



SOCIAL ENTERPRISE GOLD MARK
ACCREDITED FOR BUSINESS EXCELLENCE

The Social Enterprise Gold Mark

Framework

and

Assessment Guide

Summary of the Criteria and Assessment Process

The criteria of the Social Enterprise Gold Mark builds upon the six criteria of the original Social Enterprise Mark (which also form part of your Gold Mark assessment). These are that an organisation must:

- a) have formally defined social and/or environmental objectives (or dedicate at least 51% of its annual profits to an organisation who does);
- b) be able to demonstrate that it is an independent business;
- c) earn at least 50% or more of its annual income from trading;
- d) commit the principal proportion (51% +) of annual profit to social/environmental purposes;
- e) on dissolution, be committed to distributing all residual assets for social/environmental purposes;
- f) be able to demonstrate that social/environmental objects are being achieved.

As well as the above, there are five additional Gold Mark criteria. These are that an organisation must be able to demonstrate:

- g) robust governance;
- h) effective stakeholder engagement;
- i) ethical and good business practice;
- j) financial transparency;
- k) the reporting of social impact.

The Gold Mark assessment review process comprises three key steps:

1. Completing the Pre-Assessment Review Form. **You must use the form provided.** The questions address the key elements of best practice covered by each of the Gold Mark criterion and ask you to provide a narrative summarising how your organisation meet the criteria.
2. Completing a Employee/Stakeholder Survey and achieving the required response rate: this varies according to the number of employees and it could include other stakeholders. Instructions for the Employee/Stakeholder Survey will be sent to you separately.
3. Employee/Stakeholder interviews. This will mainly involve people familiar with the evidence referred to in this Self-Assessment (principally employees). Up to one and a half days are usually set aside for interviews, with each one lasting between 30 – 60 minutes, depending on the individuals involved. It may also include group interviews of 2 or 3 people, or possibly larger focus groups.

Pre-Assessment Review Form

You should endeavour to answer all questions within this as fully but as concisely as you can. You may provide additional details you feel may be relevant to the criteria not covered by the questions posed, but in answering questions you should primarily reflect upon your core strategic social and community interests. It is not necessary to capture every single good purpose you support if it does not reflect upon your central social objectives as an organisation.

Whilst there are some key evidence requirements **failure to provide answers or evidence to most questions does not automatically mean failure to meet the overall criterion.** The final assessment of how well your organisation meets the criteria is based on the overall quality of your responses and supporting evidence, rather than a failure to respond to every single element.

If you are unable to answer certain questions, provide particular evidence, or do not believe there is anything appropriate to include in response, please make a note of this so that it is clear you have considered each question.

YOU MUST summarise examples and the key elements from any corroborative evidence that you refer to within your responses, in order to describe how it is relevant. It is insufficient to simply refer to the evidence alone. You should clearly reference the related documentation, noting any specific sections, page numbers etc. **If you fail to do this, the evidence you forward may not be fully taken into account in your final assessment.**

If you have any concerns with the questions, or the responses and supporting evidence you feel able to provide, then please consult your assessor before submitting your Review Form.

Employee/Stakeholder Survey and Interviews

The purpose of the survey and employee/stakeholder interviews is to corroborate and build upon the details of your Pre-Assessment Review Form. Interviews will also be used to explore any significant gaps in the responses within your Review Form and the accompanying evidence you provided.

Normally, up to 1.5 days are set aside to conduct interviews. However, dependant on the responses in your Review Form and from the Survey, it may be necessary to conduct more comprehensive interviews, to explore specific concerns in greater detail. **Please note:** this is likely to incur additional costs and if so, this will be notified and agreed with you in advance.

You should forward any corroborative evidence requested or that you refer to in your Review Form using a dropbox account that will be created for you (or similar, preferably online storage option that you create). **Ideally, you should strive to include hyperlinks to this evidence when referring to it within the Self-Assessment narrative.**

A summary of the Gold Mark criteria, the different elements of best practice this considers and sorts of supporting evidence that may be involved follows in the tables that follow.

NB: all references to social objectives, and other similar references to social impact, social value etc., also relate to and concern any environmentally related objectives.

GOLD STANDARD	RATIONALE	LIKELY SUPPORTING EVIDENCE AND OTHER CONSIDERATIONS YOU SHOULD REFER TO IN YOUR SELF-ASSESSMENT (KEY EVIDENCE POINTS ARE LISTED IN BOLD)
<p><i>Criterion G</i></p> <p>Robust Governance.</p>	<p>The primary purpose of a social enterprise is to pursue social objectives: this may be directly achieved through its trading activities and/or evident through how profits generated from trading are primarily applied in supporting social objectives.</p> <p>Robust governance means being able to demonstrate how this purpose is reflected in top-level governance arrangements, business planning and objective setting.</p> <p>A good social enterprise should be able to show that there is an informed, capable, and accountable leadership, supported by appropriate structures that contribute towards the effective management of people and business interests.</p>	<ul style="list-style-type: none"> • Governing documents (your organisation’s constitution e.g. company rules, memorandum & articles of association). • Governing body composition. • Current business plan and related strategy documents. • Previous business plan and related strategy documents. • Other supporting operational plans and strategy documents. • Details of other supporting governance structures and arrangements (including related policies and terms of reference), which contribute towards the management of different business concerns (e.g. Board Committees; Quality Groups; Employee Council; Stakeholder Boards). • Details of governing body recruitment policies and methods, along with their induction & ongoing training (Board, Trustees, Governors etc.), and how the key stakeholder group(s) you are concerned with are being represented. • Evidence that confirms how a diverse range of skills and experience is evident at governing body level (and in any other supporting governance structures). • Evidence that illustrates planning and decision-making accountability, along with how such interests are communicated to people. • Business planning evidence describing trading and social purposes, that specifically illustrates: <ul style="list-style-type: none"> ○ The rationale that informs objective setting and the activities planned in support of their achievement. ○ Key performance indicators or other measures through which progress and achievement will be assessed. ○ How you strive to maintain competitive edge through innovation and diversification of products, services and other business activities. ○ Key areas of investment.

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<p><i>Criterion H</i></p> <p>Effective Stakeholder Engagement.</p>	<p>A social enterprise primarily exists to deliver social benefits to specific groups of people and/or the general communities it works in. There may also be people and agencies a social enterprise works with in delivering these outcomes. These social beneficiaries and delivery associates are its stakeholders.</p> <p>Effective stakeholder engagement is evident through how a social enterprise can show how different stakeholders have influenced plans and decision-making, helping ensure social objectives are being effectively targeted and served.</p> <p>A good social enterprise should be able to show how it has identified and prioritised different stakeholder groups, along with how they are involved in governance and decision-making structures.</p>	<ul style="list-style-type: none"> • If stakeholder representation is not defined within your governing documents, then in your Self-Assessment responses to the points outlined below, you should confirm how Stakeholder interests inform decision-making – how they are engaged and consulted with along with how their feedback has influenced plans. • A description of the main social <i>beneficiaries</i> of your services and social output (service users, clients, customers, community groups, special interest agencies or groups etc). • A description of people and other agencies who are instrumental to the <i>delivery</i> of your services and social output (this includes your employees, but also commissioning/contracting bodies, sub-contractors, regulatory bodies, other significant associates and partners etc.). • A rationale for how key stakeholders have been prioritised (beneficiaries and those instrumental to service delivery). • Governing documents or other formal documents and policies that describe company ownership (shareholdings and/or membership) and confirm how key stakeholders should be represented in decision-making structures. • Governing body composition or other formal governance structures that show how key stakeholders are represented in decision-making structures. • Other evidence of how the organisations regularly communicates and engages with different stakeholders and communities of interest, both formally and informally (including employees). • Evidence that illustrates how top-level decision-making has been informed by employees and external stakeholders - how they have informed plans, objectives, decision-making and general developments (including the targeting of key performance indicators (KPIs)) • Evidence of any stakeholder mapping exercises you have undertaken, or other targeted stakeholder and community consultation or research that has helped inform your understanding of different stakeholder groups and their needs.

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<p><i>Criterion 1</i></p> <p>Ethical and good business practice.</p>	<p>A good social enterprise will employ ethical and effective business practices that reinforce its social values and contribute to the positive social and differences it creates.</p>	<ul style="list-style-type: none"> • Confirmation of your staff pay ratio, which should confirm the ratio for highest to lowest pay levels, (e.g. 1:20) and how often this is reviewed. • If you employ casual, zero hours contracts or internships, you must describe how these are used – in what roles and to what extent and any other supporting rationale. • Evidence of how pay and pay ratios have been publicised both internally and externally (including job adverts). • Policies and practices that underpin different business management interests. This may include formally recognised operational models and standards, as well as any accreditations and awards you have achieved (or are working towards). Such concerns could include: <ul style="list-style-type: none"> ○ health & safety management; ○ promoting equality & diversity (internally and possibly externally, through the services and initiatives you promote); ○ environmental management and conservation ○ recycling; ○ procurement (including supplier contracts terms and conditions); ○ quality management; ○ complaints handling and response; ○ employee work-life balance, health and well-being policies; ○ workforce development policy, along with your investment in supporting these actions (including how you develop opportunities for people to improve themselves). • Evidence that shows how you monitor your performance in the different policy areas, including any key performance indicators (KPIs), showing how you may have targeted improvements, or other measures relative to how successfully they are being implemented. • Development plans and reports that describe how you have improved, or are endeavouring to improve your performance, particularly when endeavouring to address targeted concerns. • You should include illustrative examples of good practice, which people would confirm are indicative of general best practice. • You do not need to describe actions or examples relevant to every policy you have in place but should try and elaborate upon at least three policies (and to reinforce the strength of your submission, at least five).

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<p><i>Criterion J</i></p> <p>Financial Transparency</p>	<p>A social enterprise exists to maximise the social impact and value it can create, above that of individual shareholder/member profits.</p> <p>A good social enterprise is financially transparent so that it may be held accountable to its different stakeholders, through demonstrating how annual income and accumulated profits have been used.</p> <p>This includes reporting on investments in support of social purposes but also concerns how a social enterprise can show it manages finances responsibly and in ways that reinforce trading sustainability, underpinning the capability to create regular social benefit.</p>	<ul style="list-style-type: none"> • Filed accounts and annual reports for the last two years (preferably ones that have been independently audited). • If accounts do not contain a detailed breakdown of income, expenditure and profit distribution, accompanying financial statements that provide these details. • Confirmation of any employee bonus payment systems, a description of how these work, the minimum and maximum bonuses paid and total annual bonuses paid. • Confirmation of any individual bonus payments, or in-kind benefits paid during the last three years. This should include details of the individuals concerned (or groups of people), the rationale for the bonuses and what they amounted to in this period. • Confirmation of any payments to shareholders/members or owners (dividends, interest payments, refunds – any sort of financial receipt). • An explanation for any losses made during the last three years or why profit-margins have been low, the reasons behind this and what actions have been taken, or plans are in place, to return to healthy financial position. • Quantification and description of any financial investments towards purely social and/or positive environmental objectives – specifically, those investments that may be described as purely altruistic and do not relate to operational requirements related to developing trading potential, or maintaining expected levels of service delivery and quality. • Quantification and description of any significant investments in developing service provision that adds social value or generates additional social impact through what you do, but which is “above and beyond” expected levels and quality service, that service users, clients/customers, commissioning bodies and contracting agencies etc. would recognise as such. • Quantification and description of any significant investments in business development and expansion, improving trading potential and sustainability.

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<p><i>Criterion K</i></p> <p>Reporting Social Impact.</p>	<p>The primary purpose of a social enterprise is to pursue social objectives: this may be directly achieved through its trading activities and/or evident through how profits generated from trading are primarily applied in supporting social objectives.</p> <p>A good social enterprise will regularly monitor and report on the social impact it creates – in terms of the scope of its social outputs and the benefits these deliver for people and communities.</p> <p>Measuring and reporting on these social outcomes reinforces stakeholder transparency and should inform ongoing plans and developments.</p>	<ul style="list-style-type: none"> • Providing responses to a defined set of social impact questions. • A description of how you have strived to achieve different types of social impact, the activities and ways this has been delivered (your social inputs). • A description of the breadth and scope of these activities – geographical coverage, a breakdown of delivery activities, including the numbers of people accessing them, the regularity of different actions and other measurable factors (your social outputs). • A description of the different types of social benefits being delivered to different beneficiaries, along with any measures relevant to these or other indicators of social improvement (your social outcomes). • Key performance indicators relevant to how social impact is being targeted and measured. • Confirmation of which individuals and/or groups in your organisation have a responsibility for helping set targets for, then monitoring and reporting on, social value and impact. • Social auditing activity, social impact analysis and reports. • Case-studies or similar material that help illustrate the nature of social benefits being created - the typical experiences of service users or communities that help exemplify the differences your organisation has helped create, along with the ways you have delivered this and the values that underpin your ethos. <p>PLEASE NOTE: the Social Enterprise Mark/Gold Mark is not an environmentally specific accreditation and these types of output and outcome are defined as being “social”. If environmental, conservation and recycling objectives are part of your primary social purposes or interests, you are asked to focus on these in the general questions explaining your social impact. However, if these are not part of your primary social purposes but you have policies or approaches in place that create such benefits through the way you operate, you are also invited to describe these.</p>