

# **A Survey of Social Enterprises Across the UK**

Research Report

prepared for

**The Small Business Service (SBS)**

by

**IFF Research Ltd**

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### **Acknowledgements**

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## 1 Executive Summary

- 1.1 This report details findings from a ground-breaking survey of Social Enterprises across the United Kingdom.
- 1.2 The survey involved telephone interviews with a total of 8,401 organisations, of which 1,480 were longer interviews conducted with organisations meeting the survey's definition of a social enterprise, namely that:
- Their regular, everyday activities involve providing products or services in return for payment;
  - At least 25 per cent of their funding is generated from trading, i.e. in direct exchange of goods and services<sup>1</sup>.
  - They have a primary purpose to pursue a social or environmental goal (as opposed to being purely or mainly profit driven);
  - They principally re-invest any profit or surplus that is made in the organisation or community to further the social or environmental goal.
- 1.3 **The survey does not claim to describe the total population of social enterprises.** Rather it focuses on those social enterprises which are registered as Companies Limited by Guarantee (CLG) or Industrial & Provident Societies (IPS). Also, for practical purposes, some groups that were considered unlikely to include much social enterprise activity were excluded on the basis of Standard Industrial Classifications (SIC 2003)<sup>2</sup>. By not including other legal forms the results are very likely to be an underestimate of the size of the sector.
- 1.4 However, the survey does represent a first step towards improving understanding of social enterprise activity. It describes their characteristics in terms of what it is that makes them "social" enterprises, how they derive their income and the number of people who work for them. It also provides an estimate of the number of social enterprises registered as either CLG or IPS, and falling within certain SIC codes.

### Overview

- 1.5 With the above caveats in mind, there are currently around 15,000 social enterprises in the UK registered as Companies Limited by Guarantee (88%) or Industrial & Provident Societies (12%). In terms of the overall business population<sup>3</sup>, this means that these social enterprises account for around 1.2 per cent of all enterprises in the UK.

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<sup>1</sup> Commonly, definitions of social enterprises set the minimum level of income from trading at 50 per cent. However a scoping study by ECOTEC recommended including those with 25-50 per cent income from trading in order to capture emerging social enterprises. Just under 90 per cent (88%) of those surveyed generated 50 per cent or more of their income from trading.

<sup>2</sup> A list of the excluded SIC codes can be found in Appendix 1.

<sup>3</sup> Based on Small Business Service Analytical Unit statistics, and excluding sole traders.

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- 1.6 The turnover (income) of this part of the population of social enterprises is substantial at just under £18 billion approximately, just under one per cent (0.8%) of the turnover of all UK businesses which have employees. A small number of social enterprises have a very large turnover; almost 1 in 5 turned over more than £1 million per annum<sup>4</sup>. However, the median turnover is £285,000.
- 1.7 The vast majority of this turnover (82%) is from trading revenues, which account for £14.8 billion in total. Almost nine in ten (88%) of those surveyed generate 50 per cent or more of their income from trading.
- 1.8 Social enterprises registered as CLGs or IPS employ nearly ½ million people (475,000), of whom two-thirds are employed full-time. A further 300,000 people work for social enterprises on a volunteer basis, contributing an average of 2 hours each per week (a total of 580,000 hours volunteered per week).
- 1.9 The typical social enterprise employs 10 people. Almost half (49%) employ fewer than 10 people, 38 per cent employ between 10 and 49, 11 per cent have 50-249 employees and 2 per cent employ more than 250<sup>5</sup>. There are far fewer “sole traders” among social enterprises than the UK business population (Social enterprises with only one paid owner / manager typically have voluntary staff).

### Trading activity

- 1.10 Social enterprises registered as CLGs or IPS generate income from a wide range of trading activities.
- 1.11 The most common way in which social enterprises registered as CLG and IPS derive their trading income is classified as “Health & Social Care” (33%) – mostly daycare, childcare, welfare / guidance but also accommodation services. Social enterprises also commonly derive their main income from “community or social services”<sup>6</sup> (21%) and “real estate / renting”<sup>7</sup> activities (20%). Smaller proportions of social enterprises trade in the educational sphere (15%) and in wholesale / retail (3%).
- 1.12 Social enterprises trading in the “health and social services” field and in “education” were most likely to offer their services free to at least some of their “customers”, and were also most likely to receive payment from third parties.

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<sup>4</sup> The simple average turnover for social enterprises with fewer than 250 employees was £900,000. This compares to approximately £880,000 amongst UK Small and Medium Sized Enterprises (SMEs).

<sup>5</sup> Among private sector businesses with employees at the start of 2003, 83.3% were micros (fewer than 10 staff), 13.9% were small (10-49 staff), 2.2% were medium (50-249 staff) and 0.5% were large (250+ staff).

<sup>6</sup> For example, membership organisations, cultural or artistic organisations and/or sporting activities

<sup>7</sup> Real estate covers renting, selling or developing ones own property / land or intermediating in these activities (i.e. as in an estate agent)

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**What social enterprises do to help**

- 1.13 Most social enterprises registered as CLG or IPS describe their mission in terms of helping people (95%), but 23 per cent (also) seek to help the “green” environment; for 5 per cent the “green” environment is their sole focus. Environmental activities centred mainly around recycling (42% of all social enterprises with green environmental goals), but also included improving urban environments (29%), conservation (23%) and raising environmental awareness (20%).
- 1.14 Social enterprises which aim to help the “green” environment are more likely to have a local focus, although one in five (20%) focus primarily on a wider area.
- 1.15 Where social enterprises are looking to help people, this is mostly through the provision of goods and/or services, but almost 3 in 10 (28%) who aim to help people also aim to help by providing them with employment. The provision of employment opportunities to certain groups is the sole social activity of 9 per cent of social enterprises.
- 1.16 The main way in which people are helped is through training / education (20% of all social enterprises helping people). A wide range of other activities encompassed various forms of personal support (housing, childcare, etc.), professional support (business advice, employability training, etc.) and cultural or recreational opportunities (sports clubs, arts groups, etc.).

**Beneficiaries of social enterprise activity**

- 1.17 The key groups of people whom social enterprises registered as CLG or IPS exist to help are people with disabilities (19% of all social enterprises which help people), children or young people (17%), the elderly (15%) and people on low incomes (12%). A range of other groups benefit from social enterprises, although most social enterprises focus on a single core audience. A quarter (24%) of social enterprises exist to help the community within which they are located.
- 1.18 People with disabilities are relatively more likely to receive assistance in the form of employment opportunities. Enterprises helping younger people, the elderly and the homeless were the most likely to provide goods and services, and least likely to provide employment opportunities.

**The location of social enterprises**

- 1.19 The largest number of social enterprises registered as CLG or IPS is found in London – which accounts for almost a fifth of the total (22%), more than its share of all UK businesses (14%). Social enterprises are also over-represented in the South West (12% compared with 9% of all UK businesses).
- 1.20 The vast majority of social enterprises are located in urban areas (89%).
-

- 1.21 Social enterprises are likely to be situated in areas of high multiple deprivation; 29 per cent are located in the 20 per cent most deprived wards and a further 20 per cent in the 20 to 40 per cent most deprived wards. However, social enterprise activity is not restricted to areas of deprivation and half of those (49%) identified operate in areas that would not be considered deprived.
- 1.22 In aggregate, social enterprises in deprived areas tend to receive a larger proportion of their income from “grants and donations”, although they are not necessarily more likely to benefit from this type of funding. They are less likely to have any volunteers on their staff, and volunteers form a lower proportion of the total workforce (30% in 20% most deprived wards vs. 43% outside these wards), but those volunteers that work within social enterprises in deprived areas tend to contribute more hours per week (4 vs. 2).



## 2 Introduction

### Background

- 2.1 A social enterprise is “a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners”.<sup>8</sup>
- 2.2 The Government has highlighted the role of social enterprises as models for maximising public good through business solutions, as outlined in ‘Social Enterprise: a strategy for success’.
- 2.3 The strategy sets out aims of:
- a) creating a more enabling environment for social enterprises by identifying and removing some of the barriers, constraints and challenges they may face;
  - b) making them better businesses, through enhanced business support and training as well as funding mechanisms
  - c) developing a strong evidence base on social enterprises which will:
    - i) establish the value of social enterprise
    - ii) inform policy development
    - iii) contribute to improving the delivery of services to the sector
- 2.4 The third strand of the strategy acknowledged the lack of sufficiently detailed information on the size and scope of the sector. It is within this context that the Social Enterprise Unit (SEU) of the Small Business Service (SBS) has been engaged in a five-phase project to gather baseline data on social enterprises across the UK. This required the development of a sampling approach that allowed for the diversity of social enterprise forms that makes them difficult to identify through standard sources such as company listings.
- 2.5 The first two phases of the project involved the compilation of preliminary regional databases of potential social enterprises. A summary of the first two phases is included in Appendix 1. This report presents the results from:
- Phase III: a telephone survey of the organisations included in the database;
- Phase IV: analysis and estimation of the economic contribution of social enterprises.
- 2.6 The final stage of the overall project is ongoing, and will involve the utilisation of gathered data as a resource for the social enterprise sector in the future.

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<sup>8</sup> DTI *Social Enterprise: a strategy for success* (2002)

## Objectives

- 2.7 The main objective of the survey was to understand the nature and extent of the social enterprise sector. More specifically, the survey set out to:
1. Sample a sufficient proportion of the database to be able to derive robust estimates of the number of social enterprises registered as Companies Limited by Guarantee (CLGs) and Industrial & Provident Societies (I&Ps)<sup>9</sup>;
  2. Interview a cohort of social enterprises in each region, in such a way as to allow analysis of their scope and nature, and to predict the total value of this part of the sector in terms of trading income.
- 2.8 The survey also provides a database of verified social enterprises (and individuals within them) who have agreed to be contacted in the future at the discretion of the Department for Trade and Industry.

## Methodology

- 2.9 Before going on to outline the data collection methodology and the sampling and analysis approaches that the study adopted, this section discusses the difficulties of definition when considering social enterprise.
- 2.10 This groundbreaking study has been complex, and has presented many challenges. Since the publication of the Government's strategy for social enterprise in July 2002, the term 'social enterprise' is increasingly recognised with some organisations describing themselves in these terms. However, others see themselves first and foremost as other types of organisation, often part of long-standing sectors or movements which pre-date the term 'social enterprise', such as housing associations, charities and cooperatives<sup>10</sup>. Broadly speaking, social enterprises are only defined by their goals and how they reinvest their profits. This allows for a highly diverse range of enterprises encompassing differing legal forms, working in different sectors with differing social (including environmental) objectives and of different sizes with a range of geographic markets. These factors have contributed to the current situation where:
- some organisations that are social enterprises do not identify themselves as such;
  - some organisations that do not fit the Government definition describe themselves as social enterprises.
- 2.11 The result of these definitional inconsistencies is that there is no easy way of identifying an individual social enterprise for research purposes without investigating its objectives and structure.

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<sup>9</sup> In this sense, the study was not designed to cover all social enterprises, but focuses on an important cohort within the sector as a whole.

<sup>10</sup> Internal report to the Social Enterprise Unit on a social enterprise portal study by Worth Media, March 2004

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- 2.12 An earlier DTI exercise to assess the feasibility of mapping social enterprise<sup>11</sup> concluded that while social enterprises may take a range of legal forms, Companies Limited by Guarantee and Industrial and Provident Societies had been shown by previous mapping studies to be the most popular. In addition, in past studies, the scale of the task of separating out social enterprises which are Companies Limited by Shares and (non-exempt) Charities from much larger registers had proved prohibitive. It was decided, therefore, that the starting point for this, first, study of social enterprises should concentrate on the two most commonly used legal forms, Company Limited by Guarantee (CLG) and Industrial and Provident Societies (IPS)<sup>12</sup>.
- 2.13 The methodology also relies on the respondent's interpretation of whether or not the main purpose of their organisation is social or environmental. The interviewer did not set out to define what constitutes a social purpose. This is consistent with the methodology proposed by ECOTEC, and with other studies such as the Global Entrepreneurship Monitor.

### Sampling Approach

- 2.14 Details of the approach for compiling the survey sample from the database created in phases I and II of the project are found in Appendix 1. In basic terms, CLG and IPS businesses were selected from the FAME database. Some sectors were then taken out (e.g. mining) where the likelihood of finding a social enterprise was thought to be zero, or so low as to make surveying a lot of businesses to find very few time-consuming and wasteful<sup>13</sup>.
- 2.15 This sampling approach means that the data captured here describe, by definition, sub-sectors of the whole population of social enterprises, and therefore national estimates of the size and scope of the sector is very likely to be an underestimate of the total population considering themselves to be social enterprises.

### Comparisons with the rest of the UK business population

- 2.16 This sampling approach also limits the comparison of information from the survey with information on all UK Small and Medium Sized Enterprises (SMEs)<sup>14</sup>. Despite this, some comparisons are made throughout the report. **These should be considered indicative of issues where a good proportion of social enterprises are different or similar rather than definitive. All comparisons with the overall UK business population are with employing businesses only i.e. excluding sole traders.**

### Data Collection

- 2.17 The project involved ***a telephone survey "in two parts"***. The first stage combined a census of the databases, designed to identify organisations that could be classified as Social Enterprises in so far as:

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<sup>11</sup> *Guidance on mapping social enterprise*, ECOTEC Research & Consulting Ltd, published July 2003, available via [www.sbs.gov.uk/socialenterprise](http://www.sbs.gov.uk/socialenterprise)

<sup>12</sup> In addition, however, the expert groups involved in phases I and II of the project were asked to include in the database any social enterprises known to them that used alternative legal forms, such as companies limited by shares. These were not, however, included in the analysis due to issues of weighting the data back to the FAME database.

<sup>13</sup> A list of the excluded SIC codes can be found in Appendix 1.

<sup>14</sup> Defined by number of employees in the business: micro (fewer than 10 staff), small (10-49) and medium (50-249).

- 
- Their regular, everyday activities involve providing products or services in return for payment;
  - At least 25 per cent of their funding is generated from trading, i.e. in direct exchange for goods and services.<sup>15</sup>
  - They have a primary purpose to pursue a social or environmental goal (as opposed to being purely or mainly profit driven);
  - They principally re-invest any profit or surplus that is made in the organisation or community to further the social or environmental goal.

2.18 The second part<sup>16</sup> of the interview explored:

- The over-arching goals that social enterprises pursue;
- The scope or scale of these goals;
- The products and services that underpin their activity;
- The size of their turnover, and how it is derived;
- The number of people that work for them.

2.19 The first part of the questionnaire took an average of 5 minutes to complete, with the second part (which only those organisations that met the definition of a social enterprise responded to) requiring a further 15 minutes on average to complete. A copy of the questionnaire(s) is appended in Appendix 2.

2.20 The two parts of the interview were conducted in sequence, usually with part two following on immediately from part one, although in some cases responses were collated through two separate conversations. All interviews were conducted from IFF's CATI<sup>17</sup> telephone centre in London.

2.21 Mainstage fieldwork took place between 11<sup>th</sup> October and 2<sup>nd</sup> December 2004, following a small pilot survey conducted between 16<sup>th</sup> and 21<sup>st</sup> September.

2.22 Once the interviews had been completed data from the first part of the questionnaire were weighted to the initial database in order to project national estimates of the size and economic value of social enterprises registered as CLG or IPS. Data from the second phase of the interview were weighted to this projected population of social enterprises. Details of this weighting are included in Appendix 3.

### **The Survey Sample**

2.23 The initial databases collated through Phases I & II of the overall project incorporated details of 37,000 *potential* Social Enterprises who form THE SURVEY POPULATION.

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<sup>15</sup> Commonly, definitions of social enterprises set the minimum level of income from trading at 50 per cent. However ECOTEC recommended including those with 25-50 per cent income from trading in order to capture emerging social enterprises.

<sup>16</sup> This second part of the interview is termed the "full interview" through the remainder of this report; the first part is referred to as the "filter interview"

<sup>17</sup> Computer Assisted Telephone Interviewing

- 2.24 In total, telephone numbers were made available for 16,735 potential Social Enterprises who form THE SURVEY SAMPLE.
- 2.25 Of this survey sample, 2,355 records were found to be inaccurate when interviewers attempted to use them. THE EFFECTIVE SAMPLE for the survey thus incorporated 14,380 organisations.
- 2.26 As stated above, the first part of the survey was intended to establish a robust estimate of the size of the sector in terms of the number of social enterprises in the UK.
- 2.27 14,301 organisations from the effective sample were contacted, and 8,401 of these contacts generated a filter interview. Of these filter interviews, 3,446 were with organisations identified as social enterprises. 1,510 of these social enterprises were invited to participate in a full interview, and 1,480 agreed (a response rate of 98%).
- 2.28 These response rates and achieved interview samples mean that, overall, two-fifths of identified social enterprises were interviewed in full.
- 2.29 The number of full and filter interviews achieved in each region are shown in Table 2.1 below.

**Table 2.1: Sample Profile and Projected Number of social enterprises by Government Office Region**

	<b>Filter interviews</b>	<b>Full interviews</b>
London	2055	206
South East	833	147
South West	886	136
West Midlands	505	114
Yorkshire and The Humber	419	120
North East	334	111
North West	929	101
East of England	642	118
East Midlands	340	100
<i>England sub-total</i>	<i>6943</i>	<i>1153</i>
Northern Ireland	502	97
Scotland	587	126
Wales	369	104
<b>Total</b>	<b>8401</b>	<b>1480</b>

- 2.30 The numbers mean that we can be very confident (95%) that estimates of the whole social enterprise population (CLG and IPS) based on the filter survey only have a margin of error of +/-1% and the equivalent figure for the full survey is +/-2.5%. At regional levels, we can be considerably less confident in findings from either part of the survey. A table of confidence intervals is provided in Appendix 4.

### 3 The Scale of Social Enterprise Operations

3.1 This chapter provides – for the first time - an estimate of the total number of social enterprises in the UK that are registered as Companies Limited by Guarantee or Industrial & Provident Societies, and describes their key characteristics in terms of:

- Their financial turnover, and how it is derived;
- The number of people they employ, and the number of people that work for them on a volunteer (non-paid) basis.
- Their location – i.e. the region they are located in, whether their location is urban or rural, and whether they are located in areas of high multiple deprivation.

#### The number of social enterprises

3.2 Based on this survey, it is estimated that there are currently around 15,000 social enterprises in the UK registered as Companies Limited by Guarantee (88%) or Industrial & Provident Societies (12%). In terms of the overall business population, based on Small Business Service Analytical Unit statistics (and excluding sole traders<sup>18</sup>), this means that these social enterprises account for at least 1.2 per cent of all enterprises in the UK.

3.3 It should be noted that the survey describes what is likely to be an important sub-set of all social enterprises; the sub-set is not intended to be representative of all social enterprises. Other social enterprises may not be registered as Companies Limited by Guarantee or Industrial & Provident Societies (and indeed may not be formally or legally registered at all). Moreover, other nascent or aspirant social enterprises may not have met the criteria of the definition used here, as detailed in the previous chapter.

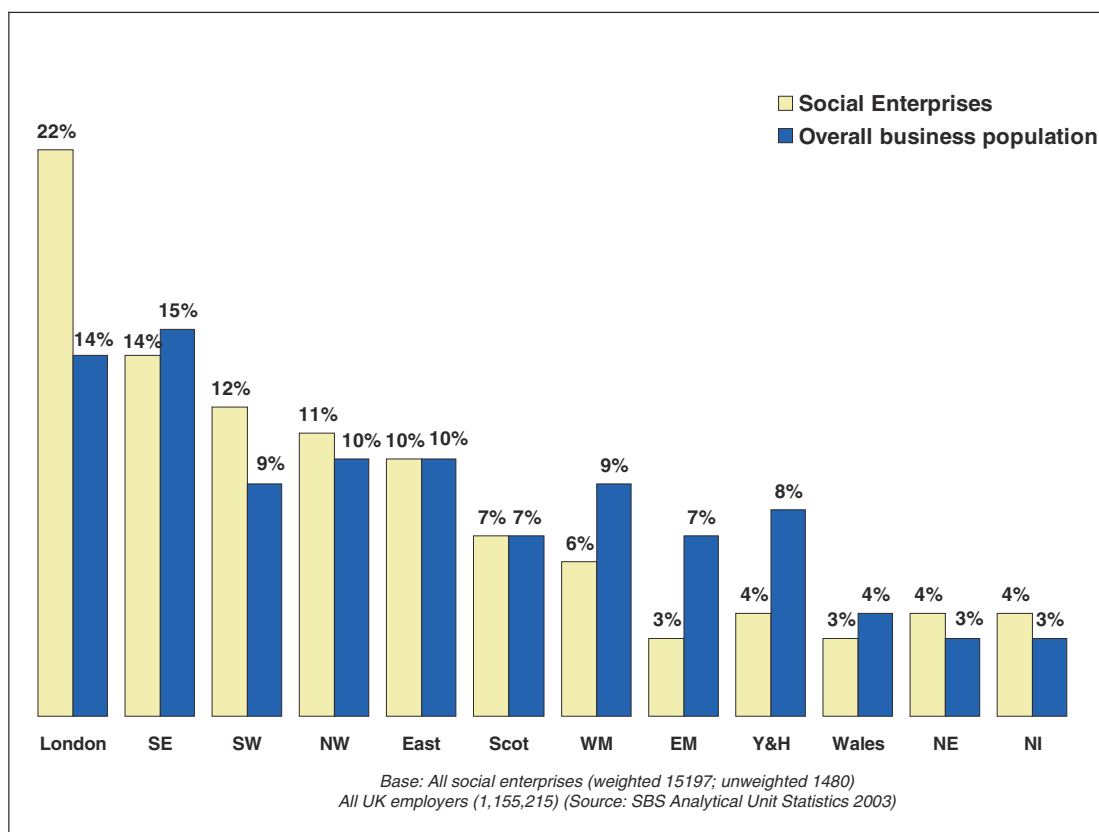
3.4 **This notwithstanding, for purposes of brevity and clarity we use the generic term social enterprises as short-hand for “social enterprises registered as Companies Limited by Guarantee or Industrial & Provident Societies” throughout the remainder of this report.**

#### Regional distribution of social enterprises

3.5 The regional distribution of social enterprises is shown in Figure 3.1. The figure shows the proportion of all social enterprises located in each of the regions of England, and in each of the devolved administrations (Scotland, Wales and Northern Ireland) and the proportion of all UK businesses within the same geographical areas.

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<sup>18</sup> Throughout this chapter any reference to the overall business population excludes sole traders.

**Figure 3.1: Regional distribution of Social Enterprises and of UK businesses**

Notes: 1. A small number of social enterprises may operate in more than one region. However, 88 per cent described themselves as not 'part of another organisation'.

2: Some of the differences across regions might be explained by significant differences in the rural and urban mixes within these regions.

- 3.6 The figure highlights that not only are the largest proportion of social enterprises to be found in London, but that this is not solely a function of the size (in business numbers) of the London region. Overall, one in seven (14%) of all businesses are located in London, compared to over 1 in 5 (22%) social enterprises. This pattern is also seen – though in a far less marked fashion – in the South West (12% of social enterprises compared to 9% of all UK businesses).
- 3.7 Conversely, the proportions of social enterprises located in the East and West Midlands and Yorkshire and the Humber are smaller than in the respective proportions of all businesses (3% of social enterprises are located in the region, compared to 7% of all UK businesses, 6% and 9%, and 4% and 8% respectively).
- 3.8 For other regions, the proportion of social enterprises is not significantly different from the proportion of all businesses.
- 3.9 The size of the survey sample does not allow for detailed analysis by region; analysis has been presented at this level within Appendix 5 but should mostly be treated as indicative. The sample size does, however, allow analysis of the geographical distribution of social enterprises in urban and rural areas, and between areas of high and low multiple deprivation.

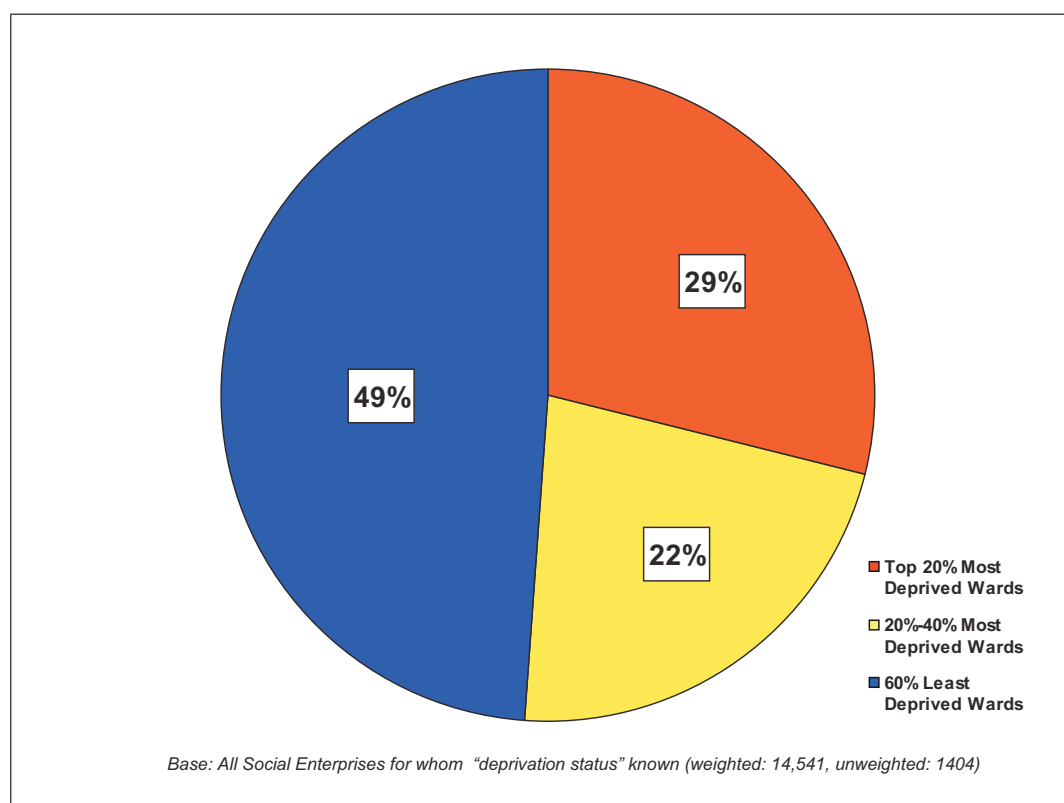
### Social Enterprises and Charitable Status

- 3.10 Almost two thirds of those surveyed (64%) stated that they had charitable status. Of those that were not registered with the Charities Commission, 5 per cent were exempt or had exempted status, and 5 per cent were in the process of registering. Appendix 6 outlines the characteristics of those with charitable status as compared to those who are not currently registered charities.

### The Location of Social Enterprises

- 3.11 Figure 3.2 highlights that over half of social enterprises (51%) are located in areas of higher multiple deprivation (29% are in the top 20% most deprived wards, 22% in the 20-40% most deprived wards, leaving 49% in the 60% least deprived wards). This indicates that social enterprises operate across the board. In fact, the spread is similar to that for the all businesses with employees within the UK. As noted elsewhere in the report, social enterprises are unlikely to be sole traders and are therefore more comparable to employing businesses. Comparison with all UK businesses suggests that social enterprises tend to be more likely to locate in more deprived areas. This survey cannot explain why social enterprises tend to be the size that they are.

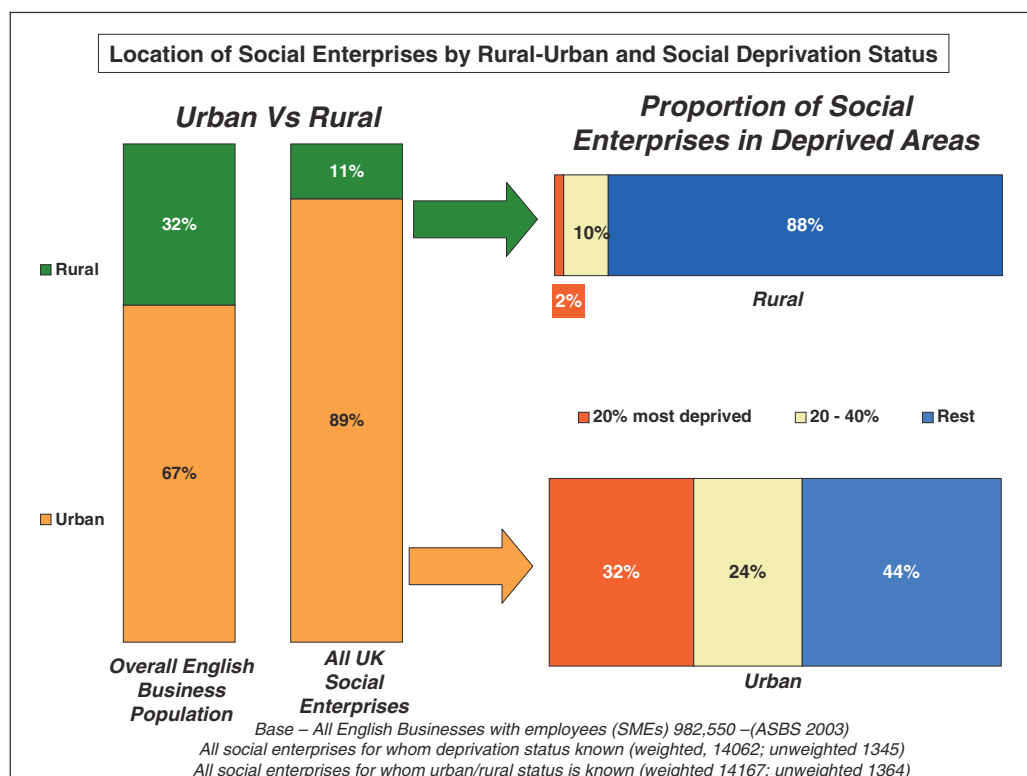
**Figure 3.2: Location of Social Enterprises by Multiple Deprivation Status**





3.12 Compared to the overall business population, social enterprises are considerably more likely to be located in urban areas (89% are, compared to 67% of the overall business population<sup>19</sup>). This can be seen in Figure 3.3. The small proportion of social enterprises located in rural areas are unlikely to be located in areas of high multiple deprivation, although this reflects the fact that the majority of areas that score highly on the index of multiple deprivation are in urban locations. Social enterprises in urban areas are very likely to be situated in areas of high deprivation and a third (32%) of those within urban areas are within the 20 per cent of most deprived wards.

**Figure 3.3: Location of Social Enterprises by Rural-Urban and Multiple Deprivation Status**



**The financial value of the sector**

3.13 The turnover of this part of the social enterprise population is substantial at just under £18 billion approximately<sup>20</sup>, just under one per cent (0.8%) of the turnover of all UK businesses which have employees.

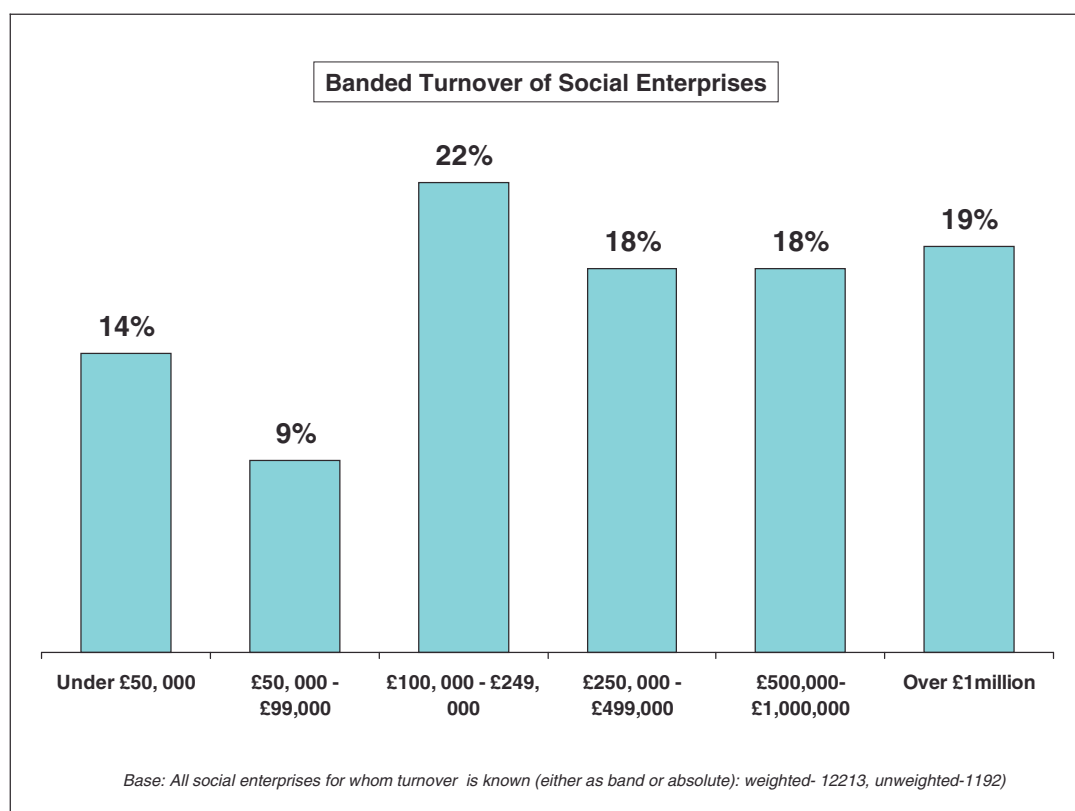
<sup>19</sup> This is based on the breakdown for England only, as figures were unavailable for the UK as a whole.

<sup>20</sup> One fifth (20%) of social enterprises did not report how much their annual turnover was, either because they did not have that data to hand or because they did not feel comfortable giving it out in interview. The overall turnover estimate cited here therefore approximates their turnover by attributing the median turnover for social enterprises of their size. There are some large organisations, such as housing associations, which have far higher turnovers and employment figures than the 'average' social enterprise. Using the median turnover figure has ensured that these outliers do not inflate the overall contribution attributed to social enterprises. The process undertaken was as follows:

1. Respondents were asked to give a figure, in absolute numbers, for their turnover. Just over half of social enterprises (54%) gave an absolute number. Their combined turnover accounted for £14.8 billion.
2. Those who were not able / not willing to provide an absolute number were asked which of a series of bands their turnover fell into. Just over a quarter answered at this stage (26%) and their combined turnover based on mid-points was £1.9 billion.
3. For those who could not / would not give an absolute or banded turnover value (the remaining 20% of respondents) we "modelled" a figure based on the median value for social enterprises of that size band.

- 3.14 A simple average indicates that each social enterprise turns over approximately £1.2 million. This simple average falls to £900,000 if social enterprises with fewer than 250 staff only are concerned; this is slightly higher than the simple average turnover of approximately £880,000 amongst UK Small and Medium Sized Enterprises (SMEs)<sup>21</sup>. However, the turnover achieved across social enterprises varies considerably. The survey suggests that one in five (19%) social enterprises turns over more than £1million annually, with the vast majority turning over less than this. Indeed, one in five social enterprises turn over less than £100,000 – i.e. less than 10 per cent of the mean average turnover of a social enterprise. (Figure 3.4 shows the proportion of social enterprises whose turnover falls into each of six bands). A better reflection of “the typical social enterprise” (in turnover terms) is therefore the median (the midpoint if all values were listed in order) which is considerably smaller at nearer to £300,000.

**Figure 3.4: Banded Turnover of Social Enterprises<sup>22</sup>**



- 3.15 There was little difference found between the average or median turnovers of social enterprises in the most deprived areas and those in other areas. However, there was some variation between those in rural and urban areas, as shown in Table 3.1.

<sup>21</sup> Source: SME Statistics of UK Businesses, 2003. This figure excludes the finance sector. It also excludes VAT.

<sup>22</sup> This chart and those throughout the rest of this chapter are based on those who gave actual or banded responses rather than approximations as used at aggregate level above.

**Table 3.1: Turnover by whether located in urban or rural area**

	All Social Enterprises	Urban Social Enterprises	Rural Social Enterprises
	%	%	%
Less than £100,000	<b>23</b>	<b>22</b>	<b>31</b>
£100,000 -£1 million	<b>59</b>	<b>60</b>	<b>50</b>
Over £1 million	<b>18</b>	<b>18</b>	<b>19</b>
<b>MEDIAN (£)</b>	280,000	280,000	250,000
<b>AVERAGE (£)</b>	1.3m	1.4m	0.9m
<i>Base: unweighted</i>	1099	966	133
<i>Base: weighted</i>	11367	10148	1219

*Base: All for whom urbanity and banded turnover are known*

- 3.16 Rurally based social enterprises typically had lower turnovers overall: 31 per cent of rural organisations had turnovers of less than £100,000, compared to just 22 per cent of those in urban areas, and the mean (or average) turnover was £0.9 million compared to £1.4 million amongst urban-based social enterprises.

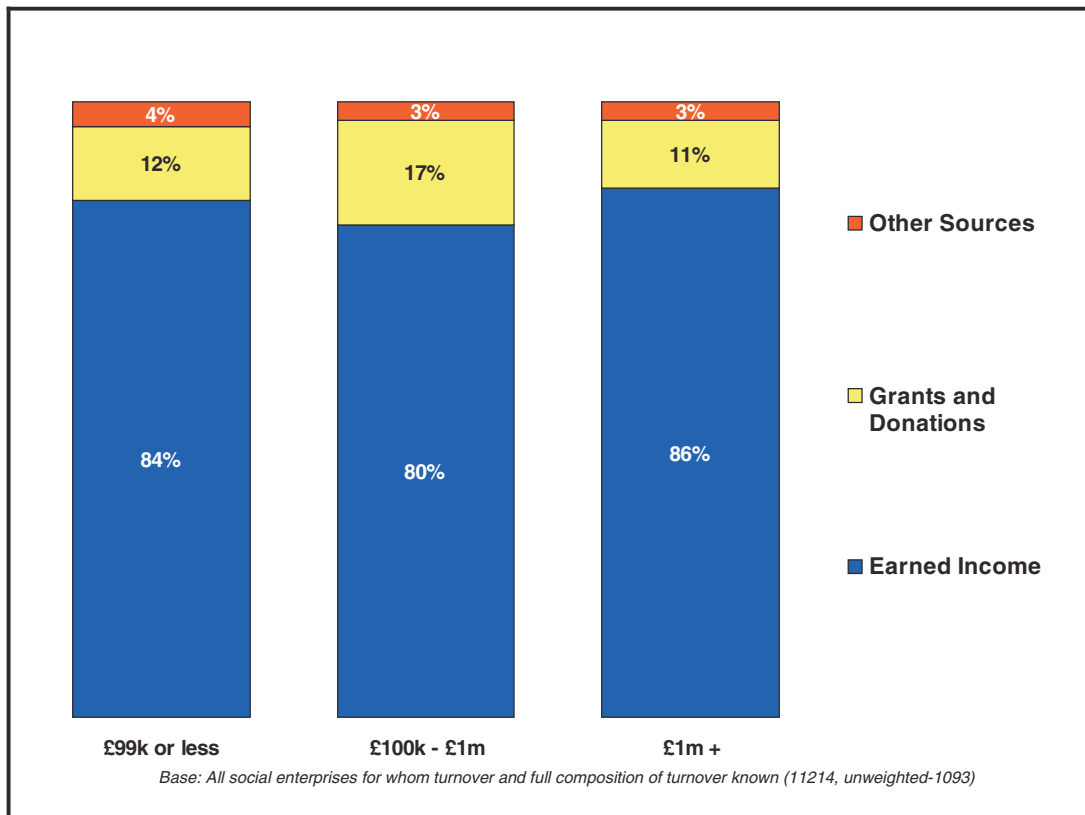
### Sources of Turnover

- 3.17 The turnovers of social enterprises can be sub-divided into three sources: earned income, “grants and donations” and “other income”<sup>23</sup>.
- **Earned income** is defined in this survey as income generated through the provision of goods and services (whether it is the recipient or someone else who pays for them), and replicates the means by which most ‘ordinary’ businesses trade and make money.
  - **Grants and donations** is defined in this survey as that which is provided outside of the direct exchange of goods and services; it is commonly made up of Government grants, other grants, or donations. Although the funding is not provided for a good or service there may be an expectancy that it will be used or spent in a certain way.
  - **Other income** is defined in this survey as coming from **sources** that are neither given freely nor ‘earned’ through the exchange of core trading activities. This covered income gained from assets such as investments and property, and membership fees or subscriptions.
- 3.18 It should be borne in mind that the survey’s ‘filtering’ approach excluded those organisations that had less than 25 per cent income from trading from the sample. However, of those organisations surveyed (who all, then, derived at least 25% of their income from trading) the vast majority of their turnover (82%) is from trading revenues, which account for £14.8 billion in total. The remainder is mostly derived from “grants and donations” which accounts for 12 per cent of aggregate turnover or £2.2 billion. Five per cent of turnover (£0.8 billion) is derived from other income.

<sup>23</sup> Appendix 2 shows the questionnaire and the way these questions were asked (B10-B13). Earned income was derived from the responses to these questions.

- 3.19 Perhaps surprisingly, the balance of funding sources is relatively consistent across the different turnover bands, although those turning over between £100,000 and £1 million did derive a slightly higher proportion of their income from “grants and donations”.

**Figure 3.5: Composition of Turnover by Turnover Band**



- 3.20 Around two out of every five (42%) social enterprises surveyed had just one income source (earned income), but the remainder derived income from either “grants and donations”, other income sources, or both of these. Below we look briefly at the nature and scale of “grants and donations” and of other income sources. (The nature of trading activities which generate this income is explored in the next chapter.)

### Levels of Grants and Donations

- 3.21 Just over half of social enterprises surveyed received at least some “grants and donations” (53%). And clearly just under half (47%) received none at all.
- 3.22 This proportion is relatively consistent across areas with differing levels of multiple deprivation and in both urban and rural areas.
- 3.23 As said earlier, of the overall turnover of social enterprises (approximately £18 billion), around £2.2 billion is from “grants and donations”, accounting for 12 per cent of aggregate turnover. This rises to 28 per cent of the turnover among those social enterprises that receive any “grants and donations”. Although urban social enterprises were not notably more likely to receive any funding through “grants and donations”, where they did, “grants and donations” accounted for a higher proportion of their turnover than of social enterprises in other areas.

**Table 3.2: Proportion of Total Turnover made up of Grants and Donations by urbanity (amongst those receiving any grants and donations)**

	ALL	Urban	Rural
	%	%	%
1-24%	<b>50</b>	<b>50</b>	<b>54</b>
25-49%	<b>23</b>	<b>22</b>	<b>24</b>
50-75% <sup>24</sup>	<b>27</b>	<b>28</b>	<b>21</b>
<b>MEDIAN %</b>	22	25	19
<b>AVERAGE %</b>	29	30	26
<i>Unweighted base</i>	605	551	54
<i>Weighted base</i>	6196	5690	506

*Base: All social enterprises receiving grants and donations for whom a proportion was obtained and urbanity is known*

<sup>24</sup> As described above, the definition of a Social enterprise adopted for the survey meant that the maximum value (in percentage terms) of any grants and donations received could be no more than 75% of total turnover.

- 3.24 There were also differences according to multiple deprivation: social enterprises situated in areas of high deprivation tended to receive a slightly higher proportion of “grants and donations”.

**Table 3.3: Proportion of Total Turnover made up of Grants and Donations by level of multiple deprivation (amongst those receiving any grants and donations)**

	ALL	20% most deprived	Rest
	%	%	%
1-24%	<b>50</b>	<b>44</b>	<b>53</b>
25-49%	<b>23</b>	<b>23</b>	<b>23</b>
50-75%	<b>27</b>	<b>33</b>	<b>25</b>
<b>MEDIAN %</b>	22	25	20
<b>AVERAGE %</b>	29	33	22
<i>Unweighted base</i>	619	186	433
<i>Weighted base</i>	6328	1872	4456

*Base: All social enterprises receiving grants and donations for whom a proportion was obtained and multiple deprivation level is known*

### Other Income Sources

- 3.25 A minority of social enterprises (11%) also obtained income sources other than earned income or “grants and donations”; membership fees and subscriptions, investments and interest, rent, and sponsorship were the main sources mentioned. Such ‘other sources’ of income accounted for 5 per cent of overall turnover for the social enterprise sector (£0.8bn in total).
- 3.26 Just 7 per cent of all social enterprises received both “grants and donations” and income from other sources.
- 3.27 The likelihood of receiving income from other sources increased with size (9% of micro social enterprises compared to 16% of medium sized social enterprises), and those in urban areas were also slightly more likely to have this form of income – 12 per cent could draw on this resource compared to just 7 per cent of those located in rural areas.
- 3.28 This survey did not ask respondents about their use of external sources of debt finance. This could be a useful subject for further research.

### Employment across social enterprises

- 3.29 As well as generating “turnover”, social enterprises also contribute to the economy through employment<sup>25</sup>.
- 3.30 In total, just over 475,000 people in the UK are employed by social enterprises registered as CLG or IPS. Sixty-three per cent of employees are employed full-time. Almost all social enterprises employed some staff on a part-time basis (85%), with just over a third of people (38%) working for social enterprises employed part-time<sup>26</sup>. Fifteen per cent of social enterprises have no full-time employees, and are staffed only on a part-time basis<sup>27</sup>.
- 3.31 In addition to their employed workforce, social enterprises rely heavily on volunteer labour<sup>28</sup>. Two-thirds of social enterprises make use of unpaid labour, with a total of almost 300,000 people volunteering their input.
- 3.32 Including full-time employees, part-time employees and volunteers, a total of over 750,000 people work in the sector<sup>29</sup>. These data are explored in more detail in the following sections of the report.

### Total Employment

- 3.33 As with the general business population, the majority of social enterprises are small, with almost half (49%) having fewer than 10 staff and two-fifths (38%) having between 10 and 49 staff. The average size of the employed workforce is 30 per social enterprise (compared with 15 for UK businesses), although the median is considerably lower, at 10 people. When only SME social enterprises are considered, the median number of employees is still 10, although the mean (average) falls to 22. This average compares with 8 for all UK SMEs.
- 3.34 There is little variation between social enterprises in areas with differing levels of deprivation or by whether they are located in an urban or rural area, although there are very few very large social enterprises in rural areas (hence rurally based social enterprises have a lower average workforce size).
- 3.35 Employment by this part of the social enterprise sector makes up approximately 2.5 per cent of all private sector employment. This does not take into account voluntary labour, as we do not know the overall number of volunteers in the private sector.

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<sup>25</sup> Social enterprises also help people through other means. The next chapter of this report focuses in more detail on what social enterprises do to help people.

<sup>26</sup> In the survey part-time employees are defined as those that work less than 30 hours on average.

<sup>27</sup> Among the UK registered business population 28% of the workforce are employed part-time and 72% employed full-time. (based on all registered businesses - ABI 2002 special Analysis for SBS, MATRIX document D04/556541)

<sup>28</sup> As can be seen in Appendix 2, respondents were not given a definition of the term ‘volunteer’, and so defined it according to their own understanding of the term.

<sup>29</sup> These calculations are based on figures which include modelling based on the characteristics of the size band (where known) in terms of absolute numbers of employees or volunteers. For the remainder of this chapter figures given are based on un-modelled responses.

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**Table 3.4: Size Profile of Social Enterprises Surveyed**

	All Social Enterprises	Rural Social Enterprises	Urban Social Enterprises
	%	%	%
Micro (fewer than 10 staff)	49	51	49
Small (10 – 49 staff)	38	40	38
Medium (50 – 249 staff)	11	8	11
Medium/ Large Combined (50+ )	13	9	13
<b>TOTAL WORKFORCE ('000s)</b>	<b>405</b>	<b>34</b>	<b>371</b>
<b>% of total workforce</b>	<b>100</b>	<b>8</b>	<b>92</b>
<b>AVERAGE</b>	<b>31</b>	<b>25</b>	<b>31</b>
<b>MEDIAN</b>	<b>10</b>	<b>10</b>	<b>10</b>
<i>Unweighted base</i>	<i>1331</i>	<i>156</i>	<i>1175</i>
<i>Weighted base</i>	<i>13786</i>	<i>1452</i>	<i>12334</i>

*Base: All for whom size and urban / rural known*

- 3.36 As one would expect, there is a strong correlation between workforce size and turnover. Moreover, those who receive some “grants and donations” tend to have more staff, on average (although their turnover is not necessarily larger).

**Table 3.5: Size by Turnover**

	All	Turnover band			Receive grants and donations	
		Under £99,000	£100,000 - £1 million	Over £1 million	Yes	No
	%	%	%	%	%	%
Micro (fewer than 10 staff)	47	84	44	12	42	57
Small (10 – 49 staff)	40	16	49	38	44	32
Medium (50 – 249 staff)	12	1	7	40	12	9
Medium/ Large Combined (50+ )	14	1	7	50	14	11
<b>TOTAL WORKFORCE ('000s)</b>	<b>394</b>	<b>22</b>	<b>126</b>	<b>246</b>	<b>264</b>	<b>175</b>
<b>% of total workforce</b>	<b>100</b>	<b>6</b>	<b>32</b>	<b>62</b>	<b>60</b>	<b>40</b>
<b>AVERAGE</b>	<b>34</b>	<b>9</b>	<b>18</b>	<b>109</b>	<b>34</b>	<b>28</b>
<b>MEDIAN</b>	<b>11</b>	<b>4</b>	<b>11</b>	<b>50</b>	<b>12</b>	<b>8</b>
<i>Unweighted base</i>	<i>1177</i>	<i>279</i>	<i>699</i>	<i>199</i>	<i>780</i>	<i>639</i>
<i>Weighted base</i>	<i>12032</i>	<i>2785</i>	<i>6995</i>	<i>2252</i>	<i>7849</i>	<i>6658</i>

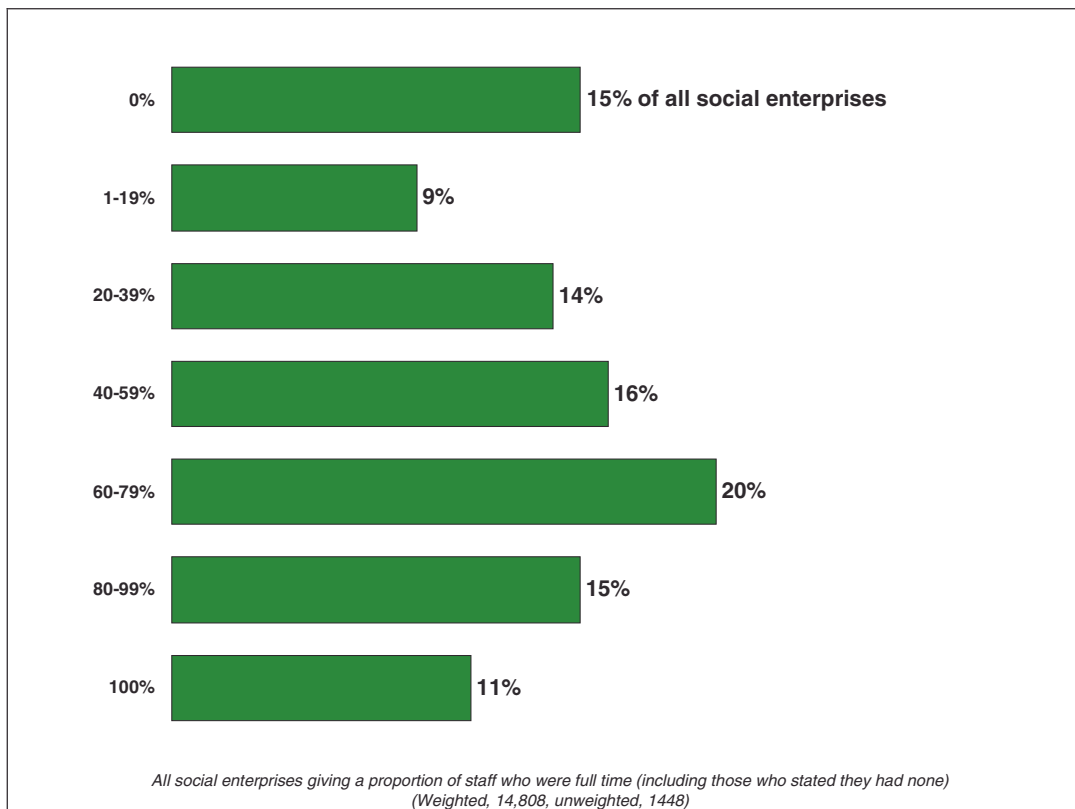
*Base: All for whom size and turnover known / Base: All for whom size and receipt of grants and donations known*



### The Ratio of Full-Time to Part-Time Staff

3.37 The proportion of staff employed full time varied greatly across organisations surveyed. Between one in six and one in seven (15%) had no full time staff at all, and were staffed wholly on a part-time basis. At the other end of the scale, only 1 in 10 (11%) had no part-time staff.

**Figure 3.6: Proportion of Workforce Employed Full Time**



## Volunteer Labour

- 3.38 As well as having paid employees, social enterprises also make use of volunteers. Two thirds of organisations surveyed (65%) had some volunteer staff. This proportion did not vary between organisations of different sizes, although the proportion of the workforce who are volunteers does, and many of the staff of micro and small social enterprises are volunteers (81% and 46% respectively).

**Table 3.6: Use of volunteer staff by size band (size here does not include the volunteer staff)**

	All	Micro	Small	Medium	Medium & Large combined
% who employ any volunteers	65%	66%	65%	65%	66%
Number of volunteers employed (000s)	286	128	102	51	55
% of volunteers	100%	45%	36%	18%	19%
Mean number of volunteers	19	18	18	32	31
Median number of volunteers	4	4	3	5	10
Ratio of volunteers to employees	40%	81%	46%	25%	17%
Number of volunteer hours weekly (000s)	627	248	257	83	123
% of all volunteer hours	100%	40%	41%	13%	20%
Volunteer hours per volunteer	2	2	3	2	2
<i>Unweighted base</i>	1421	713	559	151	174
<i>Weighted base</i>	14809	7254	5682	1628	1873

*Base: All for whom size known*

- 3.39 There were also differences by urbanity. Table 3.7 below shows that social enterprises based in rural areas are more likely to benefit from any volunteer labour than those based in towns and cities. They also tend to have a high ratio of volunteers to paid staff.

**Table 3.7: Use of volunteer staff by urbanity**

	All	Urban	Rural
% who employ any volunteers	65%	64%	70%
Number of volunteers employed (000s)	263	232	31
% of volunteers	100%	88%	12%
Mean number of volunteers	19	19	21
Median number of volunteers	4	4	6
Ratio of volunteers to employees	40%	39%	47%
Number of volunteer hours (000s)	588	498	90
% of all volunteer hours	100%	85%	15%
Volunteer hours per volunteer	2	2	3
<i>Unweighted base</i>	<i>1364</i>	<i>1203</i>	<i>161</i>
<i>Weighted base</i>	<i>14167</i>	<i>12652</i>	<i>1515</i>

*Base: All for whom urban / rural known*

3.40 Similar differences can be seen by level of multiple deprivation in the areas social enterprises are located, and it can be seen that the most deprived areas are less likely to involve any volunteers in the enterprise. That said, those who do volunteer in the most deprived areas tend to work more hours weekly.

**Table 3.8: Use of volunteer staff by level of multiple deprivation**

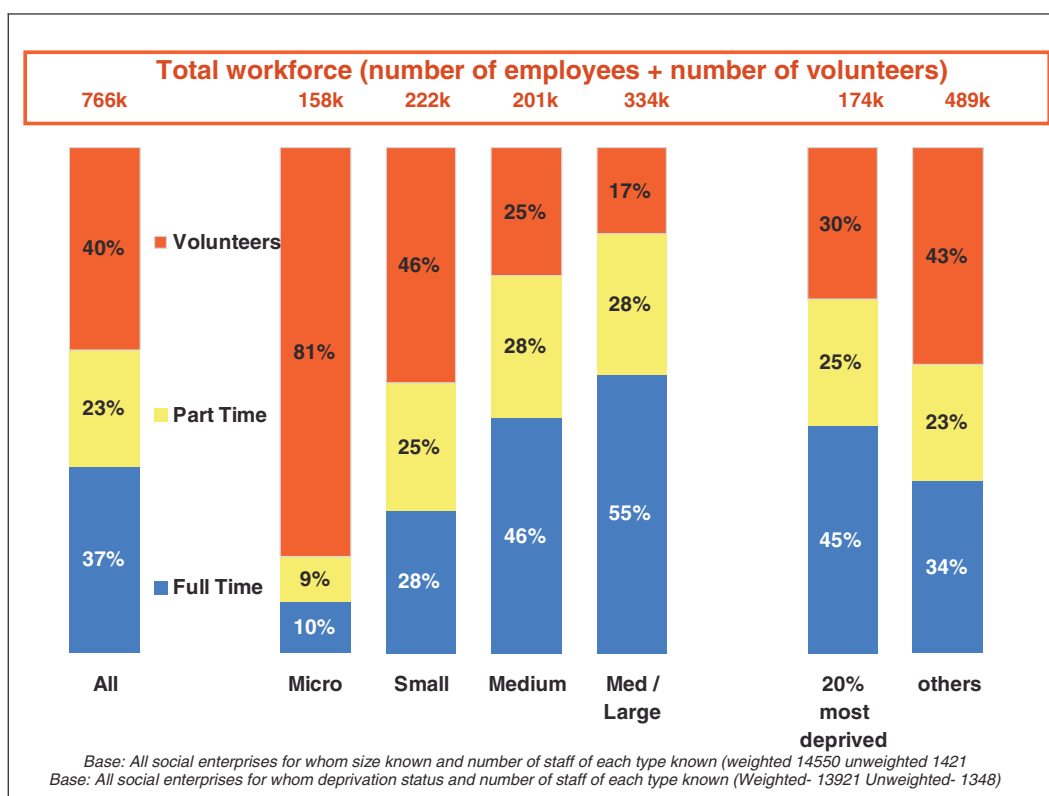
	All	Most deprived 20%	Others
% who employ any volunteers	65%	61%	67%
Number of volunteers employed (000s)	270	52	218
% of volunteers	100%	19%	81%
Mean number of volunteers	19	12	21
Median number of volunteers	4	3	4
Ratio of volunteers to employees	40%	30%	43%
Number of volunteer hours (000s)	613	183	430
% of all volunteer hours	100%	30%	70%
Volunteer hours per volunteer	2	4	2
<i>Unweighted base</i>	<i>1404</i>	<i>985</i>	<i>419</i>
<i>Weighted base<sup>30</sup></i>	<i>14540</i>	<i>10308</i>	<i>4232</i>

*Base: All for whom multiple deprivation index known*

<sup>30</sup> Both Table 3.7 and Table 3.8 are derived from a number of different questions within the questionnaire. Due to varying levels of 'don't know' response, the bases vary slightly within each part of the table (for example, because a higher proportion of respondents can confidently state that they have volunteer staff than can estimate the number of hours worked weekly by volunteers). However, within each chart, bases remain robust. The lowest unweighted base is for the hours worked by volunteers in rural areas; these data are based on 97 cases.

3.41 The proportion that volunteers make to the composition of the overall workforce (as opposed to the overall employment base) differs across social enterprises in relation to their size and location. On an overall basis, 40 per cent of all workers within social enterprises surveyed were volunteers, 23 per cent part time employees, and 37 per cent employed on a full time basis. However, this varied when looked at by size band, and micro organisations were made up of almost equal numbers of full and part time staff, along with a large volunteer input (81%). As size increased, volunteer input reduced, and amongst medium and large organisations combined this amounted to 17 per cent of the workforce.

**Figure 3.7: Size by proportion of different staff types working within social enterprises**



3.42 Similarly, those in the least deprived areas had a greater contribution in terms of the proportion of the workforce that were voluntary, and those in the 20 per cent most deprived wards had 45 per cent of the workforce employed on a full time basis (compared to just 34% of the less deprived).

## 4 Who and How Social Enterprises Help

- 4.1 By definition, social enterprises exist to further a social or environmental goal – that is they exist to help people and/or places. This chapter explores the types of people that social enterprises aim to help and how they help these people, and examines the ways in which social enterprises work to improve places, whether urban or rural.
- 4.2 The ways in which social enterprises operate are complex and multi-layered. There is overlap between social enterprises who seek to help people and those who seek to help the environment, and between those whose activities are locally focused and those with special interest groups at the heart of their aims. (It should be noted that social enterprises may still help people and / or the environment without actually acknowledging in the survey that this is what they seek to do).
- 4.3 With this complexity in mind, the goals of social enterprises were explored through a series of questions. The routing of different goals is represented through Figure 4.1. Social enterprises could state that their principal goal was to help the local or wider environment and / or to help people either through providing employment or in other ways. Any combination of these goals could be given.

**Figure 4.1: Key Goals of Social Enterprises**

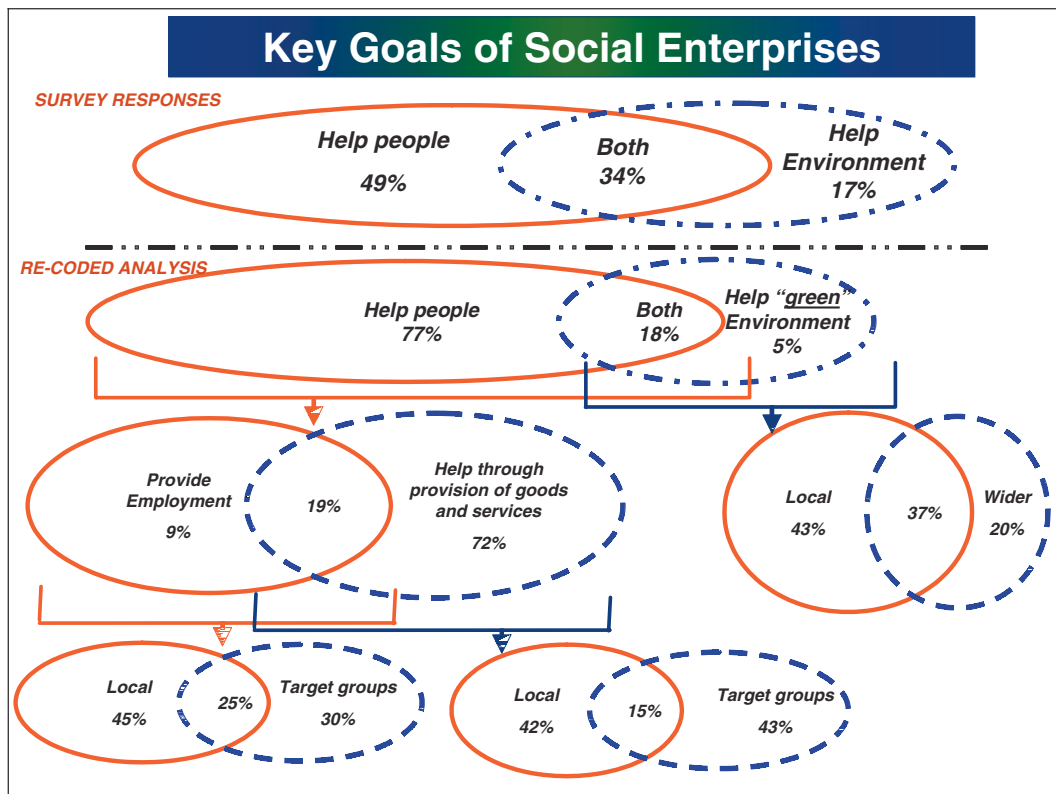


- 4.4 Where respondents said that their social enterprise helped people through employment, they were then asked whether they targeted specific groups of people or helped their local community generally; the characteristics of their local community were then explored if this was how employment was targeted. If the social enterprise was described as helping people other than through employment, their target group was explored in the same way.
- 4.5 In survey response terms, most respondents stated that their social enterprises helped people (83%, or just over 12,500 of all social enterprises), while just over half said they helped the environment (51%); a third of social enterprises (34%) described their aims as helping **both** people and the environment.
- 4.6 Closer examination of the ways in which social enterprises described their environmental activities highlighted that they were defining the environment in two different ways which can be summarised as:
1. helping the environment in the traditional sense through ‘green’ activities such as recycling
  2. encouraging the sustainable use of resources, or helping the ‘built’ environment through a range of services.
- 4.7 Roughly half (52%) of all social enterprises who stated that their goals were environmental were describing a green environment, and half (51%) a built environment<sup>31</sup>. In the latter sense, the “environmental” aims aligned more closely with what were elsewhere described as social aims. That is, they aimed to improve the areas that people live in rather than the environment per se.
- 4.8 If “socio-environmental” aims are re-classified as social, the degree of overlap between the goals social enterprises pursue is greatly reduced and the ratio of social to environmental goals greatly altered. Nearly all social enterprises (95% or around 14,400 of all social enterprises) can be categorised as helping people in some way and nearly a quarter (23% or 3,500) help the environment. Eighteen per cent fall into both camps. Figure 4.2 illustrates this classification in terms of both survey responses and post re-classification.

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<sup>31</sup> These do not add up to exactly 100% due to a small overlap between the groups.

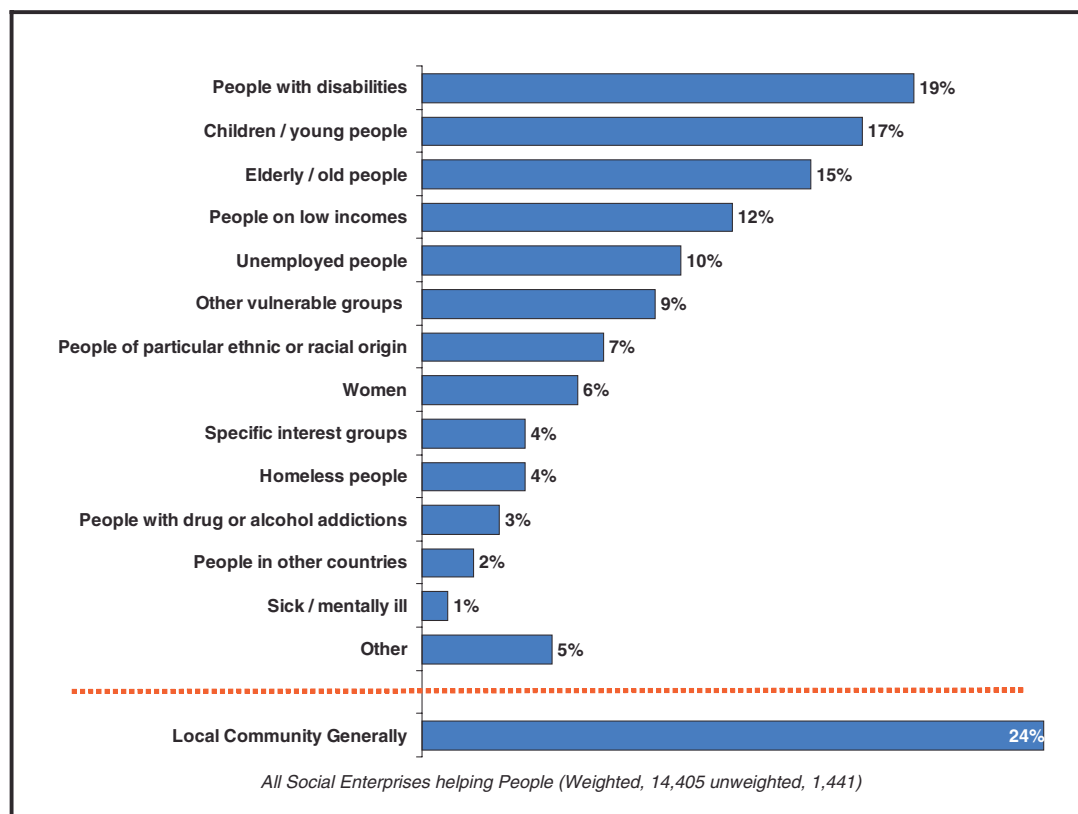
Figure 4.2: Key Goals of Social Enterprises



## Target beneficiaries

- 4.9 Figure 4.3 shows which groups of people social enterprises seek to help in some way (considering all groups however they are helped). The Figure illustrates that social enterprises seek to help a wide range of specific groups as well as more general focus from some.

**Figure 4.3: Target beneficiaries**



- 4.10 At an overall level just under one fifth of social enterprises stated they helped people with disabilities and children or young people (19% and 17% respectively). A further one in seven (15%) helped the elderly or disabled and one in ten (12%) helped people on low incomes.
- 4.11 The majority (71%) of enterprises helping people only help one particular group. 29 per cent of social enterprises help more than two of these groups (16% helped two groups, 5% helped three groups, 4% helped four groups and the remaining 4% helped five or more groups).
- 4.12 For the purposes of this chart, and the analysis throughout this chapter, where social enterprises stated that they targeted the local community but defined this local community as presenting a particular strong characteristic, the local community has been categorised according to its dominant group. The quarter of social enterprises (24%) which help people who are shown as helping the local community generally did not characterise this community in any way.



4.13 Table 4.1 shows the extent to which social enterprises targeted different groups of people through employment and through the provision of goods and services.

**Table 4.1: Target groups and how helped**

	All Helping People	Base (un-weighted)	How help			Total
			Provide goods / services only	Provide goods / services and employ't	Provide employ't only	
<b>All</b>	<b>100%</b>	<b>1441</b>	<b>72</b>	<b>19</b>	<b>9</b>	<b>100%</b>
People with disabilities	19%	281	% 57	29	14	100%
Children / young people	17%	248	% 68	25	7	100%
Elderly / old people	15%	215	% 73	22	5	100%
People on low incomes	12%	179	% 61	34	5	100%
Other vulnerable groups	9%	130	% 61	33	6	100%
Unemployed people	9%	144	% 42	42	16	100%
Specific ethnic groups	7%	95	% 47	47	6	100%
Women	6%	83	% 54	35	11	100%
Homeless people	4%	60	% 69	25	6	100%
Specific interest groups	4%	59	% 32	40	23	100%
Other	5%	66	% 88	12	-	100%
Local Community Generally	24%	364	% 66	28	6	100%
<i>Unweighted base</i>	<i>1,441</i>					
<i>Weighted base</i>	<i>14,405</i>					

Base: All social enterprises helping people

4.14 Where social enterprises exist to help people with disabilities or the unemployed, it is relatively more likely than for other groups of people that the assistance comes – in part at least – through the provision of employment opportunities. Otherwise social enterprises adopt more or less the same broad activities.

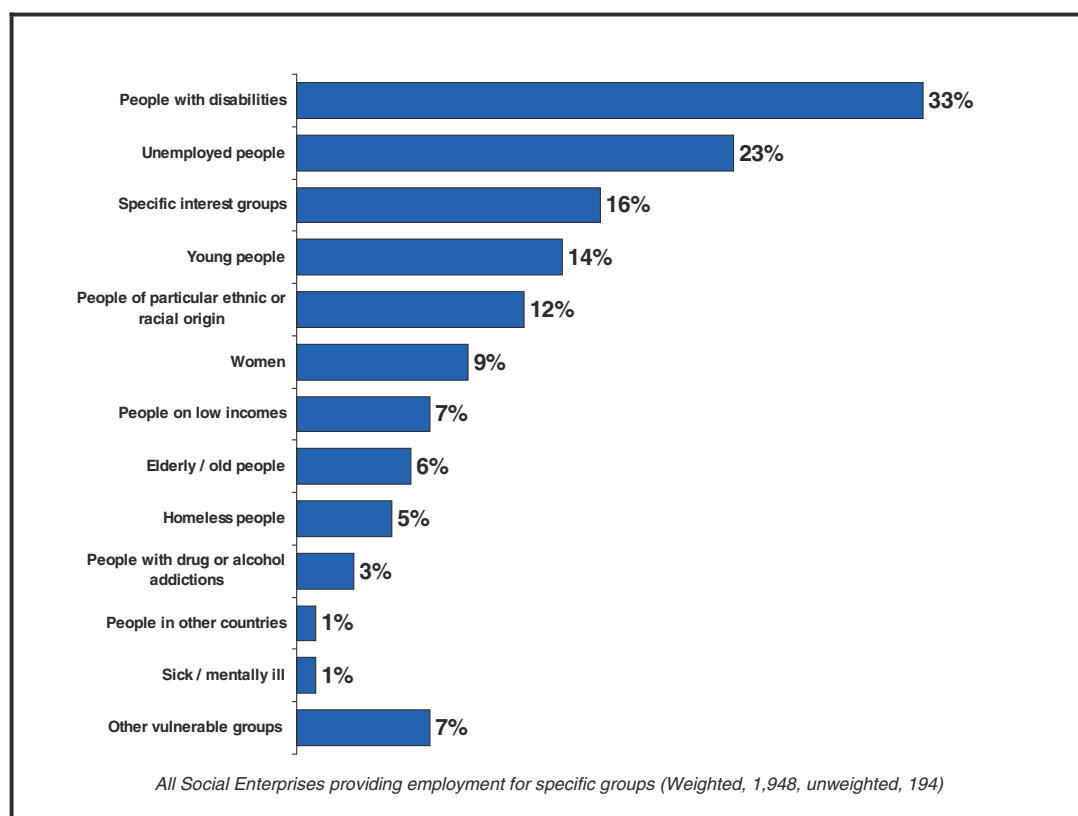
4.15 There are few differences in the groups social enterprises seek to help according to where the enterprise is located (i.e. in a rural or urban area, or in an area of high multiple deprivation).

4.16 Micro-sized enterprises are less likely than larger social enterprises to be targeting people with disabilities and medium-sized social enterprises are more likely than small or micro enterprises to focus support on the elderly.

## Helping People Through Employment

- 4.17 Social enterprises who help through employment number around 3,700, 25 per cent of all social enterprises. They help a wide range of people into work. The most common group targeted for employment were people with disabilities. A third (33%) of social enterprises who helped people through employment specifically sought to recruit people with disabilities, considerably more than any other group<sup>32</sup>. A quarter (23%) sought to provide employment to those currently without a job.

**Figure 4.4: Groups of People Helped through Employment**



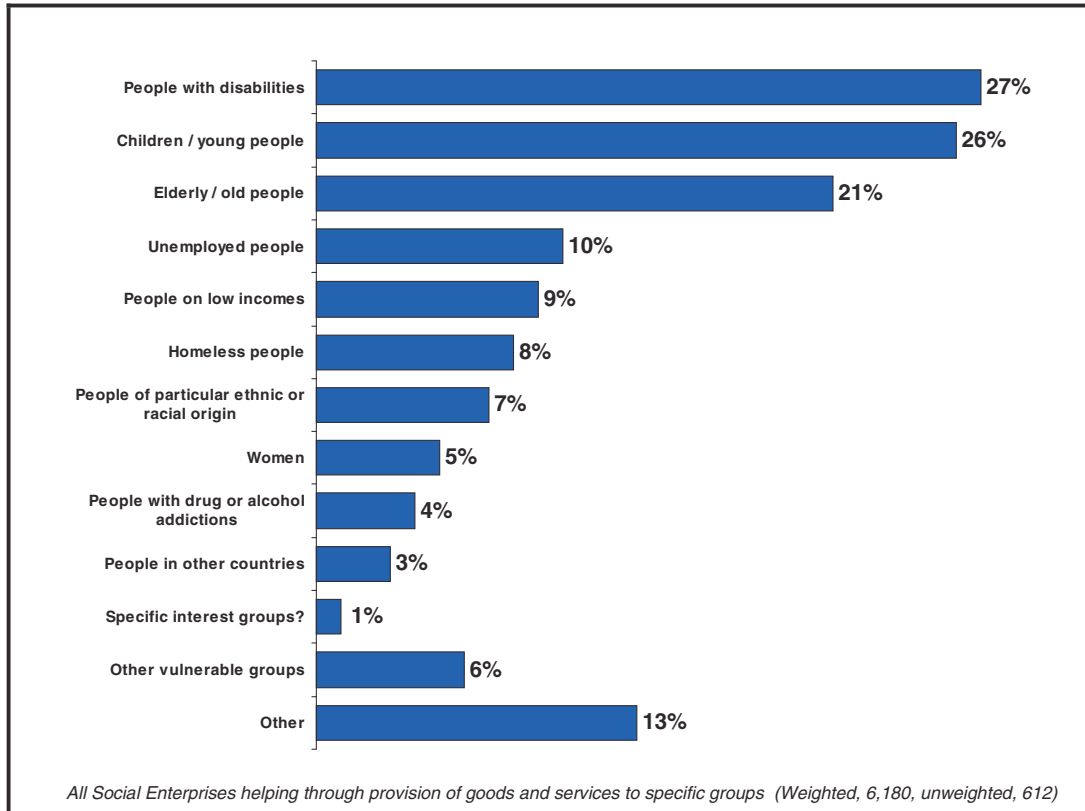
- 4.18 The majority (78%) of social enterprises providing employment for specific groups only had one target group they recruited from. 22 per cent of social enterprises targeted more than one of these groups for employment (10% targeted two groups, 7% targeted three groups, 3% targeted four groups with the remaining 2% 'targeting' (seeking to support) between five and nine groups through employment).

<sup>32</sup> It should be noted that it appears that more organisations say that their social objective is to employ disabled people than are currently associated with Social Firms UK, the umbrella body for businesses set up specifically to create employment for disabled people. This may in part imply a growth opportunity for Social Firms UK, and in part reflect the specific Social Firms UK emphasis on sustainable enterprises providing good quality employment.

## Helping People Through the Provision of Goods and Services

4.19 13,200 of all social enterprises (87%) help people by providing goods and/or services. Again, a wide range of people are assisted in these ways. The specific groups helped are illustrated in figure 4.5. Three target groups stand out: people with disabilities, children / young people and the elderly / old people.

**Figure 4.5: Groups of People Helped through Provision of Goods / Services**



4.20 Where social enterprises helped people in ways other than through employment, they were asked to describe what they did to help in terms of the products or services they provided. Their activities are shown below, at overall level and by size:

**Table 4.2: How Social Enterprises help people (other than through employment) by size**

	All	Micro	Small	Medium	Medium / Large combined
	%	%	%	%	%
Training / Education	20	19	21	19	20
Social assistance	12	12	14	12	11
Housing	8	6	6	19	22
Nursery / Child care / play group	6	5	9	3	2
Sports facilities / club	6	8	6	3	2
Day care – elderly	6	4	8	13	11
Community centre	6	6	7	5	4
Business advice and support	5	7	4	2	1
Museum / arts or cultural centre	5	6	5	2	2
Produce theatrical events	5	6	4	4	3
Other <sup>33</sup>	32	33	31	36	35
<i>Base: unweighted</i>	1,441	694	542	152	175
<i>Base: weighted</i>	14,405	6847	5839	1584	1829

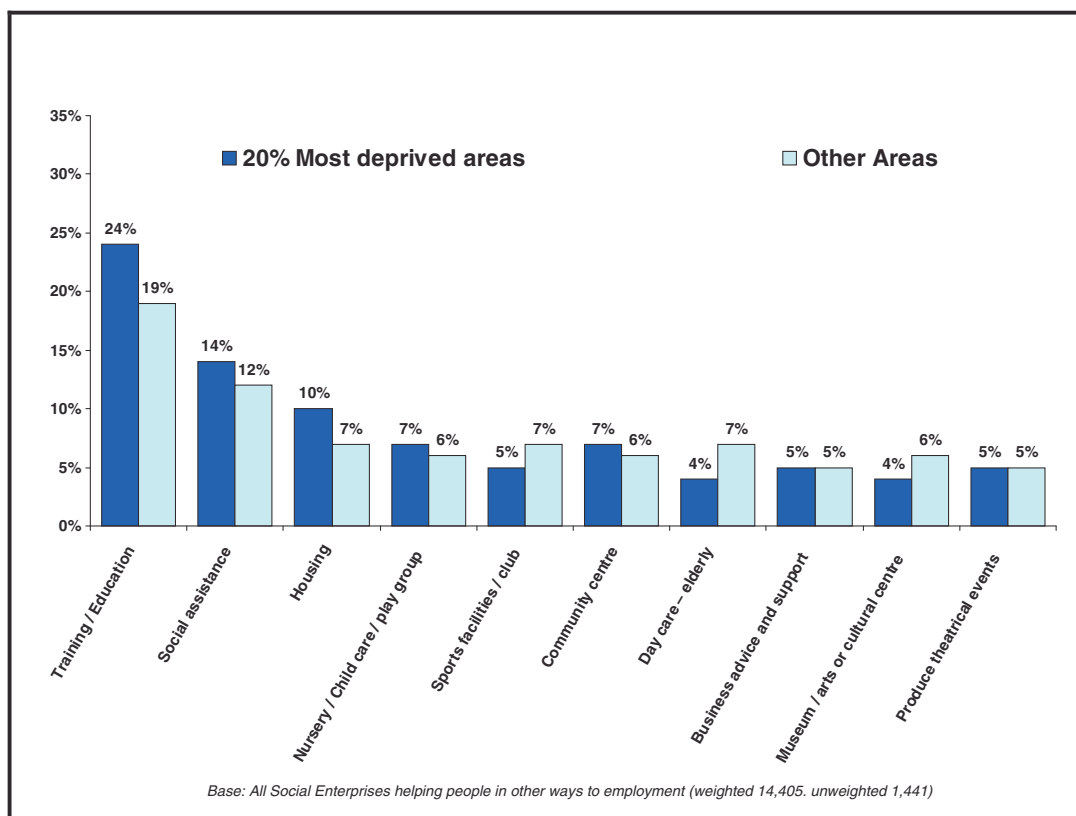
Base: All social enterprises helping people in ways other than through employment

4.21 The most common way that social enterprises helped people through a good / service was by providing training courses (20%). One in eight (12%) social enterprises helped people through various means of what we have termed 'social assistance' (mainly centred around advice, and information on a wide range of issues). Around one in twelve (8%) social enterprises help people through a housing service of some kind. Almost a third (32%) of social enterprises mentioned something falling into an "other" category. Sample sizes were too small to include these individually in the above table. The table demonstrates that the ways in which social enterprises help are predominantly service based rather than providing goods.

<sup>33</sup> Others include residential care of elderly, homeless and disabled, counselling, medical services, community transport, shops, and other retail outlets.

- 4.22 Social enterprises situated in the 20 per cent most deprived areas are more likely than those in other areas to be helping people through the provision of some of the services, the largest differences being across training / education (24% vs. 19%), Social Assistance (14% vs. 12%) and Housing (10% vs. 7%).

**Figure 4.6: Main ways in which Social Enterprises help people**

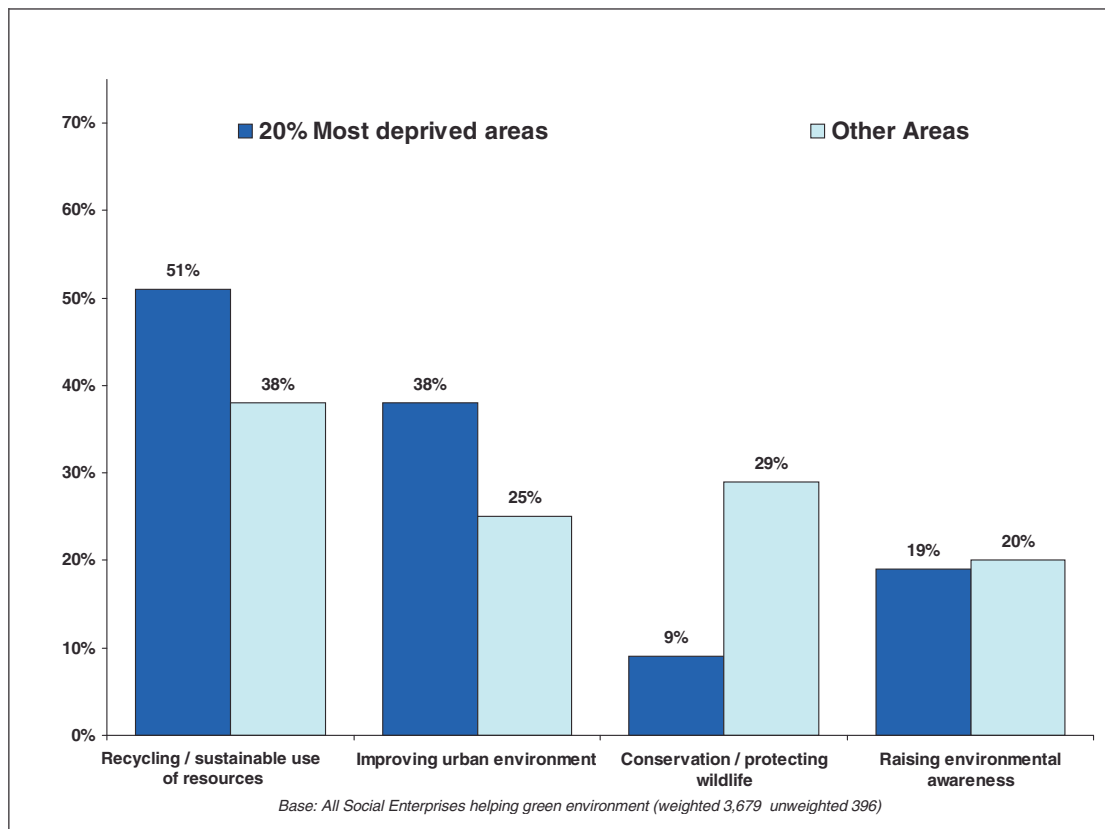


- 4.23 Social enterprises in urban areas were more likely to be providing social assistance (relating, no doubt, to the correlation between deprivation and urbanity), while social enterprises in rural areas are more likely to offer sports or recreational facilities, perhaps reflecting the relative lack of such provision outside of the towns. Otherwise, there were few differences in the activities that social enterprises in rural and urban locations pursued.
- 4.24 Although at an overall level, the most commonly helped groups are people with disabilities, younger people and the elderly, the profile of groups helped does differ by the types of services provided. Enterprises providing training are the most likely to help younger people (31%) and disabled people (26%); one in ten (11%) provides training provision for the elderly.
- 4.25 In contrast, two fifths (38%) of enterprises providing housing provision help the elderly and a high proportion also help the homeless (30%) and / or people on low incomes (29%).

**Helping the ‘Green’ Environment**

- 4.26 Around two fifths (42% or about 1,600) of all social enterprises which helped the green environment were involved in recycling and encouraging the sustainable use of resources. Three in ten (29%) had goals centred around improving the urban environment, just under a quarter (23%) had conservation goals and a fifth (20%) described their goals as raising environmental issues.
- 4.27 Social enterprises in rural areas were more likely than those in urban areas to have ‘green’ environmental goals. An example that most clearly reflects this is those in rural districts were significantly more likely to focus on conservation (47% compared to 19% in urban districts).
- 4.28 Social enterprises with environmental goals based in urban districts were more likely to be engaged in activities surrounding recycling and sustainability (45% compared to 24% of those in rural districts).
- 4.29 Social Enterprises in the 20 per cent of most deprived areas were more likely to be involved in recycling and sustainability (51% cf. 38% others) and in improving the urban environment (38% cf. 25%). Enterprises not in the most deprived areas were however considerably more likely to be involved in conservation projects (29% cf. 9%).

**Figure 4.7: Main ways in which Enterprises help the green environment**



## 5 Trading Activities

5.1 While the social goal that they are pursuing might define social enterprises that participated in the survey (in the sense that it is the fact of their having a goal beyond the profit motive which makes them “**Social**” Enterprises), it does not fully describe them as enterprises – or tell us what it is they do.

5.2 As discussed in Chapter Three, social enterprises derive a considerable proportion of their income from trading activities – and these may or may not align with the social goals that the enterprise is pursuing. In this final chapter, we explore the trading activities that social enterprises pursue, and consider the extent to which these are integral to their social aims, or are a means to financing them.

5.3 In trading terms, at the broadest level, social enterprises can be characterised as falling into five broad types, according to the principal trading income source:

➤ Health & Social Care	33% of all social enterprises
➤ Other Community, Social or Personal Services	21%
➤ Real Estate / Renting <sup>34</sup>	20%
➤ Education	15%
➤ Wholesale / retail	3%

### HEALTH & SOCIAL CARE

5.4 Health and Social Care, which is the main trading activity for a third (33%) of social enterprises, can be broken down into two main categories, of which “social work **without accommodation**” is the largest, accounting for seven in ten (71%) of those operating within this area. The activities covered by this description are day care for adults (such as the elderly or those who are disabled or homeless), childcare, counselling, welfare and guidance activities, and habilitation or vocational rehabilitation<sup>35</sup> (where the education component is limited). The remainder (29%) were mainly engaged in “social work **with accommodation**” (providing round the clock care for those with limits to the abilities to care for themselves, including children and those without homes), where medical treatment and education were not important elements of the care (22%).

<sup>34</sup> Real estate covers renting, selling or developing ones own property / land or intermediating in these activities (i.e. as an estate agent).

<sup>35</sup> Vocational rehabilitation is a process whereby those disadvantaged by illness or disability can be enabled to access, maintain or return to employment, or other useful occupation.

**OTHER COMMUNITY, SOCIAL OR PERSONAL SERVICES**

- 5.5 One social enterprise in five (21%) earned income through the provision of “other community, social, or personal services”. Membership organisations accounted for about a third of this group (30%). These social enterprises were quite diverse. An example would be a national association offering advice, support, start up kits and a helpline to member organisations, in an arrangement similar to that of franchising in commercial terms. Other activities classified within this Standard Industrial Code are special interest groups (such as, art groups, or holistic therapies), environmental and ecological movements, as well as organisations supporting the community such as social clubs and community centres.
- 5.6 “Artistic and literary creation and interpretation” was the main trading classification for one in five of those providing other community / social / personal services, and this was most commonly theatre or performing arts groups. An example of how one such group might operate would be a touring company who perform in schools as a way to engage pupils with issues such as bullying or discrimination, or a group that run activities allowing vulnerable people (prostitutes for example) the chance to express their feelings about topics such as sexual health through theatre (i.e. using theatre as a form of education or therapy). Another common scenario was theatrical companies putting on plays or concerts commercially for a fee, which was then used to help the target groups.
- 5.7 Almost as many of those engaged in other community social, and personal service activities (19%) offered sporting activities (aside from stadiums / arenas), and this was a mixture between organisations providing sport as a form of therapy, and the more common situation where they generate trading income by offering sporting facilities such as water sports. Fourteen per cent offered ‘other’ recreational, sporting and cultural services as their main source of trading income: this covered a range of activities including film and video facilities, library and archive activities, performing arts venues for hire, and book clubs. Sporting arenas and stadiums constituted 9 per cent and museums were a main trading activity for 9 per cent respectively. The museums operated tended to have an emphasis on educating about a former way of life (e.g. mining, steam trains, Victorian life).

**REAL ESTATE, RENTING AND BUSINESS ACTIVITIES**

- 5.8 Real Estate, Renting and Business Activities formed the main source of trading income for one in five of those interviewed (20%), and activity was very strongly centred around letting of the social enterprise’s own property. This was what over half (54%) described as generating their key trading income, and in the majority of cases this was renting out housing to vulnerable groups or to the public at a low cost. A minority offered rented accommodation to businesses. Business and consultancy activity was, however, a main activity for almost a quarter of those operating within this sector (23%). For many of these organisations this was done with a view to economic development of the community and helping small concerns succeed by providing them with business support, advice, networking opportunities, or access to training.



- 5.9 'Other' business activities were the main source of earned income for one in six (16%) of those operating within the real estate/ business sector and this included architectural and engineering activities and technical consultancy although this was very much environmentally orientated (environmental sustainability and waste management). Some were also engaged in activities such as industrial cleaning (again, very much environmental, with activities such as litter and graffiti removal featuring). There were fewer mentions of labour and personnel recruitment, computer and related activities, and technical consultancy (3% and 2% each respectively).

### **EDUCATION**

- 5.10 Fifteen per cent of those asked had a main trading activity that was based around the provision of education, and amongst these 97 per cent offered adult or other education (i.e. outside school or university provision). The types of education available varied widely, and incorporated work-based skills or skills to support employability (basic skills, IT and vocational skills) as well as areas of personal interest and/or development (from environmental awareness to music, to name but two).

### **WHOLESALE AND RETAIL**

- 5.11 Wholesale and retail trade was the main trading activity for a very small group of social enterprises (3%)<sup>36</sup>, and this consisted of five main areas – retail of food, beverages and tobacco (23%), which tended to be village or community stores, supporting local producers or enabling people unable to travel to have access to a shop, other retail trade and repairs (24%), other retail sale of new goods in specialised stores (23%), which tended to be arts and crafts products, wholesale and commission trade (15%) and retail of second hand goods in stores, which was essentially the sale of goods in a charity shop or similar outlet (14%).

### **Differences in trading activity by type of social enterprise**

- 5.12 Appendix 7 gives full details of the trading activities of social enterprises, and how they relate to the other activities of the enterprises operating in each of the sectors. In this final section of this chapter, we explore differences in trading activity across different sub-groups of social enterprises.
- 5.13 There were no significant variations in propensity to earn income through different trading activities according to location, either by urbanity or multiple deprivation index.
- 5.14 Table 5.1 cross-analyses these trading activities by the social aim of the social enterprise (i.e. whether they're providing goods / services for people and / or providing employment and / or pursuing a "green" environmental goal).

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<sup>36</sup> It should be noted that the base sample size is very small (46) and all findings relating to wholesale and retail should be treated as mainly indicative

**Table 5.1: Main Trading Activity by Social Goal of Social Enterprises**

Main Trading Activity – by SIC code	All	Social Aim			
		Provide employment only	Help People Provide both employment and goods / services	Provide goods / services only	Help the “green” environment (at all)
	%	%	%	%	%
Health and Social Care	33	29	30	35	24
Other Community / Social / Personal Service	21	15	14	23	19
Real Estate / Renting	20	22	17	20	28
Education	15	20	26	12	14
Wholesale / Retail	3	6	3	3	4
Other <sup>37</sup>	9	7	10	7	11
<i>Weighted</i>	<i>13804</i>	<i>1109</i>	<i>2792</i>	<i>9480</i>	<i>3679</i>
<i>Unweighted</i>	<i>1391</i>	<i>107</i>	<i>302</i>	<i>934</i>	<i>354</i>

*Base: All social enterprises for whom main trading activity is known*

- 5.15 Social enterprises whose social aims are to help people are most likely to be operating in the sphere of Health & Social Care, whether they pursue this aim through employment, the provision of goods or services, or both.
- 5.16 Among social enterprises whose aims are environmental, however, the most common trading activity is in the sphere of real estate / renting.
- 5.17 Social enterprises aiming to provide employment and goods/services are most heavily represented in two industries: health and social care and education. They are much less likely to be trading in wholesale or retail or community / social / personal services. A similar distribution is evident for those enterprises providing employment only, although slightly higher proportions are in Real Estate and Wholesale / Retail and fewer in Education.
- 5.18 Table 5.2 details further the nature of the (main) trading activity that social enterprises engage in by showing what proportion offer their main traded services beyond the target group that they are trying to help.

<sup>37</sup> “Other” in Tables 5.1 through to 5.5 include transport / storage / communications (2%), manufacturing (2%), hotel / bars / restaurants (2%), financial intermediation (1%), agriculture, construction and general public service (all less than 1%).

**Table 5.2: Whether Offer Beyond Target Group by Trading Activity**

	Weighted base	Un-weighted base		Offer only to "target group"	Offer beyond "target group"
<b>Health and Social</b>	4386	428	%	52	48
<b>Other Community / Social / Personal services</b>	2863	271	%	29	71
<b>Real Estate / Renting</b>	2674	254	%	45	55
<b>Education</b>	1969	196	%	30	70
<b>Wholesale/ Retail</b>	429	46	%	36	64
<b>Other</b>	1165	129	%	41	59

Base: All social enterprises for whom trading activity and who offer to is known

5.19 The vast majority of social enterprises offering community / social / personal services, and of those operating in the educational sphere offer their services beyond their core "**target social group**" (71% and 70% respectively). By contrast, just over half of those offering Health & Social services (53%) offered these services **only** to their core "**target social group**", as did 45 per cent of those trading in Real Estate / Renting.

5.20 Table 5.3 shows whether their services are offered to recipients free or at a charge, and whether they are paid (at all) by third parties to offer these services

**Table 5.3: Who Pays for Goods/ Services by Trading Activity**

	Weighted base	Un-weighted base		Free to all	Free to some, others pay	All pay	Paid by third party
<b>Health and Social</b>	4505	428	%	21	27	52	61
<b>Other Community / Social / Personal services</b>	2895	271	%	10	29	61	31
<b>Real Estate / Renting</b>	2730	254	%	21	27	52	47
<b>Education</b>	2018	196	%	15	45	40	57
<b>Wholesale/ Retail</b>	430	46	%	31	21	48	25
<b>Other</b>	1179	129	%	23	19	58	44

Base: All social enterprises for whom trading activity is known

5.21 Across all areas of trading activity, social enterprises can be characterised as operating within a relatively commercial context in so far as the majority seek payment from at least some of their customers.

5.22 Social enterprises whose main trading activity is "other community / social / personal services" are most likely to seek payment – at some level - from all customers; they are also least likely to receive payment from third parties for the provision of their services to their client group.

5.23 Social enterprises trading in the “health and social services” field and in “education” were among most likely to offer their services free to at least some of their “customers”, and were also most likely to receive payment from third parties.

5.24 Turnover varied according to main trading activity, and Table 5.4 shows the large relative turnovers of the organisations who operate within the real estate and renting sectors, compared with those working in wholesale/ retail, other community / social / personal service and education. A third (34%) of those trading within the former sector had turnovers of in excess of £1 million, compared to just one in ten of those in wholesale/ retail and other community / social/ personal service and 15 per cent of those operating in the education sector.

**Table 5.4: Turnover by Trading Activity**

	Weighted base	Un-weighted base		Turnover band				
				Under £99,000	£100,000 - £1 million	Over £1 million	MEAN (£)	MEDIAN (£)
<b>Health and Social</b>	3580	344	%	21	58	21	1.6m	350,000
<b>Other Community / Social / Personal services</b>	2258	219	%	25	65	10	0.7m	175,000
<b>Real Estate / Renting</b>	2261	214	%	14	52	34	2.6m	500,000
<b>Education</b>	1668	170	%	25	60	15	0.8m	250,000
<b>Wholesale/ Retail</b>	360	38	%	37	53	11	0.4m	160,000
<b>Other</b>	1005	110	%	28	54	18	1.2m	200,000

Base: All social enterprises for whom trading activity and turnover are known

5.25 There was also variation between the proportion of overall income that organisations operating in different sectors obtained from their trading activities, and those operating within the real estate sector not only generated the highest turnovers, but their trading income also accounted for 93 per cent of their overall turnover (Table 5.5). Social enterprises in the “Wholesale and Retail” sphere also generated a high proportion of their income from their trading (94%)<sup>38</sup>. Conversely, the education sector only generated 78 per cent of their overall turnover from trading revenues and the health and social care and other community / social / personal services sectors each earned 82 per cent of their income through trading.

**Table 5.5: Composition of Turnover by Trading Activity**

	Weighted base	Un-weighted base		% of turnover from trading	% of enterprises receiving no free or other funding
<b>Health and Social</b>	3314	324	%	82	40
<b>Other Community / Social / Personal services</b>	2113	207	%	82	39
<b>Real Estate / Renting</b>	1941	192	%	93	59
<b>Education</b>	1495	159	%	78	42
<b>Wholesale/ Retail</b>	304	30	%	94	67
<b>Other</b>	864	94	%	76	45

Base: All social enterprises for whom trading activity, turnover, and receipt of different income sources are known

<sup>38</sup> As noted previously, due to the base sample size being very small (46) all findings relating to wholesale and retail should be treated as mainly indicative.

- 5.26 The independence and commercial nature of the social enterprises surveyed who operated within the real estate and wholesale / retail sectors was seen again in terms of their propensity to generate their turnover through trading alone. Three in five (59%) enterprises within the real estate sector had no income other than that they earned through trading, and two thirds (67%) of the few enterprises engaged in wholesale/ retail activities had no extra finance of this nature. However, nearer to two in five enterprises engaged in each of education, health and social care, and other community / social / public service were in this situation.

## 6 Conclusion

- 6.1 The Government's Strategy for Social Enterprise had as one of its main aims to establish the value of social enterprise by building the evidence base. This survey makes a significant contribution to achieving this.
- 6.2 This research did not set out to provide a comprehensive picture of the whole social enterprise sector. Social enterprises operate along a spectrum of activity, merging at one end with the voluntary and community sector and at the other with ethical and socially responsible businesses. As a result, drawing lines around the sector inevitably sets up artificial boundaries. Doing so for the purposes of research, therefore, remains a challenging methodological task. The absence of clear identifiers such as tax registration or legal form makes it difficult to identify a social enterprise other than by investigating its objectives and profit structure.
- 6.3 The methodology used here has relied on the respondents' own interpretation of whether or not their main objective is social or environmental, which may have varied across the sample. In addition, the survey population was limited to those social enterprises registered as Industrial and Provident Societies and Companies Limited by Guarantee (considered to be the most commonly used legal forms because they allow for only limited profit distribution) and for practical purposes excludes some sectors by SIC code. **As such it is believed that this survey has captured an important and significant subsector of the total social enterprise population.**
- 6.4 Despite the difficulties of mapping the sector, the benefit of doing so is to gather baseline information on the extent of social enterprise activity across the country, the sectors it operates in and the social goals it pursues. As such, this research has significantly advanced our understanding of social enterprise in the UK and will be beneficial to policy makers and others seeking to support the sector. It will hopefully be used as the basis for future research to increase further our understanding of social enterprise activity.

### Main findings

- 6.5 The survey confirms that social enterprises represent a small but significant sub-section of the UK business population.
- There are an estimated 15,000 social enterprises registered as IPS or CLG in the UK. These represent around 1% of the UK's (employing) businesses, generate just under £18 billion in annual turnover and employ over 775,000 people (475,000 paid employees and almost 300,000 volunteer staff).
  - They are diverse, spanning different sizes, sectors and parts of the country. Just over a fifth of social enterprises (22%) are in London, but they operate in every region of the UK.
  - The majority of employment and turnover in social enterprises is generated through their own trading activity. Although around a half of social enterprises receive grants, donations and subsidies, on average these account for just 12% of their turnover. Over 80% of turnover is from trading income. Just under 90% of those surveyed generated over 50% of their income from trading.
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- The most common way in which Social Enterprises derive their trading income is classified as “Health & Social Care” (33%) – mostly daycare, childcare, welfare / guidance but also accommodation services. Social enterprises also commonly derive their main income from “community or social services” (21%) and “real estate / renting” activities (20%). Smaller proportions of social enterprises trade in the educational sphere (15%) and in wholesale / retail (3%).
- Over half (51%) of social enterprises are located in the 40 per cent most deprived areas. Whether an explicit objective or not, social enterprises play a role in urban regeneration.
- The vast majority of social enterprises exist to help particular groups of people either through employment or providing goods and services. The most common groups helped are those with disabilities, young people, the elderly and people on low incomes. Nearly a quarter of those surveyed had environmental objectives.
- Many social enterprises are complex organisations with multiple social and/or environmental objectives, and a range of sources of income.

## Discussion

- 6.6 Our understanding of social enterprises has increased considerably as a result of this survey. Inevitably, however, new information prompts further discussion about why and how many social enterprises do what they do.
- 6.7 One example is the tendency for social enterprises to be represented in areas of high multiple deprivation. This may reflect the availability of funding streams in these areas (as they are more likely to have higher proportions of “grants and donations” – see Table 3.3) such as European Objective One and Two funding, Single Regeneration Budget and New Deal for Communities, designed to support regeneration activity. It may also reflect a trend for social enterprises to be established in close proximity to certain social problems, for example, concerning unemployment or a lack of service provision.
- 6.8 Although half (51%) of social enterprises are found in areas of high deprivation, this means half (49%) of social enterprises are found in the 60% less deprived wards. This shows that, as a business form, social enterprise is attractive for reasons other than a means of regenerating deprived communities. Further research could usefully look at the motivations for setting up a social enterprise.
- 6.9 Much of the trading activity of social enterprise appears to be in sectors traditionally associated with public service delivery, for example, health, social care, child-care and training. This research did not investigate the sources of income for social enterprises and it would be useful to look further into whether these services are funded on contract by public sector bodies, or through income raised or earned from other sources. There is clear indication of social enterprises trading in the market to deliver their services, with the majority across all sectors seeking payment directly from at least some of the beneficiaries of their services. A proportion of social enterprises appear to make use of third party funding, for example where the client base cannot afford to pay for basic services. Future research could usefully look into the way in which social enterprises provide public services. Research could also look at whether social enterprises are competing with mainstream firms, or whether they are finding a different niche or opening new markets.
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- 6.10 Another interesting issue raised by the survey results is the level of volunteering in social enterprises. The survey tells us something about the number of people contributing some time voluntarily and the average hours per volunteer. We do not know how many people volunteer on an equivalent basis to full or part-time workers. Further research might usefully explore this contribution.
- 6.11 For some people, volunteering may be a useful means of gaining skills and confidence as a stepping stone into getting paid employment. Indeed, this may be one of the aims of social enterprise activity. It is also worth noting that as well as the day-to-day operations of an organisation, social enterprises with charitable status will have a board comprised of volunteers.
- 6.12 The research raises many questions about the nature of social enterprise and suggests a number of avenues worthy of further investigation. As a first step to building the evidence base on social enterprise, however, it provides for the first time an overview of an important subsection of the population, and raises our understanding of its profile in the economy.
- 6.13 Information on the Social Enterprise Strategy, and further developments associated with it, can be found at: [www.sbs.gov.uk/socialenterprise](http://www.sbs.gov.uk/socialenterprise)
- 6.14 This report and further developments in evidence base can be found at: <http://www.sbs.gov.uk/analytical>



## APPENDIX 1: Summary of Sampling Approach

### Background to methodology

The telephone survey and its analysis described in this research report form the core part of a novel project to gather baseline data on social enterprise across the UK. The methodology for the project was recommended following a review of existing mapping studies of social enterprises commissioned from ECOTEC Research & Consulting Ltd by DTI in 2003. The review<sup>39</sup> drew on the experience of 33 studies and extensive consultation with the social enterprise sector to recommend a five-stage approach to gather data on social enterprise across the UK:

1. Phase I: Compilation of preliminary regional and devolved administration databases of potential social enterprises
2. Phase II: Validation and enhancement of initial databases by partners and national co-ordinator
3. Phase III: Telephone survey of the organisations included in the database to establish social aims and trading level
4. Phase IV: Analysis and estimation of the economic contribution of social enterprises
5. Phase V: Utilisation of data gathered as a resource for the social enterprise sector

A summary of the key elements of the first and second stages of the project which defined the survey population for the telephone survey follows. The third and fourth stages - the telephone survey and its analysis - comprise the majority of this research report. The fifth stage involving the use of the results beyond the research project has informed the design of the project throughout but is being taken forward separately.

### Construction of survey population

#### Phase I: Compilation of preliminary regional and devolved administration databases of potential social enterprises

- As a first step towards defining the survey population for the telephone survey, an initial database was compiled from the records of Companies Limited by Guarantee and Industrial and Provident Societies held on FAME (Financial Analysis Made Easy<sup>40</sup>) in January 2004. For practical purposes, the size of the listing of all Companies Limited by Guarantee and Industrial and Provident Societies (around 62,500 organisations) was reduced by excluding groups on the basis of Standard Industrial Classifications (SIC 2003) that were considered unlikely to include social enterprise activity.

The initial database therefore consisted of FAME records of Companies Limited by Guarantee and Industrial and Provident Societies, excluding the following (SIC 2003):

- companies ceased trading, being liquidated, in receivership, dissolved and old liquidations/receiverships
- SIC 65 - financial intermediation
- SIC 66 - insurance and pension
- SIC 67 - activities auxiliary to financial intermediation
- SIC 8010 - primary education
- SIC 8021 - general secondary education

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<sup>39</sup> *Guidance on mapping social enterprise*, ECOTEC Research & Consulting Ltd, published July 2003, available via [www.sbs.gov.uk/socialenterprise](http://www.sbs.gov.uk/socialenterprise)

<sup>40</sup> FAME is a commercially available database compiled from Companies House data and contains information on a total of around 2.8 million companies in the UK and Ireland. Further information on FAME is available from its publisher Bureau van Dijk via [www.bvdep.com](http://www.bvdep.com)

- SIC 8022 - technical & vocational secondary education
- SIC 8030 - higher education
- SIC 9111 - business & employers organisations
- SIC 9112 - professional organisations
- SIC 9120 - trade unions
- SIC 9131 - religious organisations
- SIC 9132 - political organisations
- SIC 9800 - residents property management

These were taken out because they were unlikely to produce a relatively high proportion of social enterprises. It is acknowledged, however, that some high profile and successful social enterprises will exist within these sectors.

The resulting information contained within this initial database was matched by postcodes to Government Office Region (GOR) boundaries that correspond to English Regional Development Agency and devolved administration boundaries. In the few cases where postcode matching was not possible, organisations were manually assigned to an English region or devolved administration.

#### **Phase II: Validation and enhancement of initial databases by partners and national co-ordinator**

The UK-wide initial database compiled during the first stage was subject to scrutiny at a regional / devolved administration level overseen by national co-ordinators, Professor David Smallbone and Dr Fergus Lyon of the Centre for Enterprise and Economic Development Research, Middlesex University, to create a revised database that provided the survey population for the telephone survey. The initial database was divided into 12 databases corresponding to the 9 English Regional Development Agencies (RDA) and 3 devolved administrations. In a process overseen by the national co-ordinators, each area database was scrutinised by a group of experts convened by the pertinent English RDA and devolved administration who also appointed a group co-ordinator. The purpose of the scrutiny was to draw on the experience and knowledge of area experts to:

- a) categorise organisations in the database according to whether they have social aims and trading income; and
- b) identify additional organisations that have social aims and trading income but do not appear in the database

The membership of each area group was chosen at regional / devolved administration level with the explicit aim of reflecting the diversity of the social enterprise sector whilst keeping each group manageable in size (generally 6 to 8 people). The national co-ordinators facilitated the work of each group, providing detailed guidance and meeting with each group around the country during March 2004.

The categorisation of organisations by the area groups was employed to produce a revised version of the initial database that included an indication of how likely it was that the business had social aims and/or having no trading income. The resulting database formed the survey population for the telephone survey, and the 'likelihood' indications determined the sequence the sample was used, and improved the efficiency of the survey.

Separately, the additional organisations identified by the area groups as having social aims and trading income but that did not appear in the initial database were compiled to form a separate 'additions' database. The organisations in the additions database were matched with telephone numbers and surveyed through filter interviews in a similar way to the survey population. However, whilst the telephone survey of these organisations expands the database of social enterprises, the data gathered does not feature in any of the analysis in this report.

This methodology therefore was designed to produce a database of potential social enterprises registered as CLG and IPS, and is based on the assumption that all organisations excluded from the database (whether on the basis of SIC or the views of area groups) are not social enterprises. The purpose of this methodology was to increase the likelihood of identifying a sufficiently large sample of social enterprises to allow for a statistically robust analysis of their profile. However, because the survey was not based on a random sample of the business population, comparisons with the wider business stock should be interpreted with care.

**APPENDIX 2: Questionnaire Used in Fieldwork****PRIVATE & CONFIDENTIAL****SBS - MAINSTAGE  
Social Enterprise Survey**

October 6th 2004

Start Time:	
Company Name:	
Respondent:	
Job Title:	
Interviewer:	

DEFINITE OUTCOMES		
1	Complete (full)	FULL INTERVIEW – Social Enterprise
2	Complete (filter – SE)	FILTER INTERVIEW – Social Enterprise
3	Complete (filter – Non SE) a) Screen out – no products / services b) Screen out – receive over three quarters funding c) Screen out – profit primary motivation	FILTER INTERVIEW – Non-Social Enterprise A1=2 A2a=1 A3=2 or A4=1
4	Refusal	Q1=5 / Q2=4 / Q3=4 / B1=4
5	Residential Number	Q1=11
6	Dead line (no dial tone)	Q1=12
7	Organisation no longer in operation	Q1=13
8	Not available within fieldwork period	Q1=7 / Q2=6 / Q3=5
9	Wrong company	Q1a=2
10	Nobody at site able to answer questions	Q1=6 / Q2=5
11	No social environmental goals ( <i>RED FLAG AND MONITOR</i> )	B2=5
LIVE OUTCOMES		
12	Hard Appointment (filter)	Q1=3 / Q2=2 / Q3=2
13	Soft Appointment (filter)	Q1=4 / Q2=3 / Q3=3
14	Hard Appointment (full)	B1=2
15	Soft Appointment (full)	B1=3
16	Engaged	Q1=8
17	Fax line	Q1=9
18	No reply / answering phone	Q1=10

**FOR ALL REFUSALS (Q1=5 or Q2=4 or Q3=4 or B1=4) ADD INTERVIEWER CODE BOX:**

Refusal	1	
Company Policy	2	
Taken part in recent research	3	
<i>Not prepared to do full interview</i>	4	<i>TO APPEAR AFTER B1 ONLY.</i>
Not relevant to us / not a social enterprise	5	
Other (specify)	0	

**INTRODUCTION AND SCREENING**

- 1) Good morning / afternoon / evening. My name is XXX and I'm calling from IFF Research. Can I just check, is this [COMPANY NAME FROM SAMPLE] of [INSERT TOWN / CITY FROM SAMPLE]?

Yes - correct	1	GO TO Q2
No - Company name wrong	2	ASK 1A
Hard appointment	3	MAKE APPOINTMENT – OUTCOME 12
Soft Appointment	4	MAKE APPOINTMENT – OUTCOME 13
Refusal	5	CLOSE - OUTCOME * 4 CHECK REASONS FOR REFUSAL
Nobody at site able to answer questions	6	CLOSE - OUTCOME * 10 CHECK WHO WE SHOULD SPEAK TO
Not available in fieldwork period	7	CLOSE - OUTCOME 8
Engaged	8	CLOSE – OUTCOME 16
Fax Line	9	CLOSE - OUTCOME 17
No reply / Answer phone	10	CLOSE - OUTCOME 18
Residential Number	11	CLOSE - OUTCOME 5
Dead line	12	CLOSE - OUTCOME 6
Company closed	13	CLOSE - OUTCOME 7

**ASK IF COMPANY NAME WRONG (Q1=2) OTHERS GO TO Q2**

- 1a) Can I just check, did you used to be known as [COMPANY NAME FROM SAMPLE]?

Yes	1	CONTINUE
No	2	CLOSE – OUTCOME 9

**ASK ALL**

- 2) May I speak with someone involved in running your enterprise?

ADD IF NECESSARY: *That may be the owner, senior manager or another person with an overview of finance, staffing and organisational issues within your enterprise.*

Yes – Put through	1	GO TO Q3
Hard appointment	2	MAKE APPOINTMENT – OUTCOME 12
Soft Appointment	3	MAKE APPOINTMENT – OUTCOME 13
Refusal	4	CLOSE - OUTCOME * 4 CHECK REASONS FOR REFUSAL
Nobody at site able to answer questions	5	CLOSE - OUTCOME * 10 CHECK WHO WE SHOULD SPEAK TO
Not available in fieldwork period	6	CLOSE - OUTCOME 8

**IF NOBODY AT SITE ABLE TO ANSWER QUESTIONS (Q1=6 or Q2=5) ADD:**

Who would be the best person to speak to? Are they based at another site?

**WRITE IN:**

--

- 3) Good morning / afternoon / evening, my name is XXX. I'm calling from IFF Research, an independent Market research company. We're researching particular kinds of enterprises for DTI's Small Business Service and several other Government and support organisations that are interested in improving business support and advice.

*ADD IF NECESSARY: The research has been commissioned by the DTI's Small Business Service to gain a better understanding of the social enterprise sector. You may have seen an article about this research in the sectoral press, such as Social Enterprise magazine.*

**ADD IF NECESSARY:**

*Social enterprises are businesses with primarily social, including environmental objectives. They compete in the marketplace like any other business but they use their business skills to achieve social aims. For example, they include businesses that are specifically set up to help renew communities or employ disabled people.*

We would like to spend about two to three minutes asking you a few questions about your organisation, although depending on your answers this may take a little longer. Is now a convenient time to talk?

Yes – CONTINUE	1	GO TO A1
Hard appointment	2	MAKE APPOINTMENT – OUTCOME 12
Soft Appointment	3	MAKE APPOINTMENT – OUTCOME 13
Refusal	4	CLOSE - OUTCOME * 4 CHECK REASONS FOR REFUSAL
Not available in fieldwork period	5	CLOSE – OUTCOME 8

#### REASSURANCES TO BE USED AS NECESSARY

The DTI works to support social enterprise together with a number of partners including the Regional Development Agencies, the devolved administrations and the Social Enterprise Coalition.

This work will be strictly conducted according to the Market Research Society's Code of Conduct. The answers you provide will not be attributed to you and will be presented to our client in an aggregated statistical form.

If you would like to confirm that IFF Research is a bona fide Market Research company, you can call the Market Research Society, free of charge, on 0500 39 69 99.

If you have any queries about the research, you can contact Isabel Hopkins (Research Executive) or Alistair Kuechel (Project Manager) at IFF Research on 020 7250 3035.

You can also contact the DTI's Small Business Service on 0845 001 0031.

The Social Enterprise Coalition is the national umbrella organisation dedicated to supporting and promoting social enterprise. Further information on the Coalition is available via [www.socialenterprise.org.uk](http://www.socialenterprise.org.uk) or by calling 020 7968 4921

**SECTION A**  
**FILTER INTERVIEW**

- A1 To start off with, can I just check, do your regular everyday activities involve providing products or services of any kind in return for payment?

INTERVIEWER NOTE: *Isolated or infrequent transactions, such as fundraising events several times a year, would not count as regular everyday activity.*

Yes	1	CONTINUE
No	2	CLOSE – OUTCOME 3A
Don't know	X	CONTINUE

- A2 Do you receive any income from funders that give their funding freely in support of your organisation with your organisation supplying nothing more than minimal benefits in return?

ADD IF NECESSARY: *You may think of this type of funding as donations, grants or service level agreements. We're interested in those where any conditions attached to the funding were solely within the funder's need to properly account for the funds - often known as 'good housekeeping'.*

INTERVIEWER NOTE: *Examples of minimal benefits might include giving a flag or sticker or an acknowledgement in a list of supporters.*

Yes	1	ASK A2A
No	2	ASK A3
Don't know	X	

**ASK ALL RECEIVING INCOME FROM FUNDERS (A2=1) OTHERS GO TO A3**

- A2a And does this funding account for over three quarters of your organisation's income?

Yes – Over three quarters	1	CLOSE – OUTCOME 3B
No – Under three quarters	2	CONTINUE
Don't know	X	

**ASK ALL**

A3 Would you say the primary purpose of your organisation is to..... READ OUT?

Pursue a social, including environmental, goal	1	CONTINUE
Make profit for owners, partners and shareholders	2	CLOSE - OUTCOME 3c
DO NOT READ OUT: Difficult to say	3	ASK A3A
DO NOT READ OUT: Both	4	CONTINUE

**ASK IF DIFFICULT TO SAY (A3 =4) OTHERS GO TO A4**

A3a Are you finding it difficult to choose because ....?

Your organisation enhances its competitiveness by working in a socially responsible way	1	CLOSE OUTCOME 3c
Your organisation was set up to help a specific group of people in need and those people are owners, partners and shareholders in your organisation	2	CONTINUE
DO NOT READ OUT: Other (Specify)	0	

A4 If your organisation makes a profit or surplus, is this.....? READ OUT

Mainly distributed between owners, partners and shareholders	1	CLOSE OUTCOME 3c
Mainly reinvested in the organisation or the community to further your social, including environmental, goals	2	CONTINUE
DO NOT READ OUT: Both	3	
DO NOT READ OUT: Other (Specify)	0	
Don't know	X	

**ASK FOR ALL CLOSE OUTCOMES (A1=2 or A2a=1 or A3=2 or A4=1)**

A4a Can I just check, what is the main activity of your organisation?

WRITE IN:

**IF NON SOCIAL ENTERPRISE: CLOSE COMPLETE (FILTER NON-SE)**

CHECK RESPONDENT NAME, JOB TITLE AND COMPANY ADDRESS ON CLOSE

**IF SOCIAL ENTERPRISE:**

CHECK REGION QUOTAS ON WHETHER TO PROCEED TO FULL INTERVIEW.

**IF REGION QUOTAS FULL:**

ASK A5 AND A6 AND THEN CLOSE

OTHERS SE's GO TO B1

**ASK ALL FILTER SOCIAL INTERVIEWS (A3=1 BUT REGION QUOTA FULL) ONLY**



- A5 Thank you very much for your help today. The Department of Trade and Industry, (*INSERT APPROPRIATE REGIONAL DEVELOPMENT AGENCY OR DEVOLVED ADMINISTRATION NAME - for NI insert, 'Invest NI'*) and the Social Enterprise Coalition offer support and services that are designed to be beneficial to organisations such as yours. Would you be interested in occasionally hearing from these organisations about this support and their services?

REASSURE IF NECESSARY: *Only your organisation's name, address, telephone number, email address and postal address would be passed to these organisations. The additional information you've just provided will remain confidential.*

1)

Yes	1	CONTINUE
No	2	
Don't know	X	

**ASK ALL FILTER SOCIAL ENTERPRISE (A3=1 BUT REGION QUOTA FULL)  
INTERVIEWS**

- A6 And finally, would you be willing for the DTI to contact you in the future to take part in further work aimed at improving their understanding of enterprises like yours so that the DTI, and other providers, can offer better support and services?

2)

Yes	1	THANK AND CLOSE – OUTCOME COMPLETE 2 (FILTER SE)
No	2	
Don't know	3	

**CHECK RESPONDENT NAME, JOB TITLE AND COMPANY ADDRESS ON CLOSE**

**SECTION B**  
**FULL INTERVIEW – SOCIAL ENTERPRISES ONLY**

- B1 Thank you for your help so far. DTI is specifically interested in finding out more about how it can help enterprises such as yours. To help in this we'd like to ask you a few more questions to better understand your organisation.

This will take another five to ten minutes depending on your answers. Are you okay to continue now or would you rather we called you back?

BRING UP REASSURANCES IF NECESSARY

Yes – CONTINUE	1	CONTINUE
Hard appointment	2	MAKE APPOINTMENT – OUTCOME 14
Soft Appointment	3	MAKE APPOINTMENT – OUTCOME 15
Refusal	4	OUTCOME COMPLETE 2 (FILTER SOCIAL ENTERPRISE) MAKE SURE INTERVIEWER REFUSAL CODE BOX APPEARS

- B2 From your earlier answers, I understand that your organisation has social or environmental goals. Is your organisation trying to.....? READ OUT. ALLOW MULTICODE.

Help improve your local environment (ADD IF NECESSARY: <i>by local we mean about a 30 mile radius</i> )	1	CHECK ROUTING B3a
Help look after the wider environment	2	
Provide employment for particular groups of people	3	
Help people in other ways	4	
DO NOT READ OUT: None of the above	5	CLOSE – OUTCOME RED FLAG (11)

**IF PROVIDING EMPLOYMENT (B2=3) OTHERS GO TO ROUTING ABOVE QB4a**

- B3a Are the people you provide with employment ...? READ OUT. MULTICODE ALLOWED.

Local people, generally	1	GO TO ROUTING ABOVE B3B
Particular groups of people (either within the local community or more generally)	2	
DO NOT READ OUT: Neither of the above	X	GO TO ROUTING ABOVE B4A

**IF PROVIDING EMPLOYMENT TO PARTICULAR GROUPS OF PEOPLE (B3a=2) OTHERS GO TO ROUTING ABOVE QB4a**

B3b Which particular groups of people do you seek to employ ...? DO NOT READ OUT. MULTICODE ALLOWED.

Homeless people	1	GO TO ROUTING BEFORE B4A
Unemployed people	2	
People with drug or alcohol addictions	3	
People with disabilities	4	
People of particular ethnic or racial origin	5	
Women	6	
Elderly / old people	7	
Children / young people	8	
People on low incomes	9	
People in other countries	10	
Other (WRITE IN)	0	

**IF HELPING PEOPLE OTHER THAN THROUGH EMPLOYMENT (B2=4) OTHERS GO TO ROUTING ABOVE QB5A**

B4a Are the people you are looking to help in other ways ...? READ OUT. MULTICODE ALLOWED.

Local people, generally	1	GO TO ROUTING ABOVE B4B
Particular groups of people (either within the local community or more generally)	2	
DO NOT READ OUT: Neither of the above	X	

**IF HELPING PARTICULAR GROUPS OF PEOPLE, (B4a=2) OTHERS GO TO ROUTING ABOVE QB5a**

B4b Which particular groups of people do you seek to help ...? DO NOT READ OUT. MULTICODE ALLOWED.

Homeless people	1	GO TO ROUTING BEFORE B4A
Unemployed people	2	
People with drug or alcohol addictions	3	
People with disabilities	4	
People of particular ethnic or racial origin	5	
Women	6	
Elderly / old people	7	
Children / young people	8	
People on low incomes	9	
People in other countries	10	
Other (WRITE IN)	0	

**IF HELPING LOCAL PEOPLE GENERALLY (THROUGH EMPLOYMENT OR OTHERWISE (B3a=1 or B4a=1) , OTHERS GO TO ROUTING ABOVE QB6a**

B5a In terms of the people that make up your local community, do they tend to share particular characteristics or circumstances?

INTERVIEWER PROBE: What common characteristics do they share?  
PROMPT AS NECESSARY. MULTICODE ALLOWED.

Homeless people	1	GO TO ROUTING BEFORE B6A
Unemployed people	2	
People with drug or alcohol addictions	3	
People with disabilities	4	
People of particular ethnic or racial origin	5	
Women	6	
Elderly / old people	7	
Children / young people	8	
People on low incomes	9	
Other (WRITE IN)	0	
No particularly common shared characteristics	X	

**IF TRYING TO HELP PEOPLE OTHER THAN BY EMPLOYMENT (B2=4), OTHERS GO TO ROUTING ABOVE B7**

B6a Changing the subject slightly, when you say that your enterprise tries to help people [ADD TEXT IF B2=3: *other than by providing them with employment*], what do you do to help?

INTERVIEWER PROBE: What products or services do you provide? RECORD VERBATIM.

WRITE IN

**ASK ALL**

B6b And do you offer your products or services to people other than those you're particularly trying to help?

Yes	1	
No	2	
Don't Know	DK	

B6c And is this service / product ...? READ OUT

Offered free to recipients	1	
Offered free to some recipients, but others pay	2	
Or do all recipients pay (ADD IF NECESSARY: At least something)	3	

B6d And are you paid specifically by a third party to deliver this product or service to recipients?

ADD IF NECESSARY: *You may think of this as a contract where the money paid by the third party is directly linked to the supply of the service.*

Yes	1	CHECK ROUTING B6e
No	2	
Don't Know	3	

**IF ANYONE PAYS AND / OR PAYMENT FROM THIRD PARTIES (B6d=1 and B6c=2 or 3). OTHERS CHECK ROUTING B7a**

B6e Is the sales of these products or services your only trading activity, your main trading activity or just one of your trading activities?

ADD IF NECESSARY: Please think about both sales directly to recipients and third parties for the provision of the product / services.

Only trading activity	1	CHECK ROUTING B7a
Main trading activity	2	
Just one of trading activities (not main)	3	

**ASK IF HAVE ENVIRONMENTAL GOALS (B2 = 1 or 2), OTHERS GO TO ROUTING BEFORE B7b**

B7a In what ways does your enterprise seek to help the environment?

INTERVIEWER PROBE: What products or services do you provide? Who delivers? Who benefits?

WRITE IN

**ASK IF NOT "ONLY TRADING ACTIVITY (B6e=2 or 3). OTHERS CHECK ROUTING BEFORE B7c**

B7b Do you derive income from the sales of these products or services?

Yes	1	CHECK ROUTING B7c
No	2	
Don't Know	DK	

**ASK IF DERIVE INCOME FROM ENVIRONMENTAL ACTIVITIES (B7b=1) AND NOT MAIN TRADING ACTIVITY OR SOLE TRADING ACTIVITY AT (B6e=3)**

B7c Is the sale of these products or services your only trading activity, your main trading activity or just one of your trading activities?

Only trading activity	1	CHECK ROUTING B8
Main trading activity	2	
Just one of trading activities (not main)	3	

**IF MAIN TRADING ACTIVITY NOT YET ESTABLISHED (B6e is not 1 or 2 OR B7c=3) OTHERS CHECK ROUTING B9a**

B8 What is the main product or service that you sell to generate income? RECORD VERBATIM

WRITE IN

**ASK ALL**

B9a Do you generate income from any other products or services that we have not yet covered?

Yes	1	ASK B9B
No	2	CHECK ROUTING B10
Don't Know	DK	

**ASK IF GENERATE INCOME FROM OTHER PRODUCTS / SERVICES (B9a=1) OTHERS CHECK ROUTING B10**

B9b What other services or products do you sell? RECORD VERBATIM

WRITE IN

- ASK IF RECEIVED FREE FUNDING (A2=1) OTHERS B11**
- B10 You said earlier that your enterprise receives funding that is freely given, can I just check, have you received any such funding in the last financial year?

ADD IF NECESSARY: *You may think of this type of funding as donations, grants or service level agreements. We're interested in those where any conditions attached to the funding were solely within the funder's need to properly account for the funds - often known as 'good housekeeping.*

ADD IF NECESSARY: *By this we mean that your organisation supplied nothing significant in return for the funding or the funding was not tied to the delivery of goods or services. An example would be where you provided nothing more than minimal benefits to a funder in return for their funding, such as an acknowledgement of support; or where there was no direct link between the amount of funding offered by the funder and the amount of products or services that you provided to any beneficiaries.*

Yes	1	ASK B10a
No	2	ASK B11

- ASK IF RECEIVE FREE FUNDING (B10=1) OTHERS GO TO B11**
- B10a Could you estimate the percentage of your organisation's income or turnover (sales or gross takings) that came from such funding sources?

WRITE IN

PROMPT WITH RANGES IF NECESSARY:

Between 1% and 24%	1	
Between 25% and 49%	2	
Between 50% and 74%	3	
DK	X	

- ASK ALL**
- B11 Other than funding and income from sales of products and services do you derive income from any other sources?
- 3)

Yes	1	ASK B12
No	2	ASK B14

- ASK IF DERIVE INCOME FROM OTHER SERVICES (B11=1) OTHERS GO TO B14**
- B12 What other sources do you derive income from?

WRITE IN:

**ASK IF DERIVE INCOME FROM OTHER SERVICES (B11=1) OTHERS GO TO B14**

- B13 Could you estimate what percentage of your organisation's income / turnover came from these other sources in the last financial year?

WRITE IN
----------

PROMPT WITH RANGES IF NECESSARY:

Between 1% and 24%	1	
Between 25% and 49%	2	
Between 50% and 74%	2	
Above 75%	3	
DK	X	

**ASK ALL**

- B14 Which of the following do you have working in your organisation? READ OUT

**ASK FOR EACH CODED AT B14**

- B15 And how many [INSERT FROM B14] do you have working in your organisation?

	B14	B15
Full time, paid employees	1	WRITE IN NO. _____
Part time employees IF NECESSARY: <i>That is they work less than 30 hours on average</i>	2	WRITE IN NO. _____
Volunteers	3	WRITE IN NO. _____

AT B15 PROMPT WITH RANGES IF NECESSARY:

1	1	
2-4	2	
5-9	3	
10-25	4	
25+	5	
DK	X	



**ASK IF HAVE VOLUNTEERS (B14=3) OTHERS GO TO B17**

- B16 And, approximately how many hours a week do all your volunteers give in total? Please can you add together all the hours worked by each volunteer in an average week?

WRITE IN

PROMPT WITH RANGES IF NECESSARY:

1-9	1	
10-19	2	
20-29	3	
30-39	4	
40-49	5	
50+	6	
DK	X	

**ASK ALL**

- B17 We're almost at the end now, to help put your answers in context can I just check approximately what your turnover (sales or gross takings) was in the last financial year?

WRITE IN

PROMPT WITH RANGES IF NECESSARY:

Under £50,000	1	
£50,000 to £99,000	2	
£100,000 to £249,000	3	
£250,000 to £499,000	4	
£500,000 to £1,000,000	5	
Over £1,000,000	6	
DK	X	

- B18 Is your organisation registered with the Charity Commission?

Yes	1	
No	2	
No – exempt or exempted status	3	
No – but in the process of applying	4	
Don't Know	X	

- B19 And can I just check, is your organisation completely independent from all other organisations or are you part of [or associated with] another organisation?

Yes - independent	1	ASK B22
No – part of another organisation	2	ASK B20

**ASK IF NOT INDEPENDENT (B19=2) OTHERS GO TO B22**

- B20 Please could you tell me the full name of the organisation that you are part of [or associated with]?

INTERVIEWER NOTE: *Check spelling carefully*

FULL COMPANY NAME:

**ASK IF NOT INDEPENDENT (B19=2) OTHERS GO TO B22**

- B21 And what is the full address of this organisation (including the postcode)?

ADDRESS 1:

B21b

ADDRESS 2:

B21c

ADDRESS 3:

B21d

ADDRESS 4:

B21e

POSTCODE:

**ASK IF NOT INDEPENDENT (B19=2) OTHERS GO TO B22**

- B21f And finally, what is the nature of the relationship you have with this organisation?

ADD IF NECESSARY: *For example, is your organisation a wholly owned subsidiary or a trading arm of a charity?*

WRITE IN:

**ASK ALL**

- B22 Thank you very much for your help today. The Department of Trade and Industry, (INSERT APPROPRIATE REGIONAL DEVELOPMENT AGENCY OR DEVOLVED ADMINISTRATION NAME - for NI, insert 'Invest NI') and the Social Enterprise Coalition offer support and services that are designed to be beneficial to organisations such as yours. Would you be interested in occasionally hearing from these organisations about this support and their services?

REASSURE IF NECESSARY: *Only your organisation's name, address, telephone number, email address and postal address would be passed to these organisations. The additional information you've provided will remain confidential.*

Yes	1	CONTINUE
No	2	
Don't know	X	

**ASK ALL**

- B23 And finally, would you be willing for the DTI to contact you in the future to take part in further work aimed at improving their understanding of enterprises like yours so that the DTI, and other providers, can offer better support and services?

Yes	1	THANK AND CLOSE – OUTCOME COMPLETE 1 (FULL)
No	2	

**CHECK RESPONDENT NAME, JOB TITLE AND COMPANY ADDRESS ON CLOSE**

## THANK RESPONDENT AND CLOSE INTERVIEW

I declare that this survey has been carried out under IFF instructions and within the rules of the MRS Code of Conduct.		
Interviewer signature:	Date:	
Finish time:	Interview Length	mins

## **APPENDIX 3: Weighting Approach**

### **BACKGROUND**

A two stage weighting process was applied in order to establish how many social enterprises the original sample contained, and then to take the full interviews achieved and gross them up to reflect the number of enterprises within each region. It was assumed that all of the businesses excluded from the sample either on the basis of SIC or on the advice of expert groups were not social enterprises.

Contact details were not obtained from half the businesses extracted from the FAME database. It was thought that these may differ in characteristics from those we were able to contact and that the proportion of social enterprises amongst them may be different. If this was the case then a straight grossing up using all of these businesses may produce estimates of the number of social enterprises that were too high.

### **STAGE 1**

As it was not possible to contact all potential social enterprises in the original sample, the Inter-Departmental Business Register (IDBR) was used to try and gain information about the organisations that were not surveyed, in order to ensure that the weighting approach allowed for differences in the nature of organisations for whom telephone numbers could, and could not, be obtained. The proportions of both those with and without contact details that were social enterprises were weighted together to give an overall proportion of businesses contacted that were social enterprises. These proportions were then applied to the complete contacts (those for whom it had been established by interview whether or not they were social enterprises) at regional level to give expected numbers of social enterprises at within each region.

### **STAGE 2**

The second stage of the weighting took the established figures on the number of social enterprises within each region and grossed every full interview up to ensure that the proportion accurately reflected the projected number of social enterprises that exist within that region. It is this weighting that is used throughout this report both to estimate overall figures on turnover and employment, and to project proportions of social enterprises with certain characteristics.

### **PROBLEMS ENCOUNTERED**

The data on these businesses was very limited. Most had no information on turnover, number of employees or Standard Industrial Classification. Information for some of these businesses was available on the IDBR but we were not allowed to pass this on to IFF because of confidentiality issues. Similarly IFF could not give us individual records from their interviews.

### **SOLUTION**

We attempted to match all the businesses passed to IFF with the IDBR. Of the total we were unable to contact we were only able to match 25% on the IDBR. We then looked at the proportion of businesses contacted that were social enterprises for both businesses matched on the IDBR and those that did not. As expected there were some differences with the IDBR matched data yielding higher proportions of social enterprises.

Regional totals of contacted businesses were calculated. These comprise non-social enterprises and both the full and filter interview identified social enterprises. The proportions of total contacts that were social enterprises were then calculated, both for full and filter interviews. Companies no longer in business, refusals, quit during interview, and ring backs were all included in the no contacts as it is possible they could be social enterprises.

The social enterprise proportions were calculated for both the data matched on the IDBR and the non-matched data. The IDBR and non-IDBR data was weighted together to give an overall proportion of social enterprises

e.g. East Midlands

Not matched on IDBR 36/133 Social enterprises 27%

Matched on IDBR 100/214 social enterprises 47%

Total unweighted 136/347 social enterprises 39%

Weighted by no of social enterprises =  $(27\%*36+47\%*100)/(36+100) = 42\%$

Weighted percentages of social enterprises were then multiplied by the total numbers of businesses in each region. This gives an expected number of social enterprises

e.g. East Midlands  $42\%*1159 = 486$

We then looked at the numbers of full interviews we identified during the interviews. For the East Midlands this was 100

The projected number of social enterprises divided by the actual number of full interviews gives the weighting factors that weight the full interviews to the number of social enterprises. For the East Midlands this is  $486/100$  ie 4.86

Multiplying each of the 100 full interviews in the East Midlands by 4.86 will give a total of 486 social enterprises in the East Midlands. This is the total estimated above.

## APPENDIX 4: Table of Confidence Intervals<sup>41</sup>

The table below illustrates the confidence with which survey findings are presented, at the 95% confidence level for findings of 50%.

The first three columns of the table show the confidence intervals associated with the filter interviews. They indicate that, for a finding of 50% from the total base of filter interviews, we would be 95% confident that the true value lay between 48.9% and 51.1%. There is very little statistical error. Statistical error is considerably greater for findings presented at regional level.

The right-hand columns of the table show the confidence with which findings are presented for the full interviews. Thus if the survey suggests that 50% of social enterprises share a characteristic or exhibit a behaviour, then we can be 95% confident that the true value lies between 47.4% and 52.6%. At the regional level the statistical error is relatively large: only pronounced differences between social enterprises in the region are likely to reveal statistically significant trends.

**Table 7.1: Confidence intervals for survey findings - by region**

	CONFIDENCE WITHIN SURVEY POPULATION			CONFIDENCE WITHIN SOCIAL ENTERPRISE POPULATION		
	Survey population	All filter interviews	Max. SE (±%)	Estimated population of Social Ents <sup>42</sup>	Full ints	Max. SE (±%)
Total	37,000	8,401	1.1	15,200	1,480	2.6
London	9,659	2,055	2.2	3,400	206	6.8
South East	4,082	833	3.4	2,100	147	8.1
South West	3,810	886	3.3	1,900	136	8.4
North West	3,633	929	3.2	1,600	101	9.8
East of England	3,169	642	3.9	1,500	118	9.0
West Midlands	2,222	505	4.4	900	114	9.2
North East	1,592	334	5.4	600	111	9.3
Yorkshire and The Humber	1,478	419	4.8	600	120	9.0
East Midlands	1,214	340	5.3	500	100	9.8
Scotland	2,839	587	4.0	1,100	126	8.8
Northern Ireland	1,783	502	4.4	600	97	10.0
Wales	1,519	369	5.1	500	104	9.6

<sup>41</sup> The confidence interval is the range of values within which it can be confidently said that the true value (for the entire population) is likely to lie, based on the value observed in the sample.

<sup>42</sup> To the nearest 100.

## Appendix 5: Regional Profiles of Social Enterprises

EAST OF ENGLAND		ALL UK	
<i>Base - Weighted: 1470, unweighted: 118</i>			
Distribution of social enterprises		10%	10%
Deprivation Index	<b>Top 20% Most deprived</b>	<b>12% ↓</b>	29%
	<b>Top 20-40%</b>	<b>15% ↓</b>	22%
	<b>Remainder</b>	<b>73% ↑</b>	49%
Urbanity	<b>Urban</b>	83%	89%
	<b>Rural</b>	17%	11%
Turnover	<b>Under £100,000</b>	29%	23%
	<b>Over £1 million</b>	20%	19%
Average % of income from Grants and Donations		11%	14%
Size Profile	<b>Large</b>	3%	2%
	<b>Micro</b>	50%	49%
Charitable Status	<b>Registered with Charity Commission</b>	63%	64%
	<b>Not registered</b>	38%	36%
Goal	<b>Green Environment Only</b>	9%	5%
	<b>Green Environment and People</b>	17%	18%
	<b>People Only</b>	75%	77%
Who Help	<b>Those with disabilities</b>	18%	18%
	<b>Children/ Young People</b>	14%	16%
	<b>Elderly</b>	11%	14%
Main / Only Trading Activity	<b>Health and Social Work</b>	<b>22% ↓</b>	33%
	<b>Other Community/ Social/ Personal Service</b>	<b>37% ↑</b>	21%
	<b>Real Estate/ Renting/ Business</b>	16%	20%
	<b>Education</b>	15%	15%
	<b>Wholesale/ Retail</b>	3%	3%
	<b>Other</b>	8%	9%
Proportion of employees who are full time		65%	62%
Proportion of employees who are part time		35%	38%
Proportion of Workforce Consisting of Volunteers		46%	40%
Average Number of Volunteer Hours Weekly		50 hrs	74hrs

Note: The arrows represent where there is a statistically significant difference between findings for the subset in question and the overall findings across all social enterprises

- Social enterprises within the East of England showed a difference from social enterprises surveyed elsewhere within the UK, in so far as they were seldom based within deprived areas, and almost three quarters were situated within the 60% least deprived parts.
- Other community / social/ personal service was the most common main trading activity found amongst social enterprises in the East of England (37% cf. 21% nationally). Specifically, social enterprises in the East of England were more likely to be engaged in the Arts (8%, compared to 4% nationwide) and in 'other' sporting activities (10%, compared to 4% nationwide). Health and Social work was markedly less common in this region than the was the case amongst social enterprises in general.
- Although volunteer labour is fairly common in the East of England, volunteers do not appear to work a large number of hours weekly, and the contribution in terms of time is only about two thirds of that found on average across the UK (50 hours compared to 74 nationwide).

EAST MIDLANDS		ALL UK	
<i>Base - Weighted: 486, unweighted: 100</i>			
Distribution of social enterprises		3%	7%
Deprivation Index	<b>Top 20% Most deprived</b>	27%	29%
	<b>Top 20-40%</b>	28%	22%
	<b>Remainder</b>	45%	49%
Urbanity	<b>Urban</b>	90%	89%
	<b>Rural</b>	10%	11%
Turnover	<b>Under £100,000</b>	<b>33% ↑</b>	23%
	<b>Over £1 million</b>	<b>11% ↓</b>	19%
Average % of income from Grants and Donations		17%	14%
Size Profile	<b>Large</b>	1%	2%
	<b>Micro</b>	56%	49%
Charitable Status	<b>Registered with Charity Commission</b>	62%	64%
	<b>Not registered</b>	38%	36%
Goal	<b>Green Environment Only</b>	5%	5%
	<b>Green Environment and People</b>	18%	18%
	<b>People Only</b>	77%	77%
Who Help	<b>Those with disabilities</b>	19%	18%
	<b>Children/ Young People</b>	18%	16%
	<b>Elderly</b>	16%	14%
Main / Only Trading Activity	<b>Health and Social Work</b>	28%	33%
	<b>Other Community/ Social/ Personal Service</b>	21%	21%
	<b>Real Estate/ Renting/ Business Education</b>	<b>13% ↓</b>	20%
	<b>Wholesale/ Retail</b>	<b>7% ↑</b>	3%
	<b>Other</b>	10%	9%
Proportion of employees who are full time		<b>46% ↓</b>	62%
Proportion of employees who are part time		<b>54% ↑</b>	38%
Proportion of Workforce Consisting of Volunteers		<b>51% ↑</b>	40%
Average Number of Volunteer Hours Weekly		71 hrs	74hrs

Note: The arrows represent where there is a statistically significant difference between findings for the subset in question and the overall findings across all social enterprises

- Just 3% of social enterprises surveyed were based within the East Midlands, while 7% of all UK businesses are situated within the East Midlands – i.e. there are proportionally fewer social enterprises situated within the East Midlands
- They are also smaller in financial terms. The East Midlands had one of the lowest overall turnovers with only one in ten turning over in excess of £1 million in the last year. A third (33%) had turned over less than £100,000.
- Enterprises in the East Midlands tended to have a large proportion of their overall workforce working as volunteers, although they did not benefit from more hours of labour weekly than the average UK social enterprise. They also had a lower proportion of employees working full time, with just 46% employed on this basis, compared to 62% across all social enterprises.
- Those in the East Midlands were less likely than those in other regions to trade in real estate and business services (just 13% compared to a fifth – 20% - across the country as a whole), although they were more likely to offer services to be engaged in wholesale and retail trade and this was the main trading activity for 7% of Enterprises.



LONDON		ALL UK	
<i>Base - Weighted: 3376 unweighted: 206</i>			
Distribution of social enterprises		22%	14%
Deprivation Index	<b>Top 20% Most deprived</b>	<b>43% ↑</b>	29%
	<b>Top 20-40%</b>	<b>30% ↑</b>	22%
	<b>Remainder</b>	<b>27% ↓</b>	49%
Urbanity	<b>Urban</b>	<b>99% ↑</b>	89%
	<b>Rural</b>	<b>1% ↓</b>	11%
Turnover	<b>Under £100,000</b>	<b>16% ↓</b>	23%
	<b>Over £1 million</b>	<b>26% ↑</b>	19%
Average % of income from Grants and Donations		15%	14%
Size Profile	<b>Large</b>	2%	2%
	<b>Micro</b>	52%	49%
Charitable Status	<b>Registered with Charity Commission</b>	66%	64%
	<b>Not registered</b>	34%	36%
Goal	<b>Green Environment Only</b>	3%	5%
	<b>Green Environment and People</b>	<b>11% ↓</b>	18%
	<b>People Only</b>	<b>86% ↑</b>	77%
Who Help	<b>Those with disabilities</b>	15%	18%
	<b>Children/ Young People</b>	18%	16%
	<b>Elderly</b>	10%	14%
Main / Only Trading Activity	<b>Health and Social Work</b>	32%	33%
	<b>Other Community/ Social/ Personal Service</b>	17%	21%
	<b>Real Estate/ Renting/ Business</b>	<b>27% ↑</b>	20%
	<b>Education</b>	14%	15%
	<b>Wholesale/ Retail</b>	2%	3%
	<b>Other</b>	7%	9%
Proportion of employees who are full time		67%	62%
Proportion of employees who are part time		33%	38%
Proportion of Workforce Consisting of Volunteers		46%	40%
Average Number of Volunteer Hours Weekly		66 hrs	74hrs

Note: The arrows represent where there is a statistically significant difference between findings for the subset in question and the overall findings across all social enterprises

- London has both the highest incidence of social enterprises of the UK regions, and a larger proportion of social enterprises than it does businesses of all types. Over a fifth of UK social enterprises surveyed were located within the Capital.
- Social enterprises within London tended to be situated in the most deprived areas, with almost half (43%) based in the areas experiencing the most severe deprivation.
- Social enterprises located within London had very high turnovers in comparison to other regions and Devolved Administrations, and approximately one in four (26%) turned over in excess of a million pounds last year.
- The trading activity of those in London was more likely to be providing real estate or business services than was found across the UK overall, and 27% of London Enterprises stated that this was their main source of income.

NORTH EAST		ALL UK	
<i>Base - Weighted: 574, unweighted: 111</i>			
Distribution of social enterprises		4%	3%
Deprivation Index	<b>Top 20% Most deprived</b>	<b>46% ↑</b>	29%
	<b>Top 20-40%</b>	19%	22%
	<b>Remainder</b>	<b>35% ↓</b>	49%
Urbanity	<b>Urban</b>	87%	89%
	<b>Rural</b>	13%	11%
Turnover	<b>Under £100,000</b>	20%	23%
	<b>Over £1 million</b>	16%	19%
Average % of income from Grants and Donations		12%	14%
Size Profile	<b>Large</b>	3%	2%
	<b>Micro</b>	43%	49%
Charitable Status	<b>Registered with Charity Commission</b>	<b>49% ↓</b>	64%
	<b>Not registered</b>	<b>51% ↑</b>	36%
Goal	<b>Green Environment Only</b>	9%	5%
	<b>Green Environment and People</b>	21%	18%
	<b>People Only</b>	70%	77%
Who Help	<b>Those with disabilities</b>	15%	18%
	<b>Children/ Young People</b>	23%	16%
	<b>Elderly</b>	11%	14%
Main / Only Trading Activity	<b>Health and Social Work</b>	39%	33%
	<b>Other Community/ Social/ Personal Service</b>	25%	21%
	<b>Real Estate/ Renting/ Business</b>	<b>12% ↓</b>	20%
	<b>Education</b>	9%	15%
	<b>Wholesale/ Retail</b>	1%	3%
	<b>Other</b>	14%	9%
Proportion of employees who are full time		65%	62%
Proportion of employees who are part time		35%	38%
Proportion of Workforce Consisting of Volunteers		<b>26% ↓</b>	40%
Average Number of Volunteer Hours Weekly		56 hrs	74hrs

Note: The arrows represent where there is a statistically significant difference between findings for the subset in question and the overall findings across all social enterprises

- Social enterprises in the North East tended to be based in areas of high multiple deprivation, with almost half (46%) existing in the most deprived places.
- Like those in the North West, comparatively few social enterprises were registered as charities and only just under half had this status, compared with 64% of social enterprises in the UK overall.
- Real Estate and Business Services were seldom a main trading activity for those in the region and only one in eight (12%) derived their main income in this way, compared to a fifth (20%) of all surveyed.
- The proportion of the workforce that was made up of voluntary workers was much smaller in the North East than was found on average. Only 56 hours were given on average, in comparison with 74 hours weekly for social enterprises nationally.

NORTH WEST			ALL UK
<i>Base - Weighted: 1636, unweighted: 101</i>			
Distribution of social enterprises		11%	10%
Deprivation Index	<b>Top 20% Most deprived</b>	<b>45% ↑</b>	29%
	<b>Top 20-40%</b>	22%	22%
	<b>Remainder</b>	<b>33% ↓</b>	49%
Urbanity	<b>Urban</b>	<b>95% ↑</b>	89%
	<b>Rural</b>	<b>5% ↓</b>	11%
Turnover	<b>Under £100,000</b>	20%	23%
	<b>Over £1 million</b>	22%	19%
Average % of income from Grants and Donations		15%	14%
Size Profile	<b>Large</b>	2%	2%
	<b>Micro</b>	42%	49%
Charitable Status	<b>Registered with Charity Commission</b>	<b>52% ↓</b>	64%
	<b>Not registered</b>	<b>48% ↑</b>	36%
Goal	<b>Green Environment Only</b>	5%	5%
	<b>Green Environment and People</b>	16%	18%
	<b>People Only</b>	79%	77%
Who Help	<b>Those with disabilities</b>	21%	18%
	<b>Children/ Young People</b>	19%	16%
	<b>Elderly</b>	18%	14%
Main / Only Trading Activity	<b>Health and Social Work</b>	<b>43% ↑</b>	33%
	<b>Other Community/ Social/ Personal Service</b>	19%	21%
	<b>Real Estate/ Renting/ Business</b>	18%	20%
	<b>Education</b>	11%	15%
	<b>Wholesale/ Retail</b>	-	3%
	<b>Other</b>	9%	9%
Proportion of employees who are full time		<b>72% ↑</b>	62%
Proportion of employees who are part time		<b>28% ↓</b>	38%
Proportion of Workforce Consisting of Volunteers		<b>25% ↓</b>	40%
Average Number of Volunteer Hours Weekly		78 hrs	74hrs

Note: The arrows represent where there is a statistically significant difference between findings for the subset in question and the overall findings across all social enterprises

- The North West was a predominantly urban region, with all but 5% of the region classed as urban. It was also particularly deprived, and almost half (45%) of the social enterprises surveyed were based in the most deprived areas.
- Over two in five (43%) of social enterprises in this region were engaged in Health and Social work, compared to about a third (33%) of all those in the country. It was extremely rare (<1%) that the main or only trading activity of those in this region was wholesale and retail trade, compared to 3% of all those surveyed.
- A smaller proportion of social enterprises in the North West were registered as charities compared to nationwide figures, with only just over half holding this status, compared to 64% across all social enterprises surveyed.
- North Western social enterprises had a high proportion of staff working full time compared to those in other regions, and almost three quarters (72%) were employed on this basis, compared to 62% across all social enterprises. They also had a lower proportion of their overall workforce made up of volunteer labour, although the hours worked weekly by volunteers did not differ greatly from the national mean.

SOUTH EAST		ALL UK	
<i>Base - Weighted: 2092, unweighted: 147</i>			
Distribution of social enterprises		14%	15%
Deprivation Index	<b>Top 20% Most deprived</b>	<b>10% ↓</b>	29%
	<b>Top 20-40%</b>	<b>13% ↓</b>	22%
	<b>Remainder</b>	<b>77% ↑</b>	49%
Urbanity	<b>Urban</b>	86%	89%
	<b>Rural</b>	14%	11%
Turnover	<b>Under £100,000</b>	22%	23%
	<b>Over £1 million</b>	19%	19%
Average % of income from Grants and Donations		13%	14%
Size Profile	<b>Large</b>	1%	2%
	<b>Micro</b>	48%	49%
Charitable Status	<b>Registered with Charity Commission</b>	69%	64%
	<b>Not registered</b>	31%	36%
Goal	<b>Green Environment Only</b>	3%	5%
	<b>Green Environment and People</b>	14%	18%
	<b>People Only</b>	83%	77%
Who Help	<b>Those with disabilities</b>	20%	18%
	<b>Children/ Young People</b>	18%	16%
	<b>Elderly</b>	16%	14%
Main / Only Trading Activity	<b>Health and Social Work</b>	36%	33%
	<b>Other Community/ Social/ Personal Service</b>	22%	21%
	<b>Real Estate/ Renting/ Business</b>	<b>13% ↓</b>	20%
	<b>Education</b>	17%	15%
	<b>Wholesale/ Retail</b>	5%	3%
	<b>Other</b>	6%	9%
Proportion of employees who are full time		54%	62%
Proportion of employees who are part time		46%	38%
Proportion of Workforce Consisting of Volunteers		38%	40%
Average Number of Volunteer Hours Weekly		78 hrs	74hrs

Note: The arrows represent where there is a statistically significant difference between findings for the subset in question and the overall findings across all social enterprises

- Social enterprises in the South East tended to be situated in areas that were not deprived and were often rural. Only 23% of social enterprises in this region were based outside the 60% least deprived areas.
- They were also less likely than most social enterprises to have a property or business orientated main trading activity, and just 13% of South Eastern organisations had these, compared to 20% across all those surveyed.

SOUTH WEST			ALL UK
<i>Base - Weighted: 1886, unweighted: 136</i>			
Distribution of social enterprises		12%	9%
Deprivation Index	<b>Top 20% Most deprived</b>	<b>16% ↓</b>	29%
	<b>Top 20-40%</b>	27%	22%
	<b>Remainder</b>	57%	49%
Urbanity	<b>Urban</b>	84%	89%
	<b>Rural</b>	16%	11%
Turnover	<b>Under £100,000</b>	<b>33% ↑</b>	23%
	<b>Over £1 million</b>	16%	19%
Average % of income from Grants and Donations		14%	14%
Size Profile	<b>Large</b>	2%	2%
	<b>Micro</b>	51%	49%
Charitable Status	<b>Registered with Charity Commission</b>	66%	64%
	<b>Not registered</b>	34%	36%
Goal	<b>Green Environment Only</b>	8%	5%
	<b>Green Environment and People</b>	20%	18%
	<b>People Only</b>	72%	77%
Who Help	<b>Those with disabilities</b>	15%	18%
	<b>Children/ Young People</b>	15%	16%
	<b>Elderly</b>	16%	14%
Main / Only Trading Activity	<b>Health and Social Work</b>	30%	33%
	<b>Other Community/ Social/ Personal Service</b>	<b>30% ↑</b>	21%
	<b>Real Estate/ Renting/ Business</b>	17%	20%
	<b>Education</b>	13%	15%
	<b>Wholesale/ Retail</b>	3%	3%
	<b>Other</b>	8%	9%
Proportion of employees who are full time		<b>53% ↓</b>	62%
Proportion of employees who are part time		<b>47% ↑</b>	38%
Proportion of Workforce Consisting of Volunteers		41%	40%
Average Number of Volunteer Hours Weekly		<b>109 hrs ↑</b>	74hrs

Note: The arrows represent where there is a statistically significant difference between findings for the subset in question and the overall findings across all social enterprises

- Few social enterprises based in the South West were situated in the areas of greatest multiple deprivation (16% compared to 29% of all nationwide).
- Turnover tended to be smaller than in other regions and the devolved administrations, and a third (33%) of all social enterprises situated in the South West turned over less than £100,000.
- Almost one in three Enterprises offered community, social and personal services other than health and social work, compared to just a fifth (21%) of those nationwide.
- Enterprises in the South West tended to have a large contribution in terms of volunteer hours (109 hours weekly), although the proportion of the workforces made up of volunteers was similar to the average. The workforces in the region were made up of a larger quantity of part time staff than was seen in Enterprises on average (47% compared to just 38% across the country).

WEST MIDLANDS		ALL UK	
<i>Base - Weighted: 895, unweighted: 114</i>			
Distribution of social enterprises		6%	9%
Deprivation Index	<b>Top 20% Most deprived</b>	35%	29%
	<b>Top 20-40%</b>	18%	22%
	<b>Remainder</b>	47%	49%
Urbanity	<b>Urban</b>	92%	89%
	<b>Rural</b>	8%	11%
Turnover	<b>Under £100,000</b>	21%	23%
	<b>Over £1 million</b>	14%	19%
Average % of income from Grants and Donations		13%	14%
Size Profile	<b>Large</b>	3%	2%
	<b>Micro</b>	42%	49%
Charitable Status	<b>Registered with Charity Commission</b>	71%	64%
	<b>Not registered</b>	29%	36%
Goal	<b>Green Environment Only</b>	4%	5%
	<b>Green Environment and People</b>	21%	18%
	<b>People Only</b>	75%	77%
Who Help	<b>Those with disabilities</b>	19%	18%
	<b>Children/ Young People</b>	11%	16%
	<b>Elderly</b>	15%	14%
Main / Only Trading Activity	<b>Health and Social Work</b>	36%	33%
	<b>Other Community/ Social/ Personal Service</b>	<b>11% ↓</b>	21%
	<b>Real Estate/ Renting/ Business</b>	22%	20%
	<b>Education</b>	15%	15%
	<b>Wholesale/ Retail</b>	6%	3%
	<b>Other</b>	10%	9%
Proportion of employees who are full time		63%	62%
Proportion of employees who are part time		37%	38%
Proportion of Workforce Consisting of Volunteers		<b>28% ↓</b>	40%
Average Number of Volunteer Hours Weekly		<b>42 hrs ↓</b>	74hrs

Note: The arrows represent where there is a statistically significant difference between findings for the subset in question and the overall findings across all social enterprises

- Social enterprises in the West Midlands were relatively unlikely to be engaged in community, social and personal service other than health and social work and just one in ten (11%) classed this as their main trading activity, compared to one in five (21%) across the UK as a whole.
- The number of volunteer hours given to Enterprises in this region was low, averaging just 42 hours weekly, compared to a national average of 74 hours. This corresponds to the lower percentage of the workforce that consisted of volunteers.

YORKSHIRE AND THE HUMBER			ALL UK
<i>Base - Weighted: 605, unweighted: 120</i>			
Distribution of social enterprises		4%	8%
Deprivation Index	<b>Top 20% Most deprived</b>	<b>40% ↑</b>	29%
	<b>Top 20-40%</b>	23%	22%
	<b>Remainder</b>	<b>37% ↓</b>	49%
Urbanity	<b>Urban</b>	90%	89%
	<b>Rural</b>	10%	11%
Turnover	<b>Under £100,000</b>	28%	23%
	<b>Over £1 million</b>	<b>9% ↓</b>	19%
Average % of income from Grants and Donations		15%	14%
Size Profile	<b>Large</b>	-	2%
	<b>Micro</b>	52%	49%
Charitable Status	<b>Registered with Charity Commission</b>	<b>74% ↑</b>	64%
	<b>Not registered</b>	<b>26% ↓</b>	36%
Goal	<b>Green Environment Only</b>	5%	5%
	<b>Green Environment and People</b>	23%	18%
	<b>People Only</b>	72%	77%
Who Help	<b>Those with disabilities</b>	22%	18%
	<b>Children/ Young People</b>	17%	16%
	<b>Elderly</b>	16%	14%
Main / Only Trading Activity	<b>Health and Social Work</b>	30%	33%
	<b>Other Community/ Social/ Personal Service</b>	17%	21%
	<b>Real Estate/ Renting/ Business</b>	17%	20%
	<b>Education</b>	17%	15%
	<b>Wholesale/ Retail</b>	2%	3%
	<b>Other</b>	<b>16% ↑</b>	9%
Proportion of employees who are full time		62%	62%
Proportion of employees who are part time		38%	38%
Proportion of Workforce Consisting of Volunteers		45%	40%
Average Number of Volunteer Hours Weekly		58 hrs	74hrs

Note: The arrows represent where there is a statistically significant difference between findings for the subset in question and the overall findings across all social enterprises

- There is a higher concentration of social enterprises situated in the most deprived areas in Yorkshire and the Humber than is found across the UK as a whole. Two in five Enterprises in this region are based in the least deprived areas.
- Yorkshire and the Humber also have a lower overall turnover and just 9% generate more than £1 million each year. This is partly due to a small size profile.
- A higher proportion of social enterprises in Yorkshire and the Humber are registered charities than is the case nationally, and three quarters (74%) have charitable status.
- Enterprises based in Yorkshire and the Humber are less likely to be engaged in the activities which are key for most social enterprises and a higher proportion have 'other' activities as their main income source. This was primarily manufacturing activities (mainly furniture manufacture and recycling) and operation of hotels, restaurants and bars (6% and 4% respectively).

NORTHERN IRELAND		ALL UK	
<i>Base - Weighted: 604, unweighted: 97</i>			
Distribution of social enterprises		3%	4%
Deprivation Index	<b>Top 20% Most deprived</b>	<b>42% ↑</b>	29%
	<b>Top 20-40%</b>	17%	22%
	<b>Remainder</b>	41%	49%
Urbanity	<b>Urban</b>	<b>95% ↑</b>	89%
	<b>Rural</b>	<b>5% ↓</b>	11%
Turnover	<b>Under £100,000</b>	29%	23%
	<b>Over £1 million</b>	<b>12% ↓</b>	19%
Average % of income from Grants and Donations		18%	14%
Size Profile	<b>Large</b>	2%	2%
	<b>Micro</b>	59%	49%
Charitable Status	<b>Registered with Charity Commission</b>	55%	64%
	<b>Not registered</b>	45%	36%
Goal	<b>Green Environment Only</b>	3%	5%
	<b>Green Environment and People</b>	<b>31% ↑</b>	18%
	<b>People Only</b>	<b>66% ↓</b>	77%
Who Help	<b>Those with disabilities</b>	19%	18%
	<b>Children/ Young People</b>	17%	16%
	<b>Elderly</b>	11%	14%
Main / Only Trading Activity	<b>Health and Social Work</b>	33%	33%
	<b>Other Community/ Social/ Personal Service</b>	<b>9% ↓</b>	21%
	<b>Real Estate/ Renting/ Business</b>	28%	20%
	<b>Education</b>	21%	15%
	<b>Wholesale/ Retail</b>	3%	3%
	<b>Other</b>	6%	9%
Proportion of employees who are full time		58%	62%
Proportion of employees who are part time		42%	38%
Proportion of Workforce Consisting of Volunteers		36%	40%
Average Number of Volunteer Hours Weekly		58 hrs	74hrs

Note: The arrows represent where there is a statistically significant difference between findings for the subset in question and the overall findings across all social enterprises

- Social enterprises in Northern Ireland tended to be based in urban areas and within those that were deprived. Four in ten were situated in the most deprived areas.
- There were a high proportion of micro sized organisations (three in five – 59%), and hence almost a quarter of organisations turned over less than £100,000 annually, and very few turned over in excess of a million pounds (12%).
- The green environment was also a priority for social enterprises based in Northern Ireland and a third (34%) cited this as a goal.
- The trading activities of those in Northern Ireland were seldom other community, social and personal service and only about half as many social enterprises based in this administration as was found across the country were engaged in these pursuits (9% cf. 21%).



SCOTLAND			ALL UK
<i>Base - Weighted: 1051, unweighted: 126</i>			
Distribution of social enterprises		7%	7%
Deprivation Index	<b>Top 20% Most deprived</b>	23%	29%
	<b>Top 20-40%</b>	24%	22%
	<b>Remainder</b>	53%	49%
Urbanity	<b>Urban</b>	<b>65% ↓</b>	89%
	<b>Rural</b>	<b>35% ↑</b>	11%
Turnover	<b>Under £100,000</b>	<b>16% ↓</b>	23%
	<b>Over £1 million</b>	27%	19%
Average % of income from Grants and Donations		16%	14%
Size Profile	<b>Large</b>	1%	2%
	<b>Micro</b>	45%	49%
Charitable Status	<b>Registered with Charity Commission</b>	65%	64%
	<b>Not registered</b>	35%	36%
Goal	<b>Green Environment Only</b>	6%	5%
	<b>Green Environment and People</b>	<b>29% ↑</b>	18%
	<b>People Only</b>	<b>64% ↓</b>	77%
Who Help	<b>Those with disabilities</b>	24%	18%
	<b>Children/ Young People</b>	<b>10% ↓</b>	16%
	<b>Elderly</b>	14%	14%
Main / Only Trading Activity	<b>Health and Social Work</b>	29%	33%
	<b>Other Community/ Social/ Personal Service</b>	<b>14% ↓</b>	21%
	<b>Real Estate/ Renting/ Business</b>	26%	20%
	<b>Education</b>	16%	15%
	<b>Wholesale/ Retail</b>	5%	3%
	<b>Other</b>	10%	9%
Proportion of employees who are full time		58%	62%
Proportion of employees who are part time		42%	38%
Proportion of Workforce Consisting of Volunteers		47%	40%
Average Number of Volunteer Hours Weekly		<b>114 hrs ↑</b>	74hrs

Note: The arrows represent where there is a statistically significant difference between findings for the subset in question and the overall findings across all social enterprises

- The proportion of Enterprises based in rural areas was higher in Scotland than elsewhere (35%), but even here it was not as high as is found within the business population as a whole.
- Helping the green environment, either in isolation or in conjunction with helping people, was an aim for over a third (35%) of those based in Scotland, and the proportion of those helping just people was correspondingly lower (64% cf. 77%).
- Scottish social enterprises were less likely to help children and young people than was seen across the country (10% cf. 16%).
- The average number of hours worked by volunteers on a weekly basis within Scotland was higher than was found nationally and on average 114 hours were donated each week.

WALES		ALL UK	
<i>Base - Weighted: 521, unweighted: 104</i>			
Distribution of social enterprises		3%	4%
Deprivation Index	<b>Top 20% Most deprived</b>	<b>20% ↓</b>	29%
	<b>Top 20-40%</b>	20%	22%
	<b>Remainder</b>	<b>61% ↑</b>	49%
Urbanity	<b>Urban</b>	<b>79% ↓</b>	89%
	<b>Rural</b>	<b>21% ↑</b>	11%
Turnover	<b>Under £100,000</b>	21%	23%
	<b>Over £1 million</b>	<b>11% ↓</b>	19%
Average % of income from Grants and Donations		19%	14%
Size Profile	<b>Large</b>	1%	2%
	<b>Micro</b>	50%	49%
Charitable Status	<b>Registered with Charity Commission</b>	71%	64%
	<b>Not registered</b>	29%	36%
Goal	<b>Green Environment Only</b>	5%	5%
	<b>Green Environment and People</b>	20%	18%
	<b>People Only</b>	75%	77%
Who Help	<b>Those with disabilities</b>	19%	18%
	<b>Children/ Young People</b>	18%	16%
	<b>Elderly</b>	<b>23% ↑</b>	14%
Main / Only Trading Activity	<b>Health and Social Work</b>	31%	33%
	<b>Other Community/ Social/ Personal Service</b>	21%	21%
	<b>Real Estate/ Renting/ Business</b>	14%	20%
	<b>Education</b>	12%	15%
	<b>Wholesale/ Retail</b>	5%	3%
	<b>Other</b>	16%	9%
Proportion of employees who are full time		58%	62%
Proportion of employees who are part time		42%	38%
Proportion of Workforce Consisting of Volunteers		49%	40%
Average Number of Volunteer Hours Weekly		<b>53 hrs ↓</b>	74hrs

Note: The arrows represent where there is a statistically significant difference between findings for the subset in question and the overall findings across all social enterprises

- Social enterprises based in Wales tended to have lower than average turnovers and only one in ten (11%) turned over more than a million pounds in the last year.
- Main trading activities amongst Welsh social enterprises tended to be similar to those found amongst social enterprises across the country, although there was a greater emphasis on other activities. This was particularly manufacturing, which includes recycling activities, and approximately 5% of those social enterprises surveyed in Wales cited recycling of non-metal waste and scrap as their trading activity.
- Helping the elderly is a particular focus for social enterprises in Wales and almost a quarter (23%) of Enterprises focus on assisting this group, compared to just 14% in the UK as a whole.

## APPENDIX 6: Charitable Status

<b>CHARITABLE STATUS</b>		<b>Charitable Status</b>	<b>Non - Charities</b>
<i>Base: Weighted: 14854 Unweighted: 1446</i>			
Urbanity	<b>Urban</b> <b>Rural</b>	90% 10%	88% 12%
Deprivation Index	<b>Top 20% Most deprived</b> <b>Top 20-40%</b> <b>Remainder</b>	<b>26% ↓</b> 22% <b>52% ↑</b>	<b>35% ↑</b> 22% <b>43% ↓</b>
Size Profile	<b>Medium</b> <b>Micro</b>	<b>13% ↑</b> <b>42% ↓</b>	<b>7% ↓</b> <b>61% ↑</b>
Legal Status	<b>Companies Limited by Guarantee</b> <b>Industrial and Provident</b>	<b>93% ↑</b> <b>7% ↓</b>	<b>80% ↓</b> <b>20% ↑</b>
Goal	<b>Green Environment Only</b> <b>Green Environment and People</b> <b>People Only</b>	<b>4% ↓</b> 16% <b>80% ↑</b>	<b>7% ↑</b> 20% <b>73% ↓</b>
Main/ Only Trading Activity	<b>Health &amp; Social Work</b> <b>Other Community/ Social/ Personal Service</b> <b>Real Estate/ Renting/ Business</b> <b>Education</b> <b>Wholesale/ Retail</b> <b>Other</b>	<b>40% ↑</b> 21% <b>13% ↓</b> 16% <b>2% ↓</b> 8%	<b>19% ↓</b> 21% <b>33% ↑</b> 12% <b>5% ↑</b> 10%
Who Help	<b>Those with disabilities</b> <b>Children/ Young People</b> <b>Elderly</b>	<b>23% ↑</b> <b>19% ↑</b> <b>16% ↑</b>	<b>11% ↓</b> <b>13% ↓</b> <b>11% ↓</b>
Median Turnover		£320,000 (Mean - 1.2m)	£250,000 (Mean - 1.6m)
Whether Receive Grants and Donations	<b>Yes</b> <b>No</b>	<b>64% ↑</b> <b>36% ↓</b>	<b>35% ↓</b> <b>65% ↑</b>
Average Percentage of Turnover from Grants and Donations		<b>18% ↑</b>	<b>8% ↓</b>
Proportion of employees that are full time		<b>58% ↓</b>	<b>70% ↑</b>
Proportion of employees that are part time		<b>42% ↑</b>	<b>30% ↓</b>
Proportion of employees that are volunteers		<b>44% ↑</b>	<b>31% ↓</b>
Any Volunteer Staff		<b>74% ↑</b>	<b>52% ↓</b>

Note: The arrows represent where there is a statistically significant difference between findings for the subset in question and the overall findings across all social enterprises

- Non-charities tend to be located in more deprived areas than those organisations who have registered as charities. A third (35%) of those who were not charities were situated in the 20% most deprived areas of the UK, compared to just a quarter (26%) of those with charitable status.
- Charities also had a larger size profile and therefore not surprisingly a slightly higher median turnover (£320,000 cf. £250,000). As would probably be expected charities were both more likely to receive “grants and donations” and also tended to have a higher proportion of their overall turnover made up of this funding (18% cf. 8%).

- Almost all of those with charitable status were Companies Limited by Guarantee (93%), whereas non-charities were more likely to be Industrial and Provident Societies (20%).
- Those who were not registered charities were particularly likely to have environmental goals (27%, of which 7% focussed exclusively on the green environment), or to help people through the provision of employment (28%). Conversely charities tended to have a stronger focus on helping just people (80%).
- In terms of main trading activities, those with charitable status were twice as likely to offer health and social work than those who were not registered charities (40% cf. 19%) and this was seen across all types of care. They were much less likely to offer real estate and business services, and whilst a third (33%) of non charities cited this as their main or only trading activity, just 13% of charities earned their main income through this means.
- Non-charities had a higher proportion of staff employed on a full time contract than those who had charitable status, and 70% of their employed staff were full time, compared to just 58% amongst those with charitable status.
- Wholesale and retail trade was more common a main activity of non charities than those with charitable status and 5% of this group stated this was their main trading activity, compared to just 2% of the social enterprises that were registered charities.
- Registered charities were more likely than those who did not have charitable status to have volunteer staff (74% cf. 52%). Volunteers also tended to form a greater proportion of the overall workforce of those with charitable status (44% cf. 31%).

**APPENDIX 7: Trading Activity**

<b>Health and Social Care– 33%</b>	
<b>DETAIL OF MAIN TRADING ACTIVITY</b>	<b>OTHER TRADING ACTIVITIES</b>
<b>Social Work without Accommodation – 71%</b> <b>Social Work with Accommodation – 22%</b> <b>Hospital Activities– 4%</b> <b>Other Human Health Activities– 1%</b> <b>Medical Practice Activities – 1%</b>	<b>Adult and Other Education – 5%</b> <b>Retail of Second Hand Goods – 3%</b> <b>Real Estate– 2%</b> <b>Other Retail Trade – 2%</b>
<b>WHAT THEY DO TO HELP</b>	
<b>CARE– 57%</b> Day Care for the Elderly– 16% Nursery / Childcare / Playgroup – 15% Other Support / Residential Care - 8% Residential Care for the Elderly – 6% Day Care for the Disabled– 5% Residential Care for the homeless / other vulnerable groups – 5% Residential Care for the Disabled – 5% Day Care for homeless / other vulnerable groups – 4% <b>SUPPORT WITH ISSUES IN DAILY LIFE– 44%</b> Other Social Assistance (adoption, advocacy, advice, support and information)– 25% Counselling – 12% Training / Education – 8% Medical Services - 6% Provide Housing – 2% <b>ENVIRONMENT – 18%</b> Recycling – 10% Raising Environmental Issues – 5% Improve urban / built environment – 3% Conservation / tree planting – 2% <b>SOCIAL / CULTURAL – 4%</b> Community Centre/ Social Facilities/ Club – 2% Theatrical / Music – 1% Sports Facilities / Club – 1%	
<b>WHO THEY HELP</b>	
People in Other Ways 93%	People Through Employment 25%
<b>WHO HELP IN OTHER WAYS</b>	<b>WHO HELP THROUGH EMPLOYMENT</b>
Specific Groups but not local – 49% Locals not specific groups – 32% Local and Specific Groups– 15% Neither local nor specific – 5%	Local but not specific groups – 44% Specific groups but not local – 28% Local and Specific – 25% Neither local nor specific – 3%
<b>GROUPS HELPED</b>	
Disabled People– 26% Elderly People – 21% No particular shared common characteristics – 18% Children / Young People – 16% Other vulnerable people and those with personal issues – 14% People with low incomes – 10% Unemployed – 10%	
<i>Base: All for whom Health and Social Care is Main Trading Activity            Weighted: 4513, Unweighted: 438.</i>	

- A third of all social enterprises (for whom a main trading activity could be defined) were engaged in providing health care and particularly social care, particularly the latter. Social work without accommodation, which includes day care for adults, including the elderly, disabled, and homeless; counselling, welfare and guidance activities, and vocational rehabilitation and habilitation activities for handicapped or unemployed people, was the Standard Industrial Code for seven in ten of these (71%).
- Social work with accommodation, which can be defined as the provision of round the clock care or social assistance to children, the aged and others with some limits to their ability for self care, but where medical treatment and education are not important elements, was provided by a just over a fifth (22%) as their main source of income generation. This category would include institutions for people addicted to drugs or alcohol, or for vulnerable women and children, although the primary groups covered were the elderly, homeless people and the disabled.
- Only a few of these social enterprises had secondary trading activities, and the most common secondary offering was adult education, which 5% of this group provided. The organisations offering this were exclusively those not offering accommodation. The retail of second hand goods was a secondary source of income for 3%. Just 2% were engaged in some other form of retail trade or real estate to generate income alongside their main trading activities. These retail orientated activities were offered as a subsidiary by those offering social care with accommodation in particular, especially in the case of selling books, newspapers and stationary, and the sale of second hand goods.
- In terms of what they do to help, the social enterprises that provide health and social care to generate income, are focussed around the provision of care and support. A quarter (25%) stated that what they do to help was to provide social assistance in terms of advice, support and information, while one in eight (12%) helped by providing counselling. Approximately one in five (18%) stated that they help the environment, but as this did not translate into a trading activity, and occurred alongside another mention of what they do to help in all but 1% of cases, this is perhaps best described as more of a consideration whilst conducting their main activities, than their key aims, so, for example, they may be trying to fulfil their main aims in an environmentally aware manner (disposing of waste in a responsible fashion or making those cared for aware of environmental issues for example).
- Social enterprises who traded in the Health and Social Care sector were more likely to list one of their social goals as helping people in other ways than was found across all social enterprises surveyed (93% cf. 87%). They were slightly less likely to say that helping the green environment was one of their aims (18% cf. 24%).
- Enterprises operating within this sector were as likely as social enterprises overall to help people through providing them with employment, and they were most likely to offer opportunities to those within the local community in general rather than specific groups of people (44%).
- However, in terms of helping people in ways other than employment provision, half of those who traded within the Health and Social Care sector helped specific groups only (49%). Again the main group helped was people with disabilities, with a quarter (26%) stating that it was the disabled they assisted. One in five (21%) helped the elderly and 16% helped children and young people.

<b>Other Community / Social / Personal Service– 21%</b>	
<b>DETAIL OF MAIN TRADING ACTIVITY</b>	<b>OTHER TRADING ACTIVITIES</b>
<b>Membership Organisations– 30%</b> <b>Artistic / literary creation – 20%</b> <b>'Other' sporting activities– 19%</b> <b>'Other' recreational/sport/cultural – 14%</b> <b>Sporting arenas / stadiums – 9%</b> <b>Museums / preservation – 9%</b>	<b>Hospitality – 8%</b> <b>Letting of Own Property– 6%</b>
<b>WHAT THEY DO TO HELP</b>	
<b>SOCIAL / CULTURAL – 78%</b> Sports facilities / club– 27% Community centre / social facilities / youth club – 21% Theatrical / music– 19% Museum / arts or cultural centre / interest group – 15% <b>ENVIRONMENTAL – 23%</b> Conservation / tree planting – 9% Recycling - 7% Raising Awareness – 6% Improve urban environment – 4% <b>SUPPORT WITH ISSUES IN DAILY LIFE – 16%</b> Training / Education – 11% 'Other' Social Assistance (adoption, advocacy, advice, support, information) – 5% Medical Services – 1% <b>OTHER – 9%</b> <b>MEMBERSHIP – 5%</b> <b>BUSINESS SERVICES – 3%</b> Provide advice / support for businesses – 3% Provide 'other' premises (not housing) – 1% <b>CARE – 3%</b> Day Care for Disabled – 1% Day Care for Homeless / Other vulnerable groups – 1% Childcare / Nursery / Playgroup – 1%	
<b>WHO THEY HELP</b>	
People in Other Ways 89%	People Through Employment 18%
<b>WHO HELP IN OTHER WAYS</b>	<b>WHO HELP THROUGH EMPLOYMENT</b>
Locals not specific groups – 51% Specific groups but not local – 28% Both local and specific groups – 13% Neither local nor specific groups – 8%	Local but not specific groups – 36% Specific groups but not local – 19% Local and Specific – 35% Neither local nor specific – 10%
<b>GROUPS HELPED</b>	
No particular shared common characteristics – 35% Children / Young People – 23% Disabled People– 14% People with low incomes – 13% Elderly People – 11% Unemployed – 9% Specific interest groups – 8%	
<i>Base: All for whom Other Community / Social/ Personal Service is Main Trading Activity  Weighted: 2928, Unweighted: 276.</i>	

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- One social enterprise in five (21%) had a main trading activity that was classed as ‘other’ community / social / personal service. The largest segment of these was membership organisations, which covers quite a diverse range of organisation types, including membership organisations where members receive a benefit or service in return for a membership fee, whilst others are less formal membership organisations, such as community centre, where a fee is not necessarily involved but membership is to do with living within a certain area to access services. Almost a third of the organisations working within this sector fell into this Standard Industrial Code (30%).
  - A further one in five (20%) earned money through providing artistic and literary creation services, which in most cases was performing arts groups. Most other Enterprises were involved in providing some form of recreational activity, predominantly sporting facilities or clubs, but also a range of other activities including film and video facilities, library and archive activities, performing arts venues for hire, and book clubs. One in eleven (9%) obtained their primary trading income through running museums.
  - Few of these Enterprises had secondary trading activities, but of those that did two clear types emerged. The most common was hospitality, in particular food preparation and catering, with 5% of all those operating in this sector stating they provided these facilities as well as their key services. A further 3% had bars which generated supplementary income. Those offering sporting activities were the most likely to have these secondary income sources.
  - The other main secondary source was letting of rental property and again, those offering sporting activities were the sub-sector most likely to earn extra income in this way. Membership organisations also drew on this source fairly frequently (approximately 6% had this additional activity).
  - In terms of how these organisations help socially, the majority (78%) were involved in social and cultural activities, predominantly providing sports facilities and clubs (27%), offering community centres, social facilities or youth clubs (21%), providing theatrical or musical events (or other entertainment) or operating venues for these activities (19%), or operating museums, arts or cultural centres or interest groups (15%).
  - There was also considerable focus on the environment, with almost a quarter (23%) helping in this way, with a particular focus on conservation (9%), and recycling (7%). As was the case for the Enterprises engaged in Health and Social Care activities, in some cases this is likely to be a supplementary aim rather than an area of key focus, so, for example, those providing sporting or recreational activities may try to preserve the environment from which they run these activities, but environmental concerns seem to be the primary concern for some of the museums (19% said that the green environment was their only key goal), and some membership organisations (8% stated that their key objective was helping the green environment).
  - One in six (16%) helped by offering support with issues in daily life, and the majority of these provided training and education (11% of all classified within this Standard Industrial Code). Those operating museums and offering ‘other recreational, sporting and cultural activities were particularly likely to offer some kind of educational activity.
  - The groups of people helped by social enterprises operating in these areas often had no particular shared characteristics (35%). The second largest group (stated by 23% of Enterprises within this group) was children and young people, although again this is quite a wide and inclusive group. Those with disabilities, those on low incomes and the elderly were more specific target groups helped, but only by 14%, 13%, and 11% respectively.
  - This, and the high propensity for those trading in this way to help local people in general rather than specific groups (51%), reflects the inclusion of community centres and sporting facilities within this sector. As Chapter 4 has shown, those trading through providing ‘other’ community / social / personal service are amongst the most likely to offer their products and services more widely than just to their specific target group (71% of these Enterprises do so), and also the most likely to ask for payment from at least some of the recipients (90% do so). These factors show that the social enterprises within this group tend to focus on activities that benefit the whole community, although in providing them widely they are sometimes able to channel help towards particular groups.
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<b>Real Estate / Renting and Business Activities– 20%</b>	
<b>DETAIL OF MAIN TRADING ACTIVITY</b>	<b>OTHER TRADING ACTIVITIES</b>
<b>Letting of own property– 54%</b> <b>Business / Consultancy Activities– 23%</b> <b>‘Other’ business activities– 10%</b> <b>Real estate agency/ management – 3%</b> <b>Labour / personnel recruitment 3%</b> <b>Computer and Related Activities – 2%</b> <b>Technical Consultancy – 2%</b>	<b>Social Work Activities –6%</b> <b>Education of Adults – 5%</b> <b>Retail Trade – 2%</b>
<b>WHAT THEY DO TO HELP</b>	
<b>SUPPORT WITH ISSUES IN DAILY LIFE – 50%</b> Provide Housing – 37% Training / Education – 11% ‘Other’ Social Assistance (adoption, advocacy, advice, support, information) – 7% Medical Services – 1% Counselling – 1% <b>ENVIRONMENTAL – 35%</b> Improve urban environment – 18% Recycling – 15% Conservation / tree planting – 5% Raising Awareness – 3% <b>BUSINESS SERVICES – 27%</b> Provide advice / support for businesses – 22% Provide ‘other’ premises (not housing) – 6% <b>SOCIAL / CULTURAL – 16%</b> Museum / arts or cultural centre / interest group – 5% ‘Other’ retail / not for profit business – 5% Community centre / social facilities / youth club – 3% Theatrical / music– 1% Shop / Restaurant / Bar – 1% <b>OTHER – 10%</b> <b>CARE – 6%</b> Support / residential care – 2% Day Care for Disabled – 1% Day Care for Homeless / Other vulnerable groups – 1% Residential Care for Homeless / Other vulnerable groups – 1% Childcare / Nursery / Playgroup – 1%	
<b>WHO THEY HELP</b>	
People in Other Ways 87%	People Through Employment 25%
<b>WHO HELP IN OTHER WAYS</b>	<b>WHO HELP THROUGH EMPLOYMENT</b>
Locals not specific groups – 43% Specific groups but not local – 37% Both local and specific groups – 11% Neither local nor specific groups – 8%	Local but not specific groups – 45% Local and Specific – 26% Specific groups but not local – 22% Neither local nor specific – 7%
<b>GROUPS HELPED</b>	
No shared common characteristics – 25% People with low incomes – 16% Elderly People – 14% Children / Young People – 10% Unemployed – 9% Disabled People– 9% People of a particular ethnic or racial origin – 9%	
<i>Base: All for whom Real Estate / Business and Renting Activities are Main Trading Activity            Weighted: 2730, Unweighted: 259.</i>	

- Most of those offering Real Estate and related activities as their main source of trading income rented out their own property to generate income (54%). This included housing, rooms for conferencing or for business activities, and areas for social use, such as parties.
- Almost a quarter (23%) were engaged in business and consultancy activities, and this often took the form of advice on subjects such as business planning, technology, networking opportunities, accessing training, ways to access support in the form of grants and loans, and helping them to become more environmentally friendly.
- One in ten (10%) offered 'other' business activities, such as architectural or engineering consultancy or industrial cleaning, whilst smaller groups offered real estate / agency management, personnel recruitment services, IT and related activities and technical consultancy.
- This group of Enterprises did not tend to have secondary activities, but those that did have other trading activities often provided adult education(5%) or social work activities (6%). Education was a secondary activity of those letting property, those engaged in 'other' business activities, and those involved in labour recruitment, whilst social work was sometimes offered by those letting property, those involved in business and management consultancy and other business activities, and those involved in industrial cleaning.
- Retail trade was offered as a secondary activity by 2%, predominantly those letting property.
- The majority (50%) provided support with issues in daily life, and unsurprisingly the main activity within this was providing housing (37%). One in ten (11%) offered training and education, and 7% helped by providing other social assistance (such as advice and support).
- The environment was a key concern for this sector, and a third (35%) stated that they aimed to help the environment, predominantly the urban environment (18%), which usually took the form of building environmentally sound housing, whilst 15% took part in recycling activities and 5% pursued conservation activities (for example, planting trees in areas where housing had been developed).
- Over a quarter (27%) helped socially by offering business services and this was again predominantly advice and support. One in six (16%) provided social/ cultural facilities, and these were mainly classified as offering a museum / arts or cultural centre or special interest group (5%) or operating a retail business aside from a shop, bar or restaurant (5%). Six per cent of those trading in the sector offered care, and these were largely those who let property.
- The diversity of social goals of those working in the real estate sector is seen in the way organisations with varied goals use assets such as property or advice as a way to support people and the environment. Their trading activities are less intrinsically related to the ways in which they help than those operating in the health and social care sector (for example), because property hire can be used to generate funds for all kinds of pursuits, whether maintaining a museum, offering training or as housing.
- In terms of both employment and more general help, local people generally were the most common recipients of help, and a quarter (25%) of enterprises operating within this sector said the groups they helped had no particular common characteristics. A further one in six (16%) helped those on low incomes, and 14% helped the elderly.

<b>Education – 15%</b>	
<b>DETAIL OF MAIN TRADING ACTIVITY</b>	<b>OTHER TRADING ACTIVITIES</b>
<b>Adult and other Education– 97%</b> <b>Primary Education– 1%</b> <b>Higher Education– 1%</b>	<b>Social work without accom. – 7%</b> <b>Retail trade– 7%</b> <b>Recreational/sport/cultural – 4%</b> <b>Real estate/ business – 2%</b> <b>Publishing / printing – 2%</b>
<b>WHAT THEY DO TO HELP</b>	
<b>SUPPORT WITH ISSUES IN DAILY LIFE – 93%</b> Training / Education – 86% ‘Other’ Social Assistance (adoption, advocacy, advice, support, information) – 11% Counselling – 2% <b>ENVIRONMENTAL – 25%</b> Recycling - 10% Raising Awareness – 9% Conservation / tree planting – 6% Improve urban / built environment – 4% <b>CARE – 14%</b> Childcare / Nursery / Playgroup – 4% Day Care for Homeless / Other vulnerable groups – 4% Day Care for disabled – 2% Support / residential care (unspecified) – 2% Day care for the elderly – 2% <b>SOCIAL / CULTURAL – 7%</b> Museum / arts or cultural centre / interest group – 5% ‘Other’ retail / not for profit business – 1% Theatrical / music– 1% <b>OTHER – 5%</b>	
<b>WHO THEY HELP</b>	
People in Other Ways 90%	People Through Employment 44%
<b>WHO HELP IN OTHER WAYS</b>	<b>WHO HELP THROUGH EMPLOYMENT</b>
Specific groups but not local – 42% Locals not specific groups – 30% Both local and specific groups – 22% Neither local nor specific groups – 6%	Specific groups but not local – 41% Local but not specific groups – 35% Local and Specific – 19% Neither local nor specific – 5%
<b>GROUPS HELPED</b>	
Children / Young People – 28% No particular shared characteristics – 26% Disabled People– 22% Unemployed – 13% People with low incomes – 11% People of a particular ethnic or racial origin – 10% Other vulnerable people and those with personal issues – 9%	
<i>Base: All for whom Education is Main Trading Activity</i> <i>Weighted: 2017, Unweighted: 202.</i>	

- The vast majority (97%) of those who fell into the Standard Industrial Code for education offered adult and other education, with just 1% offering primary education and another 1% offering higher education as their main source of trading income.
- They were one of the more likely groups to have secondary trading activities, and social work without accommodation and retail trade were mentioned by 7% respectively. Four per cent offered recreational, sporting and cultural pursuits, and 2% offered some form of real estate or business service. Two per cent also used publishing or printing as a supplementary source of income.
- As would be expected, most of those offering education had the goal of providing training (86%). One in ten (11%) of this group also helped people by providing other social assistance such as advice and support, and the prevalence of enterprises helping people by providing them with employment suggests that some of this assistance may be advice on job seeking.
- However many had other aims alongside this and again, environmental goals were mentioned by many of those surveyed (25%). Whilst the form of education offered by a few of the enterprises within this sector was specifically training on issues to do with the environment (such as lecturing to groups on ways to preserve the natural environment, or running courses on sustainable development), it seems that, as with other sectors, the environment is not the primary group helped.
- Fourteen per cent helped people by providing care, and this was predominantly day care. Seven per cent helped by providing social and cultural facilities, and the link between those offering museum facilities or performing arts has already been seen in an earlier section of the appendix.
- The provision of employment was particularly prominent amongst enterprises operating within this sector (44%), and this was mainly offered to specific groups, rather than all local people (41%). While there is some extent to which enterprises have said that they offer employment, in most cases it seems that they help to equip vulnerable or disadvantaged people to obtain work by helping them to gain the skills they need to get work, supplying careers advice or even arranging or offering work experience.
- The main group helped was children and young people, with over a quarter (28%) of those providing education stating this was one of their target groups. Another quarter (26%) stated that the people they helped did not have shared characteristics, and almost as many (22%) helping the disabled. Thirteen per cent helped the unemployed (hence the high emphasis on providing employment amongst enterprises operating within this sector), 11% helped those on low incomes (presumably for similar reasons), and one in ten (10%) helped people of particular ethnic or racial origins.

<b>Wholesale and Retail Trade – 3%</b>	
<b>DETAIL OF MAIN TRADING ACTIVITY</b>	<b>OTHER TRADING ACTIVITIES</b>
<b>Retail (food, beverages, tobacco) – 23%</b> <b>Other retail trade/ repairs – 23%</b> <b>Other retail (specialised stores) – 23%</b> <b>Wholesale / commission trade – 15%</b> <b>Retail of second hand goods – 14%</b>	<b>Social Work without accom. – 12%</b> <b>Letting of Own Property – 6%</b> <b>Recycling of non – metal waste – 6%</b>
<b>WHAT THEY DO TO HELP</b>	
<b>SOCIAL / CULTURAL – 54%</b> Shop / Bar / Restaurant – 29% Other Retail / Not for Profit Business – 20% Museum / Arts / Cultural Centre – 6% <b>ENVIRONMENTAL – 34%</b> Conservation / tree planting – 16% Recycling - 13% Improve urban environment – 10% <b>SUPPORT WITH ISSUES IN DAILY LIFE – 18%</b> ‘Other’ Social Assistance (adoption, advocacy, advice, support, information) – 14% Training / Education – 6% <b>OTHER – 17%</b> <b>CARE – 12%</b> Day Care for Elderly – 9% Day Care for Homeless / Other vulnerable groups – 1% Support / residential care (unspecified) -1% Childcare / Nursery / Playgroup – 1% <b>BUSINESS SERVICES – 6%</b> Provide ‘other’ premises (not housing) – 4% Provide advice / support for businesses – 2%	
<b>WHO THEY HELP</b>	
People Through Employment 33%	People in Other Ways 75%
<b>WHO HELP THROUGH EMPLOYMENT</b>	<b>WHO HELP IN OTHER WAYS</b>
Local but not specific groups – 53% Specific groups but not local – 24% Local and Specific – 14% Neither local nor specific – 10%	Locals not specific groups – 72% Specific groups but not local – 18% Both local and specific groups – 8% Neither local nor specific groups – 3%
<b>GROUPS HELPED</b>	
No particular shared characteristics – 25% Elderly People – 22% Disabled People – 21% Children / Young People – 15% People with low incomes – 13% Other vulnerable people and those with personal issues – 9% People of a particular racial origin – 9%	
<i>Base: All for whom Wholesale and Retail Trade is Main Trading Activity</i> <i>Weighted: 429, Unweighted: 46.</i>	

- Just 3% of those surveyed operated within the wholesale and retail trade sector as their main trading activity, although, as has been shown, retail is a reasonably common secondary activity within the sector, especially those offering education and Health and Social Care. The social enterprises primarily operating within this sector were likely to be offering food and beverages, or 'other' retail trade and repairs (23%) respectively, although other retail, wholesale and commission trade and the sale of second hand goods were only marginally less common.
- Many of these enterprises had secondary trading activities and the most frequently found was social work without accommodation (predominantly day care for the elderly). Letting of property and recycling of non metal waste were also secondary trading activities for enterprises within this sector.
- Most social enterprises who were engaged in retail activities classed their way of helping as social or cultural (54%). Some described their role as operating a local shop and thereby providing a means for those without means of transportation to shop for themselves, whilst others saw the facility they provided (the shop or gallery in the case of those offering arts and crafts shops) as a social place for people to go. A third (34%) stated that they aimed to help the environment, as was seen in the recycling and resale of second hand goods that could otherwise be wasted and pollute the environment, as well as those that recycled waste to generate income as a secondary activity.
- One in five (18%) offered support with issues in daily life and this was centred around advice, support and information provision (14%), although some provided training and education (6%). This was often linked to their trading activity, for example teaching about ways to regenerate second hand furniture or educating about healthy eating or organic foods as sold within the shops themselves.
- There was an emphasis on providing employment within this sector, and a third (33%) professed to do so. This was often within shops, and usually extended to local people generally rather than to particular groups (53%).
- Those helped in other ways also tended to be local people rather than specific groups (72%), but where the goal was to help particular groups, the main ones mentioned were elderly people, the disabled, children and young people, and those on low incomes.

## APPENDIX 8: Legal Status

<b>LEGAL STATUS</b>		<b>Company Limited by Guarantee (88%)</b>	<b>Industrial and Provident Society (12%)</b>
<i>Base: Weighted: 15156, Unweighted: 1478</i>			
Urbanity	<b>Urban</b> <b>Rural</b>	90% 10%	87% 13%
Deprivation Index	<b>Top 20% Most deprived</b> <b>Top 20-40%</b> <b>Remainder</b>	29% 23% 49%	34% 19% 47%
Size Profile	<b>Large</b> <b>Micro</b>	<b>1% ↓</b> 49%	<b>4% ↑</b> 52%
Charitable Status	<b>Registered Charity</b> <b>Not a Charity</b>	<b>67% ↑</b> <b>33% ↓</b>	<b>36% ↓</b> <b>64% ↑</b>
Goal	<b>Green Environment Only</b> <b>Green Environment and People</b> <b>People Only</b>	5% 18% 77%	6% 15% 79%
Main/ Only Trading Activity	<b>Health &amp; Social Work</b> <b>Other Community/ Social/ Personal Service</b> <b>Real Estate/ Renting/ Business</b> <b>Education</b> <b>Wholesale/ Retail</b> <b>Other</b>	<b>35% ↑</b> <b>23% ↑</b> <b>16% ↓</b> <b>16% ↑</b> 3% 8%	<b>17% ↓</b> <b>10% ↓</b> <b>53% ↑</b> <b>2% ↓</b> 5% 14%
Who Help	<b>Those with disabilities</b> <b>Children/ Young People</b> <b>Elderly</b>	<b>19% ↑</b> <b>18% ↑</b> 13%	<b>12% ↓</b> <b>8% ↓</b> 19%
Median Turnover		£256,000 (mean 1m)	£750,000 (mean 4m)
Whether Receive Grants and Donations	<b>Yes</b> <b>No</b>	<b>55% ↑</b> <b>45% ↓</b>	<b>42% ↓</b> <b>58% ↑</b>
Average Percentage of Turnover from Grants and Donations		<b>15% ↑</b>	<b>9% ↓</b>
Proportion of employees that are full time		<b>60% ↓</b>	<b>70% ↑</b>
Proportion of employees that are part time		<b>40% ↑</b>	<b>30% ↓</b>
Proportion of employees that are volunteers		<b>42% ↑</b>	<b>22% ↓</b>
Any Volunteer Staff		65%	63%

Note: The arrows represent where there is a statistically significant difference between findings for the subset in question and the overall findings across all social enterprises

- As has been seen in appendix 6 there is a strong correlation between charities and the status of Company Limited by Guarantee (67% of Companies Limited by Guarantee were charities), and non-charities and registration as an Industrial and Provident Society (64%).
- Industrial and Provident Societies tended to have larger mean and median turnovers and a greater proportion of them were large in size (5% cf. 1%).
- Companies Limited by Guarantee were more likely to receive “grants and donations” than Industrial and Provident Societies (55% cf. 42%), and consequently “grants and donations” makes up 15% of the total turnover of Companies Limited by Guarantee, whereas it forms just 9% of the total turnover of Industrial and Provident Societies.

- The main trading activities of those who were Industrial and Provident Societies tended to be focussed around real estate, renting and business services, and over half (53%) of Industrial and Provident Societies stated this was their main trading activity compared to just 16% of those Limited by Guarantee. Conversely the provision of training and education was almost exclusively the preserve of those Limited by Guarantee (16% cf. 2%). Health and Social Work and other community, social and personal services were more frequently the main source of trading income for Companies Limited by Guarantee than Industrial and Provident Societies.
- Industrial and Provident Societies tended to have higher proportions of staff employed on a full time basis and 70% of paid staff were employed on this basis, compared to just 60% of those working for Companies Limited by Guarantee.
- Companies Limited by Guarantee were more likely than Industrial and Provident Societies to help people with disabilities (19% cf. 12%), and young people or children (18% cf. 8%).