

## West Midlands Social Accounting Cluster

The West Midlands' first Social Accounting Cluster (WMSAC) was launched in September 2005 by All Saints Action Network, under a regional ChangeUp project. It consists of eight social enterprises from across the West Midlands who are undertaking training, workshops and guidance on this subject. The cluster ran until the summer of 2006, by which time most participants have completed their 'draft accounts' and have them ready for auditing.

Before embarking on the development of the cluster, local research had shown that social enterprise organisations were unable to capture the added value that they provide, and in particular, demonstrate this to the public sector funders. It was agreed that Social Accounting and Audit could offer a possible solution to this problem, and enable organisations to robustly report this information.

The benefits of working together in a cluster were found to include:

- Opportunities to share knowledge and experience throughout
- Shared external funding – one bid for 8 organisations
- Mutual support and encouragement – confidence building
- Opportunities to share good practice – from within and outside the cluster
- Easier access to structured support – economies of scale as support only needs to be provided to the cluster, not individual organisations
- Reduction in costs – shared training and other resources
- Allows general (non social audit) networking

However, there were also some issues which arose during the development and operation, which included:

- Communication, roles and responsibilities must be clear and 'signed up to' by all participants
- Expectations must be clear across the cluster
- A 'lead agency' should be appointed ideally within the cluster
- Confidentiality
- Each organisation might progress at a different pace

The good news is that some public sector funders are already accepting social accounts as a satisfactory method of reporting on performance. In order to encourage this further SAN has also identified the need to engage at a strategic level to raise awareness and influence funders such as the Big Lottery.