



The Social Enterprise Silver
Mark Framework

and

Assessment Guide for
Applicants

Summary of the Criteria and Assessment Process

The criteria of the Social Enterprise Silver Mark accreditation build upon the six criteria of the original Social Enterprise Mark (which also form part of any Social Enterprise Silver Mark assessment). These are that your 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% 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.

These criteria are incorporated into those of the Silver Mark. If you already hold the SEM, you will already have provided evidence against these criteria. If not, then this assessment will be part of the Silver Mark assessment. As well as the above, there are five additional criteria your organisation is assessed against to determine if you have met the Social Enterprise Silver Mark requirements. These are that your 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 Social Enterprise Silver Mark assessment includes the following steps:

1. **Completing a Self-assessment Review Form.** This form is designed to take you through the different types of evidence you can submit in support of your assessment for the Social Enterprise Silver Mark. The questions will address the key elements of each of the best practice criteria, which are described in more detail within the framework below. They ask you to provide a narrative summarising how your organisation meets the different aspects of this criteria, *but we don't expect every applicant to be able to provide evidence against every criterion*. How you demonstrate best practice may differ, with some organisations demonstrating greater strengths in some areas more than they do others. **You must use the form provided.**
2. **Submitting supporting evidence** relevant to each criterion and your responses provided in the Self-assessment Review Form.
3. **Assessor interview with key personnel**, likely to be a group meeting with the lead person responsible for completing the Self-assessment Review Form and some key senior managers and board members. The make up of this group will vary but we expect that those present will validate what has been submitted in the review form and any questions raised by the assessor.
4. **Post Assessment Report and Feedback.** Your assessor will produce a short report for the Social Enterprise Mark Accreditation Panel, summarising how far the Silver Mark evidence requirements have

5. been met. The Panel make a final judgement on this and you will then be notified of their decision and receive a copy of the report. Your assessor will arrange a meeting to discuss this with key stakeholders from your organisation.

Self-assessment Review Form/Supporting Evidence

In answering the 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 and operational values.

Whilst there are some key evidence requirements (particularly those concerning your social impact), **failure to provide answers or evidence to most questions does not automatically mean failure to meet the overall criteria**. Each criterion explores a range of factors that may demonstrate different types of best practice and it is not necessary for you to be able to provide evidence relevant to everything in order to achieve the Social Enterprise Silver Mark accreditation. The final assessment of how well your organisation meets the criteria is based on the overall quality of your responses and supporting evidence. Most importantly, assessment against the Social Enterprise Silver Mark Framework is designed to help you identify what else you can do to help your organisation develop and improve. We intend that the process of applying for the Silver Mark will provide you with a pathway to improving your practice as a social enterprise, in a way that is meaningful to you and your stakeholders. You might then want to consider applying for the Social Enterprise Gold Mark.

Post Assessment Report and Feedback

Your assessor will produce a short report for the Social Enterprise Mark Certification Panel, summarising the key evidence and how successfully you have met the Social Enterprise Silver Mark requirements. The Panel will review this alongside the evidence you have submitted, before reaching their decision. As the Panel are made up of independent professionals who all volunteer their time, it can take between 4 to 6 weeks before this reporting and feedback is completed. In some cases, you may be asked to provide additional information before a decision is reached, which could therefore add to this timeframe.

Your assessor may also identify actions that you must respond to before you are able to achieve the Social Enterprise Silver Mark accreditation. Once you have completed these actions and amended your Self-assessment Review Form, your assessor may only need to revisit these specific elements to identify whether you now meet the criteria, but this will depend on the scale of the development action and how quickly this is then addressed. The report will also identify what improvements we might want to see before your renewal assessment or any possible development support that could be provided or arranged through SEMCIC.

Following the initial award of the Social Enterprise Silver Mark accreditation, SEMCIC will carry out certain core checks every year to confirm there have been no significant changes in your organisation, relevant to the criteria (mainly governance and financial details). Your organisation must undertake a full review, within 6 months following each third annual renewal of your Mark licence (or in the 6 months previous to this if preferred).

NB: Other than the information you are asked to provide under Criterion K (Reporting Social Impact), the responses and information you provide will be treated as confidential and only shared with individuals employed by SEMCIC, along with the Social Enterprise Mark Accreditation Panel.

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

A summary of the Social Enterprise Silver Mark criteria follows in the tables below, including guidance on the supporting evidence that you should provide.

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 that are core objectives within your strategic social and community mission (or relate to different operational policies and outputs).

SILVER STANDARD	RATIONALE	LIKELY SUPPORTING EVIDENCE AND OTHER CONSIDERATIONS YOU SHOULD REFER TO IN YOUR SELF-ASSESSMENT REVIEW (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 to 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 and 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 and 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 are assessed. ○ How you strive to maintain a 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 review 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 your activities. • A description of the main social beneficiaries 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 delivery of your services and social outputs and outcomes (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 who contribute 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 your organisation 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 in your organisation 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 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. • Details regarding the use of agency staff or use sub-contractors in any parts of your organisation in the delivery of any ongoing regular activities, along with whether their pay-scales are comparable to contracted employees. • Evidence of how pay and pay ratios have been publicised both internally and externally (including job adverts). • Details of any gender pay gaps and actions being taken to address them. • 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). Policies could include: <ul style="list-style-type: none"> ○ health and safety management; ○ promoting equality and 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, where relevant. • Development plans and reports that describe how you have improved, or are endeavouring to improve your performance, particularly when you are seeking to address any concerns that you have identified. • You should include illustrative examples of good practice, which people would confirm are indicative of general good practice. • You do not need to describe actions or examples relevant to every policy you have in place but should try and give more detailed examples of at least three policies and how they have been put into practice. You may wish to reinforce the strength of your submission, by providing at least five examples.

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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, which underpins 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). • Accompanying financial statements that provide a detailed breakdown of income, expenditure and profit distribution, If accounts do not contain 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 the total value 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 that are in place, to return to a healthy financial position. • Description and quantification of any financial investments you have made towards purely social and/or environmental objectives – those investments that do not relate to your core business activities. • Description and quantification of any financial investments you have made to develop your services that add social value - generating additional social impact through your core business activities, but which are “above and beyond” commissioned levels and quality services. These should be actions that service users, clients/customers, commissioning bodies and contracting agencies etc. would recognise as adding value. • Description and quantification of any significant investments in the development and expansion of your business, leading to improved 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 to 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 outcomes and the benefits these deliver for people and communities.</p> <p>Measuring and reporting on these social outputs and outcomes provides transparency for stakeholders 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 worked to achieve different types of social impact, the activities and ways these have 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 change (your social outcomes). • Key performance indicators relevant to how social impact is being measured as part of your core organisational goals. • 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 the social benefits being created - the typical experiences of service users or communities that demonstrate the differences your organisation has helped to create. <p>PLEASE NOTE: the Social Enterprise Mark/Silver 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 should also describe these. You may submit any evidence of environmental benefits and practices to support your application.</p>