### **Yorkshire Funders Presentation**

# Social Enterprise Reducing Dependency

Worthy of grant & Social Investment?



## **Presented by**

#### **Andrew Croft:**

- SEUK Board Member & Director Special Projects
- Former Chair Foyer Federation
- Former Chief Executive the Helen Taylor Thompson Foundation (Canopy)
- Prior to joining the social sector in 2006, Andrew was employed as VP Business Development easyGroup (easyjet LSE, Stelmar Tankers NYSE)
- Andrew holds an MBA from Imperial College



## **Social Enterprise UK**

#### **Social Enterprise Coalition CIC**

- Founded in 2002
- Founding Chair Baroness Thornton
- Subsequent Chair Claire Dove (current Crown Representative VCSE)
- Current Chair
   Lord Adebowale

#### **DBA SEUK**

- CEO Peter Holbrook CBE
- Community Interest Company
- Ltd by Guarantee
- Asset locked
- Non Profit Distributing



### **SEUK Group – Addressing Sector Barriers**

Relationships, support & contracts for SE's in Europe

Support & conditions for SE movement to thrive

Skills
Finance under development

TELOS Irl
Ltd?

Buy social Europe Buy Social Corporate Challenge

Ebay for Change

Policy Research

SEUK CIÒ

Membership

based collaborate & procure from members

Skill, speaking, mentoring

Consultancy

Shared Services



### What is a Social Enterprise

#### SE's are a broad church & can be:

- Trading Charity
- Industrial & Provident Society
- Co. Ltd by Guarantee (CLG)
- CIC by Guarantee
- CIC by Shares (some distribution of profit with caps and collars)
- CLS distribution as per mem & arts

Trading- Services & products, retail, or support. B2B, B2C & both.





## Social Enterprise legal status comparison UK vsYorkshire & Humber

#### UK

- CLG (inc CIC CLG) 47%
- CLS (inc CIC CLS) 24%
- CIC 39%
- IPS 10%
- Other 12%

From SEUK state of social enterprise survey 2021

#### Yorkshire & Humber

- CLG (inc CIC CLG) 49%
- CLS (inc CIC CLS) 23%
- CIC 39%
- IPS 12%
- Other 15%



## Social Enterprise top 5 trading activity UK vs Yorkshire & Humber

#### UK

- Healthcare 10%
- Education & Skills Dev 15%
- Social Care 5%
- Creative Industries 9%
- Biz Support Consulting 7%

#### Yorkshire & Humber

- Healthcare 17%
- Education & Skills Dev 15%
- Social Care 9%
- Creative Industries 9%
- Biz Support Consulting 8%



## Why SE & not Charity now?

- There are just under 170K Charities registered.
- This amount has remained relatively constant over at least a decade
- "Trinity House" one early Charity was established by Henry V111 in 1514
- CIC's were created just 16 years ago and surpassed 26K in 2022
- The SOSE report estimated in excess of 100K SE's in the UK in 2021
- The first IPS Co-Op was 1844 Toad Lane Rochdale.
- Given funding is harder why are SE's a preferred social model likely to outstrip Charity over a similar period?



## Why are those interested in solving societies problems looking to social enterprise?

#### Charity

- Can create a dependency
- No Board position for CEO
- Can be difficult to update
- Seen as older by youth
- Subject to funding fashion

#### **Social Enterprise**

- Assisted sustainability
- CEO sits on Board as equal
- Management vision can adapt
- Appeals to soc entrepreneurs
- Uses a social business model



## Scale of Social Enterprise





## Reflective of Society

ECONOMIC SOCIAL **ENVIRONMENTAL** 

42% of social enterprises are under 5 years old



**52%** of social enterprises



the last 12 months

of social enterprises earn more than 75% of their income from trading



40% 35% of social enterprises are led by women have BAME directors



76%

of social enterprises said that they were a living wage employer



88%

of social enterprises ctively aim to minimise environmental impact



**65%** 

of social enterprises expect to increase their focus on sustainability and environmental friendliness



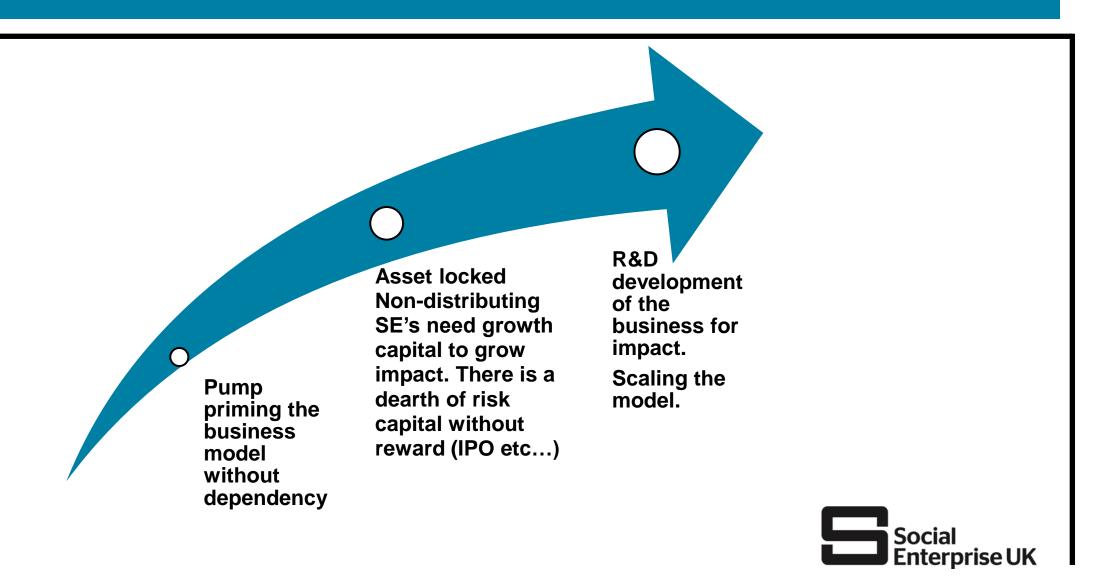
**75%** 

of social enterprises consider environmental impact to be of equal or greater importance than cost





## Why do SE's need grants and investment?



## Why make grants to Social Enterprise?

#### Why

- Eliminate dependency
- Profit returned to do more
- Most SE's asset locked
- Most SE's re-invest all profit
- Profit distributing SE's can raise risk capital and can take endowment investment

#### Outcome

- Business not dependency
- Multiplying initial grant
- If biz closes assets transfer
- Fund up to CIC by guarantee
- Potential endowment return to make grants while increasing impact

#### State of Social Enterprise 2021 Highlight on Yorkshire & Humber

#### Link to download

State of Social Enterprise 2021:
Yorkshire and the Humber | Social
Enterprise UK

