Support network	Develop a centralised hub support for young enterprise

A business model

As mentioned earlier, social enterprises need to function as businesses, with profits ploughed back into delivering the social objectives rather than being distributed to owners or shareholders. To do this, sources of income are required, which can come about in a number of ways:-

- Direct funding from key stakeholders for the delivery of specific services. For example, in the case of Shipley Canal Zone, the social enterprise could enter into

contract agreements with stakeholders such as City of Bradford MBC or Canal & River Trust for the delivery of specific services in relation to the management of their assets within the corridor eg. vegetation management, graffiti removal, management of waste / litter etc.

- Funding from the wider stakeholder community within the corridor for services delivered eg. grounds maintenance for local private sector firms.

- Funding for the delivery of services related to beneficiaries. For example this could be through local authority social services departments (for activities involving disabled people), education departments (for schools-orientated initiatives), training organisations etc.

- In-kind funding through the involvement of volunteers for certain activities eg. boat handling and operation.

- Grant funding for specific programmes / projects / initiatives (although a problem with this is that it is usually time-limited).

A key issue is bringing together and managing these often disparate sources of funding, while ensuring continuity of activity.

Benefits to public sector stakeholders

For public sector organisations, such as local authorities or waterway management agencies, involvement of the social economy in the management and development of waterway corridors can deliver a range of benefits:-

- Potential public relations and political benefits in terms of corporate social responsibility

- The delivery of work to improve the quality of the resource that would not otherwise take place

- Demonstrate a commitment to improving the quality of life of local people, through both improved environmental quality and the delivery of training and skills

- Helps show positive movement towards disability and discrimination targets

- The potential to get work done cheaper than by the use of private sector contractors

- The longer term potential to attract trained, skilled staff involved in the training & skills programmes

Key issues

Some of the key issues for public sector organisations in use of the social economy for delivering services such as waterway corridor stewardship relate to:-

- Health and safety issues, duty of care etc i.e. ensuring that the social organisation has appropriate procedures in place for managing health & safety.

- The danger of a possible reliance upon transient arrangements in terms of funding or personnel of the social organisation

- Quality of work and quality control – the need for appropriate contract arrangements to manage quality of service delivery

- Management implications. Staff time and responsibilities involved should not be underestimated

- Levels of partner/stakeholder involvement and commitment

- Continuity of work - maintaining momentum, support and funding

- Expectations from both sides - staff retention and staff motivation

- Perceptions of existing staff.

- Acknowledgement, celebration and evaluation of success. All want to see their efforts are worthwhile.

- Engagement of stakeholders. It is important that the aspirations and priorities of the local community are built into programmes of work. The social organisation, which may in any case be embedded within the community, might be able to undertake / support community engagement.

- The need for accreditation of beneficiaries in welfare-to-work schemes. Although the beneficiaries gain valuable work experience, they often don't come away with any formal qualifications as a result.

Critical success factors for social enterprises

In developing social enterprise a number of factors and criteria need to be considered. These include the need to consider commercial aspirations alongside the wider focus on people and social outcomes. Social enterprises which seek long term sustainability need to focus on their market, their customers/users, and their profitability. Evidence frequently shows that enterprises initially dependant upon external and time-limited funding may not outlive their start-up period, and some, or all, of the following factors should be borne in mind before and during establishment.

Capital requirements

Access to capital is often the priority factor determining the viability and success of social enterprises. Many social enterprises fail because they are unable to raise capital from banks and other traditional financial institutions. From inception, the capital requirements of a social enterprise need to be planned. The plan should include not only start up costs but also how it will fund future growth. An ability to issue share capital should be considered as should readiness to grow. Social enterprises should have access to capital as well as capital requirements both for start up and for continual business development, and these will determine the suitability of different potential organisational structures.

Shared commitment

The success of a social enterprise is strongly determined by the commitment of its founders, members, board and staff. Social enterprises must be able to find and engage stakeholders who represent a community of purpose, shared needs and common aspirations.

Market-driven

Successful social enterprises are seen to be in close touch with, and responsive to, the needs of customers who represent the market for their products and services. Organisational structures that encourage an understanding and contact between members and the customers of the enterprise are more likely to survive and prosper.

Profit-orientated

Social enterprises must compete effectively, but failures can result because some have not striven to maintain sufficient levels of profitability to be able to continue to meet their stated social objectives.

Access to capital

Access to sufficient capital to finance growth and development is a critical success factor for social enterprise. Funding must be accessible when needed and required – financial planning, fund raising and cash flow need consideration.

Focus on people

Social enterprises that recognise people as an essential asset are more likely to be successful.

Clarity of objectives

Successful social enterprises need to show a clear vision, and their mission should pervade all parts of the organisation and should be supported by clear strategies for achievement. Simple and limited objectives can be best to help bring initial success.

Effective governance

The ability of board members to effectively govern will influence commercial success. They must be skilled and strong enough to direct strategy and policies but allow its management and staff to get on with the tasks of day to day operations.

Leadership

Appropriate and skilled leadership influences the chance of social enterprise success. Leaders must be able to unite and articulate business needs as well as organise delivery of goods and services. Traditional businesses tend to buy or recruit their leadership, whereas social enterprises generally try to find it closer to home and then develop and maintain it. The ability to develop suitable future leadership is therefore important.

Flexibility

Flexibility and the ability to respond to change are factors influencing the success of social enterprises. Management structures need to be able to change quickly in order to respond to evolving circumstances, and social enterprises usually need to retain this flexibility over time.

Consistency of purpose

Social enterprises also need to be able to safeguard their primary objectives and purposes. There is a risk these may be put at risk through stakeholders or others who may wish to develop the business for purposes other than those for which it was originally set up. As enterprises become more established there is always a risk they may become more bureaucratic, so making it easier for minorities to influence their working.

Membership

Social enterprises are often thought better likely to succeed if their membership is restricted to a single stakeholder group, eg, an inland waterway society, which will share a common bond or background. Such an approach may not preclude other stakeholders from participating in some aspects of the business.

Allocation of profits

Successful social enterprises have clear mechanisms for the way profits are used and distributed, and will generate surplus profits in excess of those required to

finance growth. Consideration needs to be given to the ways in which such monies are either distributed or reinvested.

Innovation

A common characteristic of social enterprise is the ability to take risks and adopt innovative solutions.

Commitment

The commitment of key stakeholders and groups is a critical success factor. Participants should consider how different organisational models could influence future plans, eg, small user group v. community owned structure v. publicly owned organisation.

Charitable status

Charitable status confers benefits in terms of tax relief, perceived legitimacy and the ability to attract certain forms of funding. However, these benefits can be outweighed by the additional burden of statutory reporting, restrictions on permissable activities and controls on the transfer of capital to support new initiatives. Difficulties experienced by registered charities can include exclusion of commercial trading, the fact that provision of employment (ie to disabled people) does not normally qualify as a charitable activity and the need to adopt complex arrangements to receive tax efficient donations.

Entrepreneurial drive and longer term sustainability

The creation of a successful social enterprise requires considerable investment of time and energy, as well as entrepreneurial drive and business sense. As the enterprise matures different skills and forms of motivation are likely to be required. The enterprise will have to develop the skills and capacity of its staff to ensure sustainability. This can present problems – harnessing skills in the early stages, whilst at the same time ensuring long term successful management and control. Any organisational structure should seek to address and balance these requirements.

Decision making

The ability of a social enterprise to develop and grow is affected by the ability of its management to take appropriate and timely decisons. There can be conflicts of interest in a social enterprise between entrepreneurial management and a membership or board that wishes to work as an inclusive and democratic body. The arrangements of different organisational structures can affect the decision-making ability of its management on strategic issues, such as the transfer of assets or the ability to raise capital.

In-kind contributions

The business plan of a social enterprise may include the provision of in-kind or voluntary labour, materials or services by members or supporters. If this is the case the organisational structure adopted should allow and support the use of such resources. For example, democratic social enterprises where volunteers and employees can vote may engender a sense of ownership from volunteers which a trust form of structure would not.

Board members and employees

A social enterprise benefits from a skilled and committed board and staff. However, different organisational models demand different numbers, kinds of people, and skills from directors, trustees and senior employees. For example, if a stakeholder approach were to be adopted (eg, involving canal interests) it is important to assess

whether each group will present sufficient and adequately skilled members to take on the responsibility of directing the work.

Credibility

Credibility is vital both within a social enterprise and within the external community or people it serves. Credibility may be affected by organisational structure – an analysis of stakeholders may enable participants to consider which forms of structure would be most likely to enhance credibility.

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