

**SOCIAL  
ENTERPRISE  
UK**

# **UK Social Enterprises and Social Innovation**

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**Non-Executive Director**

# Overview

This presentation will cover

- a brief history of the social enterprise movement in the UK
- the relationship between national and regional bodies
- the growth of social impact measurement & use in public sector contracts
- how social enterprise start-ups differ from private sector start-ups in the UK
- how social investment and corporate social responsibility is evolving in the UK
- developments in social innovation

# History of Social Enterprise in the UK



# Rochdale Society of Equitable Pioneers, 1844



## Social Enterprise in the UK – state of play

- Around 70,000 social enterprises in the UK (5% of all businesses)
- Contributing around.£20 billion to the UK economy and employing over 1 million people.
- Operate in almost every sector: from health and social care, to renewable energy, transport, retail and housing
- There are many routes to becoming a social enterprise including:
  - spinning out of parts of the public sector
  - entrepreneur-led organisations
  - charities becoming more business-orientated

# Social Enterprise UK

- Established in 2002 as the **national body for social enterprise** (as a coalition)
- **Membership** organisation: nearly 700 members;
- Bring together **all the different forms of social enterprise** under one umbrella
- Main purposes:
  - Supporting social enterprises to thrive
  - Developing the evidence base
  - Influencing policy and political agenda
  - Showcasing the benefits of SEs
  - Broker, facilitator, market builder



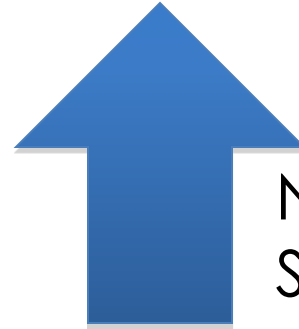


**BUY  
SOCIAL**

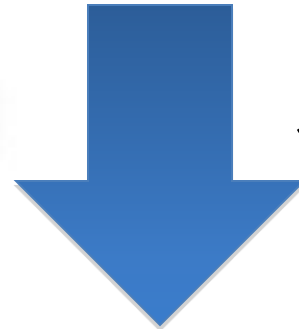
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# National and regional bodies



National bodies  
Surviving or thriving



Regional bodies  
Struggling or gone

# Social impact measurement in the UK

## Social Audit & Social Return on Investment

Social Audit is similar to financial audit but looks at:



Financial




Environmental



Social



ROYAL  
VOLUNTARY  
SERVICE  
*Together for older people*



**Social Return on Investment (SROI) – 1:1.98**

**So every £1 invested in the organisation generates £1.98 of social return**

# **PUBLIC SERVICES (SOCIAL VALUE) ACT 2012**

**SOCIAL  
ECONOMY  
ALLIANCE**



# Draft European Union Procurement Rules





**Social enterprise start-ups  
vs traditional start-ups**

# More Diverse

- More women CEOs
- More CEOs from Black & Minority Ethnic Backgrounds

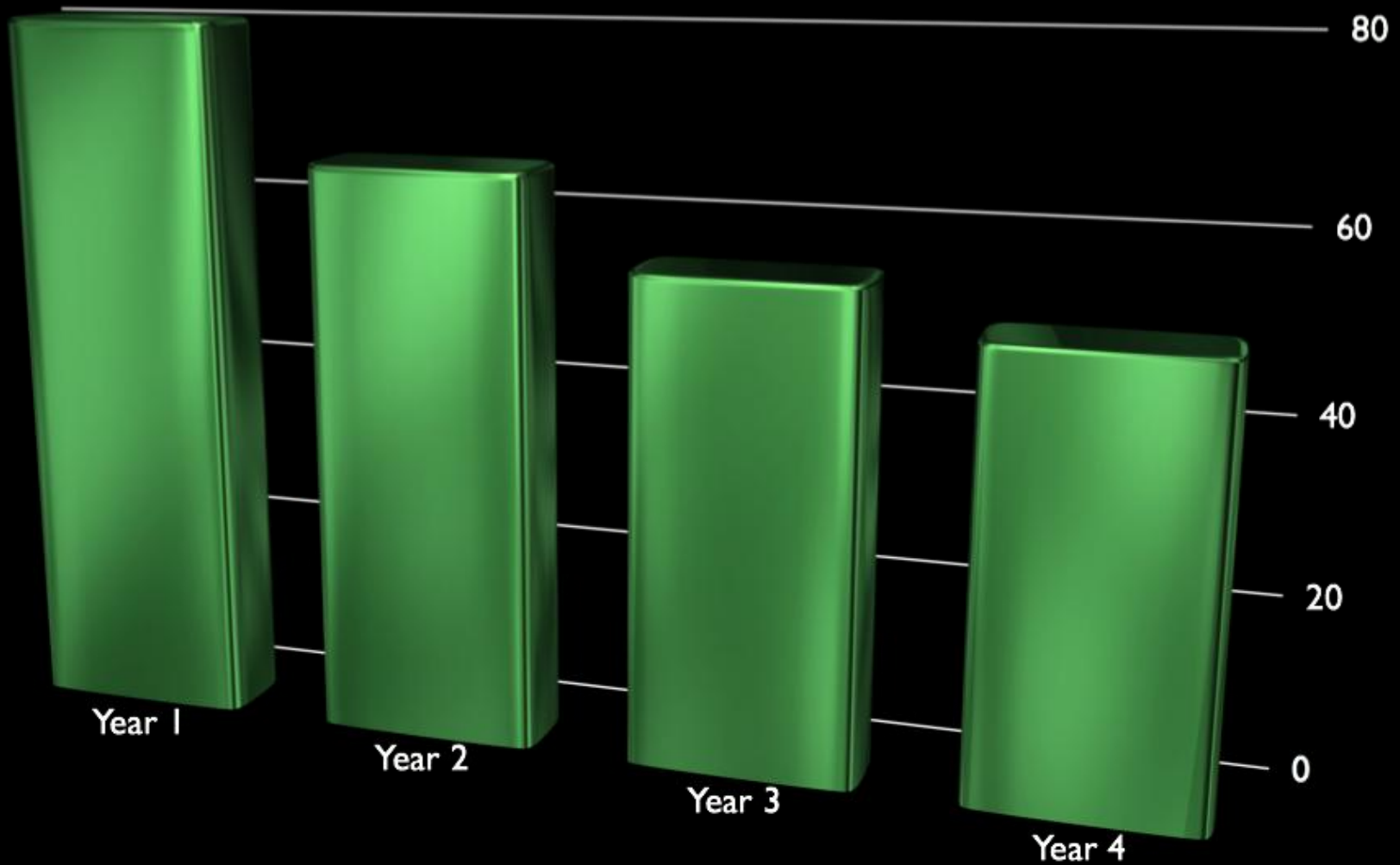




Growing faster than  
private sector  
(38% increase in  
turnover vs 29%)



# Start-up survival rates



# Giants fail too



Since 1912:

13% in top 100

35% survived

52% failed

Of the world's largest 100  
companies

22% fail every decade

# The co-operative bank



The CO-OPERATIVE BANK PLC  
14-16 HIGH STREET  
SULLYHALL, S11 7TR  
REGISTERED OFFICE  
10, 11, 12  
1 HALLINGTREE  
MANCHESTER, M4 4JF



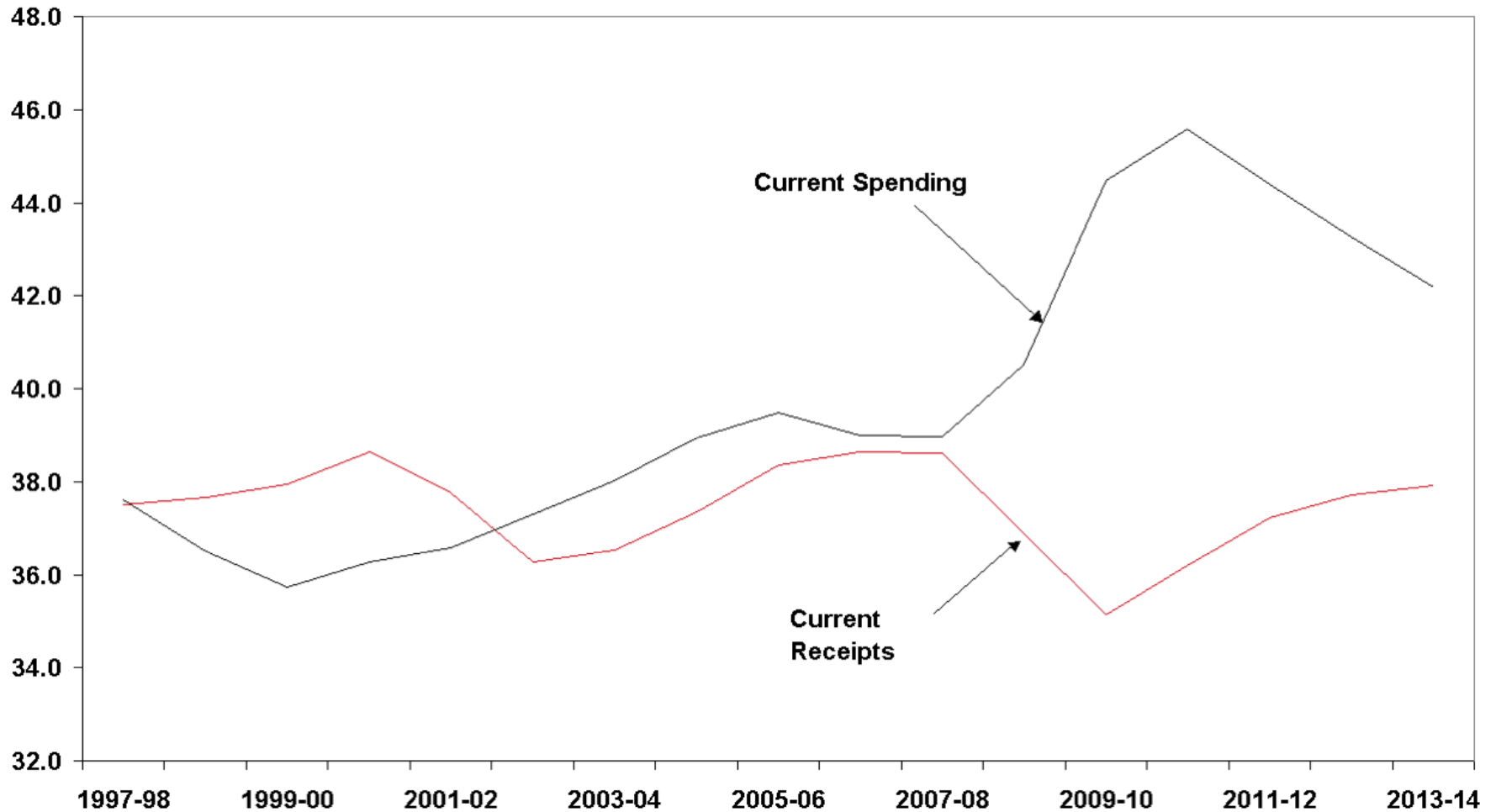
# Co-operative Group

- £13bn Turnover
- UK's largest mutual
- Just lost control of Co-operative Bank with debts of £1.5bn and losses of £1.1bn over 2 years



# Scissors of Doom – the UK economy

**Current Spending and Receipts**



34% trade with Public Sector  
(local or national government)



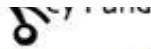
# Social Investment & Corporate Social Responsibility



**£120m in 2011**  
**£200m in 2012**



FinanceSouthEast



resonance

merism capital

FinanceSouthEast



Community Shares



positive people backing bright ideas



ClearlySo

privateequity

The Social Investment Business



The Social Investment Business



Grant

Patient Capital

Loan

Bonds

Quasi-Equity

Equity

Intermediaries



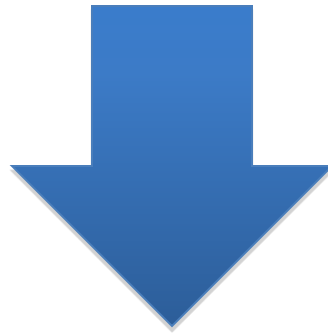
# Growth of Social Impact Bonds



# How Social Impact Bonds work

**Today**

Government agrees target  
Investor funds project



**Future**

If Project meets target,  
Government pays investor  
With interest

# Social innovation in the UK

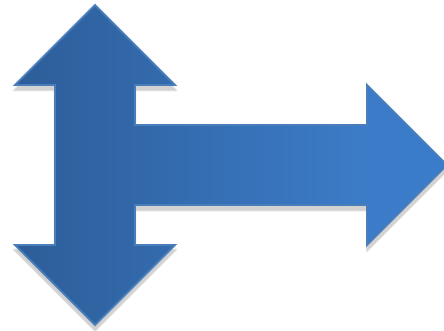


# Corporate Social Responsibility 2.0

- Achieving corporate goals through CSR

*Johnson & Johnson*

CORPORATE  
CITIZENSHIP  
TRUST



**Nurse First**

THE SHAFTESBURY PARTNERSHIP

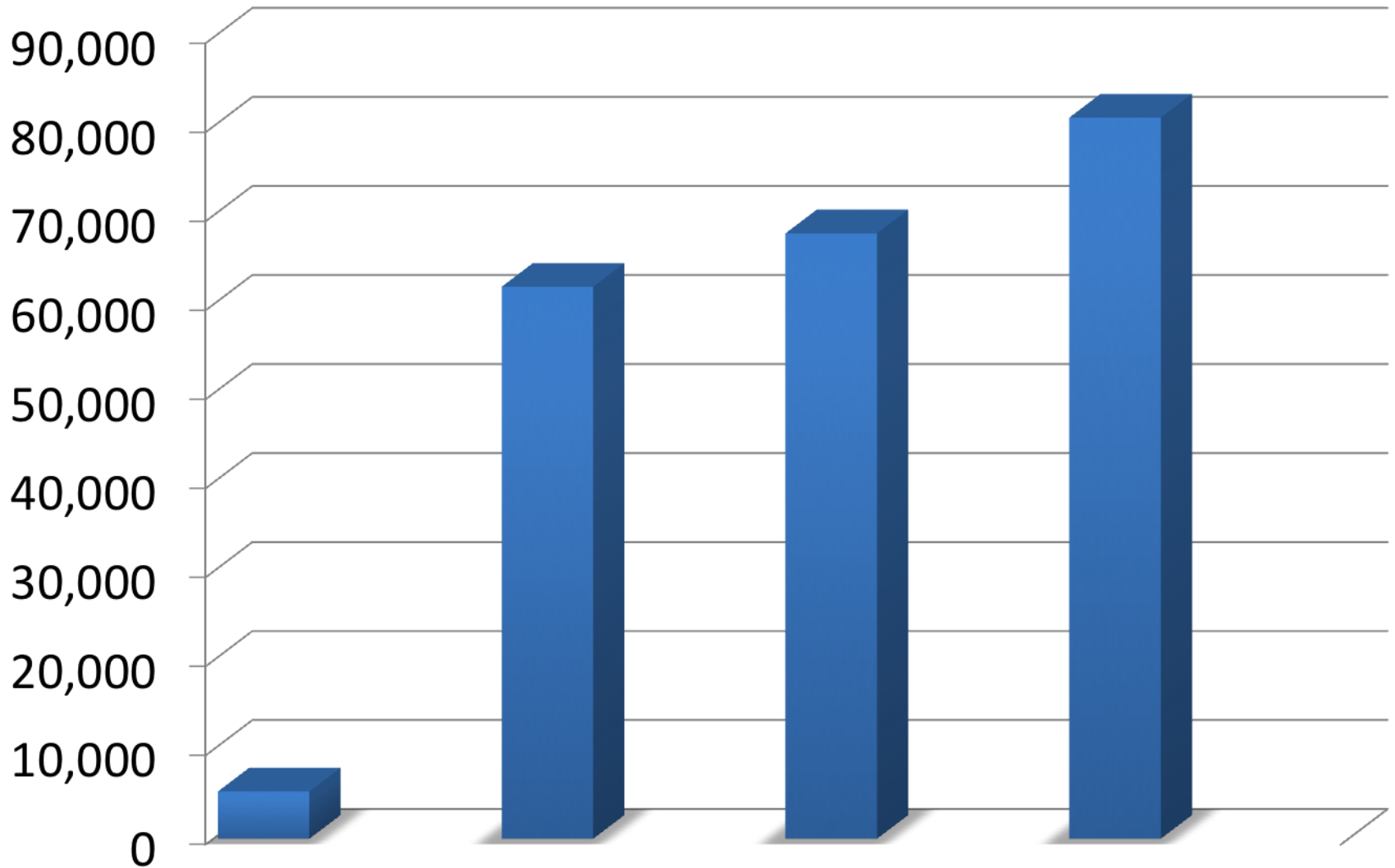
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Mother and baby  
Infection control  
Epilepsy  
Lymphodema  
Palliative care  
Asthma  
Sexual health  
Multiple Sclerosis  
Staff well-being  
Falls prevention  
Wound care  
Social isolation  
Heart disease  
Diabetes  
Incontinence  
Drug /alcohol  
Ex offenders  
Mental health  
COPD  
Carer support  
Cancer  
Speech & language

# Our challenges



# How many UK social enterprises?





# What is a social enterprise?

## The problems with definition and the Social Enterprise Mark



Access to  
finance





Social enterprise  
imposters



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[@SocialEnt\\_UK](https://twitter.com/SocialEnt_UK)     [@davedawes](https://twitter.com/davedawes)

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