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Early News

Clarity needed on 'stealth' social enterprise bodies

Social enterprises working in the health service are becoming unaccountable and bureaucratic as they move away from their community-focused roots, academics have warned.

The first published academic research into social enterprise in the NHS raises concerns about the changing role of the new organisations ñ generally held to be third sector groups deploying business-like strategies.

The study, commissioned by Unison, concludes that the social enterprise movement is changing, and that bodies are 'becoming disconnected from their roots in the coöperative movement, communityñfocused businesses and regeneration activities'.

Increasingly, they are being more widely defined as organisations that reinvest surpluses into the health community, such as foundation trusts or even private healthcare firm BUPA, it says.

The study claims this has led to confusion and a reduction in public accountability.

And financial concerns could be overtaking social enterprise's original social mission, the report by Durham University argues.

It says: 'Responsiveness to the local community could be lost in the search for viability in a competitive market or through services being provided by multinationals.

'Collaboration and sharing of good practice could prove difficult in an increasingly commercial and contractual environment.'

Launching the report, David Hunter, professor of health policy and management at Durham University's centre for public policy and health, said social enterprises 'are not a panacea'.

'The danger is that as contracts replace grants, social enterprises will become risk averse and heavily bureaucratic,' he added.

'It's a policy that's been rushed through in great haste, without thinking through some of the key elements of accountability.

'This has happened by stealth, without any sort of public discussion. Many people don't know what social enterprises are.'

Unison head of health Karen Jennings said: 'There are concerns that the traditional programme of social enterprise may be undermined by the great emphasis on business elements.

'Contractualisation means social enterprises that don't have a great deal of experience may go under or be taken over.'

Commenting on the report, King's Fund director of policy Jennifer Dixon said: 'Social enterprise is an attractive label that many new providers will want to claim and there is a need to be clearer about what the characteristics are.

'Social enterprises must have some social purpose at heart and should be reinvesting any financial surpluses to support that aim.'