

MODULE TITLE		Charity Trading and Social Enterprise			
MODULE LEVEL		7			
MODULE CREDIT POINTS		15			
SI MODULE CODE (if known)		44-7E34-00C			
MODULE JACS CODE		N200			
SUBJECT GROUP		Organisational Behaviour & Human Resource Management			
MODULE DELIVERY PATTERN (✓ as applicable or give dates for non-standard delivery) NB "Semester 3" ends on 31 July each year					
LONG (2 semesters)		SHORT (1 semester)		NON-STANDARD DELIVERY	
Sem 1 & 2		Sem 1		Start Date	TBC
Sem 2 & 3		Sem 2		End Date	TBC
		Sem 3			
MODULE ASSESSMENT PATTERN (✓ as applicable - also complete Table A, Section 5, below)					
Single Module Mark with Overall Module Pass Mark of 40%					✓
Single Module Mark - Pass/Fail only					
Up to Three Assessment Tasks with Pass Mark of 40% for each Task and Overall Module Pass Mark of 40%					
Up to Three Assessment Tasks - Pass/Fail only					
Other - if choosing "Other" please give further details of assessment pattern in the blank space below. <i>"Other" should be chosen where, for example, a PSRB has specified an overall Module Pass Mark of higher than 40% - if so, give details below and specify higher pass mark. Or, e.g., where PSRB has specified an Individual Task Pass Mark of higher than 40% give details in space below and complete final column in Table A, Section 5)</i>					
Overall Module Pass Mark if other than 40% (subject to approval)					%
MODULE INFORMATION (✓ as applicable - also complete Table A, Section 5)					
Is a timetabled examination required for the assessment of this module?					
Is a timetabled examination required for the reassessment of this module?					
Is the module delivered wholly by Distance Learning (i.e. not timetabled at SHU)					
Are any staff who are responsible for teaching on this module non-SHU employees?					✓
MODULE STATUS (✓ as applicable to status of module in the context of current proposal)					
Unchanged: an existing module, presented as unchanged from previous years					
Modified: an existing module being modified as a result of this validation, e.g.. changes to delivery or assessment pattern, title, credit weighting etc					
New: new module to be approved through current validation process					✓
If status is 'Modified', please give date when modified version is to be available from				Modified Version Available from	
Breakdown of notional study hours by type (Typically requires 10 hours of notional study time for 1 CATS credit)		Tutor-Led (Contact Hours)	Tutor-Directed Study	Self-Directed Study	TOTAL STUDY HOURS for this Module
		21	29	100	150
OTHER COURSES FEATURING THIS MODULE (please list below)					

1 AIM OF THIS MODULE

This module aims to explore the concept and practice of social enterprise in trading charities and other public, private and third sector organisations.

These issues will be analysed at a level that will enable participants to critically assess the social aims, social purposes, management style, legal structures, tax and regulatory issues, and readiness for social enterprise in their own organisational setting.

Note: This is a **route-linked** module which will be taken by students on both the following routes:

- MSc Charity Resource Management
- MSc Co-operative and Social Enterprise Management.

For anyone involved or moving towards a management role, the issue of whether to engage in social enterprise and charitable trading activity is now a central question in developing an income generation and corporate social responsibility strategy. Knowledge of social enterprise as a concept, as well as the forms that it takes, is a key skill for managers.

Participants are likely to be individuals already holding responsible positions in charitable, voluntary, co-operative, community or employee-owned enterprises, or public sector bodies that support these types of organisation.

2 BY ENGAGING SUCCESSFULLY WITH THIS MODULE YOU WILL BE ABLE TO

1. Demonstrate a critical understanding of the concept of social enterprise, and the legal frameworks that support both charitable and non-charitable social enterprise trading within England and Wales.
2. Analyse factors that influence the potential of an organisation to engage in social enterprise activity, and which influence the establishment and support of different forms of social enterprise.
3. Prepare a sector-specific business case for a new social enterprise activity in the context of strategies for organisational change.
4. Demonstrate a practical and theoretical understanding of social enterprise by supporting or planning a social enterprise activity in a UK context.
5. Explain the rationale for / against the use of social enterprise in order to advise trustees / directors in specific contexts, deploying appropriate methods of analysis.

3 THESE ARE EXAMPLES OF THE CONTENT OF THE MODULE

The module will use a combination of lectures and seminars, involving extensive case study work in the seminars – both existing, and applied work in relation to participants' own organisations.

Management debates in social enterprise

- Introduction to the module and assignment.
- Definitional and management debates in social enterprise.
- Charity, co-operative and private models of social enterprise (including charity trading subsidiaries)
- Legal forms as an expression of values and identity.
- Management practice as an expression of values and identity.
- Debating "missions" and "values".
- Social marketing, branding and communicating social value.
- Ethical marketing (e.g. fair trade).

Principles of trading

- The concept of exchange as a mode of human behaviour
- Contemporaneous, advance and delayed payment - implications for business relationships and systems
- Contract law (overview)
- Remedies for breach of contract and potential liabilities
- Pricing strategies
- Concepts of surplus, distributed profits, retained profits
- Financial strategy and sustainability.

Approaches to strategic business planning for social enterprise

- Linking organisational strategy to sector-specific social enterprise business planning
- Executive-led v member-led strategic planning
- Systemic and relational views of strategic planning
- Strategic planning in a funder/board-led organisation
- Strategic planning in membership organisations
- Strategic planning in democratic staff-controlled organisations
- Approaches to stakeholder participation.

Taxation issues in charitable and social economy trading

- Overview of the tax system in the UK and its impact on more-than-profit and not-for-profit social enterprise activity.
- Charity tax concessions and their significance for selection of the trading entity
- Regulations on charity trading, and permitted trading activities
- Taxes on trading profits - the impact of corporation tax and concessions for charities.
- Primary purpose trading vs. trading for fundraising purposes.
- VAT and its impact on trading. Consideration of the VAT position of the customers of the enterprises.
- VAT status of common supplies by social enterprises including education, training and consultancy activities, membership benefits, publications and other services.
- Charity-specific VAT concessions for supplies *to* a charity (purchases)
- Charity-specific VAT concessions for supplies *by* a charity (sales)
- VAT exempt trading and partial exemption.
- Problems of irrecoverable VAT in the sector.
- Tax benefits of employee and charitable trusts.

Structural issues in charitable and social economy trading

- Comparing CIOs, CICs, CLGs, CLSs and IPSs.
- Group structures including charities with non-charitable trading subsidiaries - where to locate specific trading activities.
- Group structures in cooperative consortia: profit and loss sharing
- Integrated governance and stakeholder management
- Formal and informal partnership structures: public sector, private sector, charities and other social enterprises. VAT implications.
- Choice of funding and investment channels to minimise tax wastage.
- Fair trade networks and supply chains.

The Concept and Practice of “Fair Trade”

- The concept and history of fair trade
- Ethical and social marketing
- Branding and communicating social value
- Fair trade as a global social enterprise
- Developing fair trade networks and supply chains

Social Investment and the financing of social enterprise

- Forms of finance: income, equity, loans and grants
- Conceptualising social investment
- Constraints and enablers: legal structures and access to finance
- Social investment, sustainability and full economic cost recovery
- Understanding and combining alternative sources of finance.
- Community and charity banks
- Credit unions

Social accounting, reporting and returns on investment (SROI)

- The role and purpose of social auditing and accounting.
- The role and purpose of social reporting.
- Output and outcome monitoring and implications for funding relationships
- Issues in measuring social performance and social returns.
- Monetising social benefits (SROI).
- Quality management initiatives in social enterprises.
- Social audit toolkits.

4 THESE ARE THE MAIN WAYS YOU WILL BE SUPPORTED IN YOUR LEARNING TO ACHIEVE THESE OUTCOMES

The module will use a combination of lectures and seminars, involving extensive use of case study examples, or exploration of concepts applied to the participants' own organisations. The module will include a learning set to explore how knowledge from this module is interlinked with other themes on the course. The assessment is designed to enable students to apply learning to practice, and reflect on outcomes.

Throughout the module, the teaching team will:

- Encourage dialogue (tutor, peer) and collaboration around learning
- Help clarify what good performance is (goals, criteria, standards)
- Encourage positive motivational beliefs and self-esteem

A number of case studies will be used to illustrate different HRM problems in the third sector. Using available theory, students will critically analyse the case and make recommendations for future action.

5 THESE ARE THE WAYS THAT WILL BE USED TO ENABLE YOU TO DEMONSTRATE YOU HAVE MET THE LEARNING OUTCOMES

Students can choose between two assignment tasks depending on whether they play a support or active role in the development of social enterprise.

Option 1 (Support role): Undertake an in-depth case study (4,000 - 4,500 words) of a client enterprise to assess its readiness for social enterprise (social aims and values, legal structure / governance, financial management / tax implications). Students should compare and contrast their selected case study to another drawn from their experience or the academic literature on social / co-operative enterprise.

Option 2 (Active role): Prepare a costed project (or business) plan for a new or existing social enterprise (4,000 - 4,500 words). Set out the *rationale* for the project's social / environmental purpose, projected outcomes, investment / grant funding, legal form and governance, income generation, tax implications, and (where applicable) projected social returns on the investment (SROI).

Sample assessment criteria for achieving a pass grade:

- The capacity of the student to demonstrate a critical understanding of the concept of social enterprise, and the legal frameworks that support their development.
- The capacity of the student to analyse factors that influence the potential of an organisation to engage in different forms of social enterprise.
- The capacity of the student to demonstrate a practical and theoretical understanding of social enterprise, by making an assessment of the social aims and values, legal forms and governance, and financial and tax issues.
- The capacity of the student to articulate arguments for / against the use of social enterprise in order to advise trustees / directors / support staff / policy makers.
- The capacity of the student to write clearly and persuasively, using references where appropriate, and construct a well-presented business case / recommendations.

Students will be assessed on:	Pass
1: Demonstration of a critical understanding of the concept of social enterprise, and the legal frameworks that support their development.	Demonstrates a critical understanding of social enterprise concepts and the legal frameworks that support their development.
2: Analysis of the factors that influence the potential of an organisation to engage in different forms of social enterprise.	Analyses the factors that influence the potential of an organisation to engage in different forms of social enterprise.
3: Demonstration of a practical and theoretical understanding of social enterprise by making an assessment of social aims and values, legal forms and governance issues, and financial and tax issues.	Assesses the social aims and values, legal forms and governance issues, financial and tax issues affecting the selected social enterprises. Demonstrates how theoretical understandings can be applied to practice.
4: Articulation of arguments for / against social enterprise, and make recommendations for board level / policy discussion.	Articulates arguments for/against the selected social enterprise(s). Makes practical recommendations that can be discussed at board / policy level.
5: Clear and persuasive writing, using references where appropriate, and construct a well-presented case / recommendations.	Develops a rationale and argument; some spelling mistakes; writing style that communicates recommendations in a persuasive and coherent way.

TABLE A: ASSESSMENT TASK INFORMATION

ASSESSMENT TASK	% weighting of overall module mark	Duration of task / word count / length of exam	In-module retrieval available?	Individual task pass mark ONLY IF OVER 40%**
(Students choose one assignment)				
(Assignment Option 1) In-depth case study of a client enterprise to assess its readiness for social enterprise	100%	4,000-4,500 words	Yes	
(Assignment Option 2) Costed project (or business) plan for a new or existing social enterprise.	100%	4,000-4,500 words	Yes	

**** Complete this column *only if an individual task(s) has a pass mark over 40%* (NB: individual task pass marks over 40% will require approval as an exemption from Standard Assessment Regulations)**

6 THIS IS HOW YOU WILL BE GIVEN FEEDBACK ON YOUR PERFORMANCE

Students will be given written feedback on their performance in the assignment by means of a feedback sheet with detailed comments and a provisional mark. These will normally be given out within four weeks of the assignment submission date.

The assignment will be marked in accordance with normal university procedures using a marking grid, and students will be advised of the mark.

During the module, students will be provided with formative feedback in seminar discussions and group exercises. Students will be supported through one-to-one and small group discussions on exercise materials. Student requests for one-to-one discussion on assignments will be met whenever workloads permit.

7 THESE ARE EXAMPLES OF THE KEY LEARNING RESOURCES YOU WILL USE

Participants will receive journal articles, plus a list of books and other resources for use in directed and self-directed learning. The university Learning Centre holds a wide range of books and other material on TSOs and has electronic access to the key journals in the field. Students will be expected to use journals that are emerging in the field of charity, third sector and social enterprise studies, as well as established journals on non-profit and co-operative management practices. A Blackboard site will be available to support student learning.

Students are encouraged to use quality journals that discuss issues of subject interest including:

Annals of Public and Cooperative Economics

Journal of Co-operative Studies

Non-Profit Quarterly

Social Enterprise Journal

Journal of Social Entrepreneurship

Voluntas

Entrepreneurship, Theory and Practice (Special Edition)

International Journal of Entrepreneurial Behaviour and Research (Special Edition)

Regional Studies

Recommended reading material will be provided by tutors during the module, and in the module guide. Every effort is made to include relevant texts in the university library. Students may wish to consider obtaining or purchasing of the following articles and books to assist their studies:

Amin, A., Cameron, A. & Hudson, R. (2002) *Placing the Social Economy*, Routledge, London.

Bridge, S., Murtagh, B. & O'Neill, K. (2009) *Understanding the Social Economy and the Third Sector*, Basingstoke: Palgrave.

Cornforth, C. J., Thomas, A., Spear, R. G. & Lewis, J. M. (1988) *Developing Successful Worker Co-ops*, London: Sage Publications.

Clegg, S., Kornberger, M., & Pitsis, T. (2008) *Managing and Organizations*, London: Sage.

Doherty, B., Foster, G., Mason, C., Meehan, J., Rotheroe, N. and Royce, M. (2009) *Management for Social Enterprise*, London: Sage Publications.

Dees, J. G., Emerson, J. and Economy, P. (2001) *Enterprising Nonprofits: A toolkit for Social Entrepreneurs*. New York, John Wiley & Sons.

Dees, J., Emerson, J. and Economy, P. (2002) *Strategic Tools for Social Entrepreneurs*. New York, John Wiley & Sons.

Hudson, M. (1999) *Managing Without Profit*, 2nd Edition, London: Penguin.

Kessler, James QC - Taxation of Charities (5th ed) (Keyhaven 2005)

Nicholls, A (2006) *Social Entrepreneurship: New Paradigms of Sustainable Social Change*, Oxford: Oxford University Press.

Ridley-Duff, R. J., Bull, M. & Seanor, P. (2010) *Understanding Social Enterprise: Theory and Practice*, London: Sage.

Sayer, Kate - A Practical Guide to VAT for Charities and Voluntary Organisations (DSC 3rd edn 2008).

Whyte, W. F. and Whyte, K. K. (1991) *Making Mondragon*. ILR Press/Itchaca, New York.

FINAL TASK

According to the Assessment Strategy shown in the Module Descriptor, which task will be the LAST TASK to be taken or handed-in? (Give task number as shown in the Assessment Strategy)	Task No.
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MODULE REFERRAL STRATEGY

Task for Task (as shown for initial assessment strategy)	Y
Single Referral Package for All Referred Students	N

REVISIONS

Date	Reason
July 2012	Assessment Framework review