



Social accounting is good for business, says CDS

Co-operative and community businesses across Scotland are being introduced to 'social accounting' to measure their wider impact on society.

The process helps businesses evaluate their 'triple bottom line' of economic, social and environmental impact, while demonstrating good business practice.

Co-operative Development Scotland is raising awareness of the practice following a flagship pilot project with the Social Audit Network to introduce social accounting to six co-operative and social enterprises in Scotland.

Highland Home Carers, Highland Wholefoods, Loch Fyne Oysters, Scotwest Credit Union, West Whitlawburn Housing Co-operative and The Wise Group each produced their own set of social accounts as part of the exercise.

Sarah Deas, CDS Chief Executive, said: "Co-operative and co-owned businesses are seeking new ways to demonstrate their wider impact on society. Social accounting is an effective means to assess and communicate such benefits to customers and other stakeholders."

The Social Audit Network (SAN) helps companies throughout the UK prepare social accounts and have them independently audited. Alan Kay, one of the registered and SAN approved Social Auditors who worked with the six Scottish companies, explained: "There is significant evidence to suggest that social accounting and audit has helped organisations win contracts and investment by demonstrating their wider benefits to communities and the environment."

At employee-owned homecare provider Highland Home Carers, based in Inverness, Managing Director Stephen Pennington said: "The social accounting process enabled us to consult our whole workforce and service users, and has produced an excellent marketing tool that we are distributing widely to stakeholders and other employee-ownership organisations, including the Baxi Partnership."

West Whitlawburn Housing Co-operative provides high quality, affordable rented housing in Cambuslang. Director Paul Farrell said: "We now plan to complete social accounts every two years and want to communicate our experience with social accounting and audit to other housing co-operatives."

Rod Ashley, Chief Executive of Scotwest Credit Union, which provides a range of financial services to more than 22,000 members in the West of Scotland, said: "We are highly committed to this system and believe that keeping social accounts will help expand our business across the West of Scotland."

The Wise Group, a social enterprise based in Scotland and the north east of England is also positive. It helps unemployed people into sustainable employment through support, training and work experience programmes, and felt social accounting and audit would demonstrate the organisation's holistic value, give it a competitive advantage and help it identify improvements as a business.

The 18-month pilot involved a series of tailored workshops and regular visits to participating organisations, with deadlines for the completion of practical work.

Four of the six successfully presented their draft social accounts to an independent Social Audit Panel and were audited, providing them with a verified social report.

James Kelly MSP, Co-Convener of the Scottish Parliament's Cross Party Group on Co-operatives, will host an event to present the findings and conclusions of the initiative at Holyrood on 13 May 2009.

He said: "Clearly organisations that can demonstrate their wider social impact beyond financial performance will gain a competitive edge and, with co-operatives, social enterprises and voluntary organisations thriving in Scotland, that has to be good for our economy as a whole."

ENDS

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For more information contact Ian Spinney at The Very People on 07973 671773.

About CDS

CDS is a wholly-owned subsidiary of Scottish Enterprise. The agency was established by the Scottish Government to promote and support the development of co-operative and employee-owned business models across Scotland. CDS covers all of Scotland and supports the remit of Scottish Enterprise, Highlands & Islands Enterprise and Business Gateway. A specific focus is on priority growth industries, including food and drink, renewable energy, forestry and tourism. Co-operative business models have a key role to play in the growth of these sectors.

CDS has its own Advisory Board and, by working closely with key partners, aims to demonstrate the improved productivity, sustainability and community benefits that co-operative models can offer. Its remit is to:

- Raise awareness of co-operative business models
- Help new and existing co-operatives to grow
- Develop markets for co-operative and co-owned businesses

Some of Scotland's best-known co-operative and co-owned businesses include Tullis Russell, Loch Fyne Oysters, Highland Home Carers, First Milk, John Lewis Partnership, The Co-operative Group and Scotmid.

www.cdscotland.co.uk

About SAN

The Social Audit Network (SAN) is a company operating throughout the UK. It promotes and supports social accounting as the preferred means whereby enterprises report on their social, environmental and economic performance and impact. In Scotland, SAN operates through one of its founder members, CBS Network (CBS Network).

SAN, and previously CBS Network, have worked with a range of enterprises throughout the UK supporting them to prepare social accounts and have them independently audited. SAN tends to work using a “cluster model” and in recent years has worked with clusters in a number of areas including Easterhouse, Moray and Aberdeenshire, West Midlands and Wales. Several of the enterprises supported through the social accounting process in this way have been worker co-operatives, credit unions and other co-operative societies.

www.socialauditnetwork.org.uk

www.cbs-network.org.uk

About social accounting and audit (SAA)

The social accounting and audit (SAA) framework involves three steps for an enterprise.

The first step is about organisations clarifying their mission, objectives and related activities, and the values and principles that under-pin all their actions, as well as identifying their key stakeholders.

The second step involves identifying the quantitative and qualitative indicators that allow the enterprise to report effectively on its performance and impact against its stated mission, objectives and values and establishing appropriate systems to collect data and consult with its key stakeholders.

The third step is about bringing all the collected information together into social accounts that are then verified by an independent panel which, once satisfied, issues a social audit statement.

Most enterprises keep social accounts for a period which usually runs concurrent with their financial year.