Social Enterprise in Brighton and Hove: A profile of the sector with implications for future support and development

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Executive Summary

Brighton and Hove contains a vibrant cluster of social enterprises. 67 organisations provided detailed data for this survey, representing approximately 60% of the social enterprise sector. Based on other available information, an estimated 90 - 110 organisations matching the criteria used in this survey are operating in the city.

The evidence in the survey shows that the sector is currently very small in terms of organisational size. 66% of the organisations participating have a total turnover of less than £150,000. A similar proportion employ two or fewer full time paid staff.

However, in terms of financial value alone, Brighton and Hove Social Enterprises make a significant contribution to the economy. The collective annual turnover of the whole sector is an estimated £18 - £21 Million.

Despite the introduction of the Community Interest Company in 2005, most social enterprises in the city (57%) are constituted as Company Limited By Guarantee (CLG). 37% are registered charities. 24 % are both charities and company limited by guarantee.

This is partly explained by the history and largely voluntary sector orientation of Brighton and Hove social enterprises. Most organisations are emerging from the voluntary sector and have traditionally been both grant depended and in some cases working to a niche social agenda. While all the organisations with a turnover over £150K have been established longer than 3 years, many of the older organisations remain small.

Social enterprises in the city integrate a range of different social aims and objectives. In many cases, a social agenda is built in to aspects of the organisational supply chain, management and business activities. The top three social aims are education (42%); community development (35%); and employment or training for disadvantaged groups (33%).

50% of social enterprises employ one or fewer full time paid staff. 52% of social enterprises employ staff from a disadvantaged group. This is a particularly impressive figure given the small size of most organisations. Once scaled up, approximately 1,262 people are employed in the social enterprise sector either full or part time. Of these, an estimated 183 come from a disadvantaged group.

Two thirds (66%) of social enterprises also work with volunteers. A scaled-up total of 3042 people volunteer with social enterprises in the city. Moreover, social enterprises work with many volunteers from disadvantaged groups. Older people (50+) are the most common volunteers (47%). Substance mis-users, the homeless, refugees and asylum seeks and ex-offenders volunteer to a lesser extent, but are still involved with between 10-14% of social enterprises.

Two thirds of social enterprises (66%) offer formal work placements. These provide about 285 places per year.

Social enterprises in Brighton and Hove draw their income from a range of sources. A mixture of grants and revenue from trading is most common. Only 7% of organisations use loans, and this generally supports less than 10% of their revenue. Only 5% of organisations are more than 91% dependent on grants. 20% of organisations obtain over 91% of their income from trading.

Sources of trade revenue are also diverse, with social enterprises emerging around 19 different sectors in the city. An impressive 48% of social enterprises get some of their trading income from education and training. Health (including food) and retail come second and third, with 17% and 14% respectively.

Over 90% of organisations questioned expressed interest in joining a Brighton and Hove Social Enterprise Network. 89 % expressed interest in participating in a social enterprise directory. Social enterprises are also already intensively networked into support organisations both in the city, regionally and nationally. 59% are members of the Business Community Partnership, and almost 54% are involved with the Community and Voluntary Sector Forum. In addition to the 6 networking or membership bodies specified in the survey, 31 additional groups, networks or other associations were named by organisations completing the survey.

In terms of support needs, respondents were questioned about procurement and contracting, governance, social impact, work placements and partnerships with private and public sector bodies. Overall, key support needs (named as 'strategic priority' or 'important') were procurement and contracting (51%), partnership development (44%); and social impact assessment (43%).

The report concludes with the assertion that the social enterprise sector in Brighton and Hove is lively, diverse, and offers exceptional opportunities to enhance both economic development and social participation in the city. The challenges for the development of the sector and for future research lie around three areas. Firstly to encourage growth in both economic and social directions. This should include enabling social enterprises to increase their revenue, take on more staff and drive their social values deeper into supply chains, recruitment policies and other commercial relationships. The second challenge is to create a context for partnership between social enterprises as well as with other sectors in the local economy. The third challenge is to find ways to promote the sector widely. The findings of this survey provide the first evidence of the scale and scope of the sector. Further research should focus on case studies and successes so that more people engage with and understand the potential of social enterprise in driving the sustainable business agenda.

Please see http://se.bhbcp.org.uk/ for a full on-line directory of social enterprises in Brighton and Hove, including a detailed profile of each organisation.

Table of Contents

Introduction....4
1. Purpose of the study....4
2. Methodological principles....4
2.1 Data collection and analysis....5
2.2 Sample size and display of results....6
3. Findings....6
3.1 What is a social enterprise?....6
3.2 How many Social Enterprises are there in Brighton and Hove?....7
3.3 Basic characteristics of the social enterprise sector in Brighton and Hove....8
How big is the Brighton and Hove Social Enterprise Sector?....8
What legal forms do Social Enterprises take in Brighton and Hove?....9
How old are social enterprises in Brighton and Hove?....10
Do older social enterprises have a larger turnover?....11
3.4 Social Impact and Activities of Social Enterprises in Brighton and Hove....11
What are the social aims of social enterprises in Brighton and Hove?....12
Who are the beneficiaries of Brighton and Hove Social Enterprises?....13
How many people work in Brighton and Hove Social Enterprises?....13
How many volunteers are involved with Brighton and Hove Social Enterprises?....15
Do social enterprises offer work placements?....16
3.5 Business activity and impact....16
What kinds of income support social enterprises in Brighton and Hove?....16
What are the business activities of social enterprises in Brighton and Hove?....18
3.6 Networking, Partnerships and Directories....18
What membership organisations do Brighton and Hove social enterprises join?....18
3.7 What are the support needs of Brighton and Hove Social Enterprises?....20
Are support needs different for different sized organisations?....21
4. Implications for social enterprises support....23

Table of Figures

Figure 1: Three step data gathering methodology....6
Figure 2: Turnover range of social enterprises in Brighton and Hove....9
Figure 3: Legal forms of social enterprises in Brighton and Hove....10
Figure 4: Social enterprises founded or constituted 1980 - 2006....10
Figure 5: Turnover and age of organization....11
Figure 6: Social aims of social enterprises in Brighton and Hove....12
Figure 7: Who is supported by Brighton and Hove social enterprises?....13
Figure 8: Full time paid staff in Brighton and Hove social enterprises....14
Figure 9: Paid staff from disadvantaged groups....15
Figure 10: Volunteers from disadvantaged groups....16
Figure 11: Origin of trading revenue....18
Figure 12: Support networks used by Brighton and Hove Social Enterprises....19

Table of Tables

Table 1: Organisations excluded from the survey....7
Table 2: Value of the social enterprise sector....8
Table 3: Paid staff in Brighton and Hove social enterprises....14
Table 4: Income source of Brighton and Hove Social Enterprises....17
Table 5: Support needs from all respondents....21
Table 6: Support needs for small social enterprises....21
Table 7: Support needs for small-medium social enterprises....22
Table 8: Support needs for medium-large social enterprises....23

Introduction

Social Enterprise in the UK is increasingly attracting attention from both policy makers and community activists. Politicians and policy makers have identified a route to reform public services, encourage further independence of the voluntary sector and drive businesses towards greater social and ethical responsibilities. Community activists have responded to direct pressures in the funding and support environment and are developing enterprising initiatives that address local social and economic problems.

Since 2005, Brighton and Hove Business Community Partnership and the University of Brighton have been supporting the social enterprise sector in Brighton and Hove. Initially funded by a Single Regeneration Budget (SRB) grant from Brighton and Hove City Council, the project began helping social enterprises with business planning, and by linking social enterprises with mainstream businesses to attract in-kind support and partnerships through enlarged networks.

However, research on the profile of the sector was patchy and incomplete. Key stakeholders had not come to a consensus on how the sector should be defined, and how any information could be used to improve support and foster development.

In the summer of 2006, a diverse group of stakeholders came together to identify common goals for a mapping of the social enterprise sector in Brighton and Hove. The project was co-ordinated by the Brighton and Hove Business Community Partnership, on the shared understanding that all the findings would be available to anyone with an interest in social enterprise in the city and beyond.

1. Purpose of the study

The core group of stakeholders included representatives from the following organisations:

- Brighton and Hove Business Community Partnership (BCP)
- The University of Brighton
- Brighton and Hove City Council
- Brighton Hove and Sussex NHS Primary Care Trust
- East Communications
- Sussex Community Internet Project (SCIP)

The objectives of the survey were jointly identified. These were circulated to other stakeholders including the Community and Voluntary Sector Forum (CVSF) and members of the ChangeUp consortium who were given the opportunity to contribute. Four objectives were identified, as below (see attachment 1):

- To clarify the characteristics of social enterprises in the Brighton and Hove context.
- To **promote the social enterprise sector** in Brighton and Hove by estimating **economic and social impact** and collecting data for a directory. This will encourage increased procurement and purchasing from local social enterprises.
- To facilitate **more effective networking** between local social enterprises and social entrepreneurs, through the sharing of resources, information and best practice on the Routes to Social Enterprise email group and through events and training by any organisation.
- To provide an evidence base that will **identify the support and training needs** of social enterprises and estimate the capacity of the sector to absorb work-placements. This will inform for project delivery, identify potential clients, and enable better targeting of social enterprise support.

2. Methodological principles

The methodology for the survey was developed with the aim of ensuring a high level of buy-in from all the relevant stakeholders, including statutory bodies, social enterprises themselves and support agencies. The development of the data fields and survey methodology included periods of consultation and testing with both social enterprises and support agencies. Four principles were identified underlying the methodology:

Stakeholder led process
Data fields were selected in order to match the priorities and interests of stakeholder groups as much as possible. This was intended to provide an incentive for all second-level organisations (such as support agencies and other networks of social enterprises) to circulate the survey. This would ensure the maximum possible coverage.

User-driven survey
Agreeing who should be included in the survey was the first problem encountered in the development of the methodology. The question was resolved through the development of a user-driven methodology. In this approach, the person extracting the data has the option to filter results according to their own preferred definition. This enables any user to extract details according to the main areas of controversy in defining social enterprise. For example it is possible to filter according to percentage of income from trading, or level of turnover.

Comparable
It was also agreed that the data collected should be comparable to other mapping exercises currently underway nationally. Guidelines provided by the Department of Trade and Industry (2004) were followed in order to ensure comparability.

Open Source
In order to ensure the widest possible buy-in, it was agreed that the data should be 'open source' to the highest possible extent. A web-based interface for the survey was agreed so that any user or stakeholder could interact with the results for their own purposes. Brighton and Hove Business Community Partnership owns the data, however, with the permission of the participants, all findings will be made publicly available.

A data specification was developed according to these principles and is included as attachment 2. The survey was specifically developed to allow others to copy the methodology. However, BCP and the technical partners on the project have developed an interface that can easily be adapted to meet the needs of other regions and surveys. This is described in attachment 2.

2.1 Data collection and analysis

The chosen approach reflected the stakeholder-driven process agreed in the early stages of the project. This was partly due to a lack of financial resource to develop the survey, but became a real strength of the research as responsibility for data gathering was passed on to a network of committed stakeholders.

The data collection and analysis followed three phases (figure 1):

1. Data collected on-line through SurveyMonkey
SurveyMonkey is an survey and evaluation tool (www.surveymonkey.com) that enables respondents to enter their data on-line and provides a basic analysis function. While it is extremely good value for money, it does not permit the level of analysis required for the social enterprise mapping project and does not have an appropriate user interface. Data must therefore been collected, exported to a spreadsheet and manually cleaned.

2. Cleaning and analysis
The entire dataset was downloaded from SurveyMonkey and manually cleaned to remove errors and duplicate records. This data was then used in the production of this report. This second stage is a key part of the methodology. Cleaning of the data is conducted by a person with direct knowledge of the local sector so that gaps can be identified and obvious errors corrected.

However, to provide the public interface, a third stage was required.

3. Development of public interface
The clean data from survey monkey can be displayed online. This will enable users to search the database according their own criteria. Moreover, the public interface will be both a directory, enabling the identification of social enterprises for purchasing purposes, and an educational tool. This is now available online at http://se.bhbcp.org.uk. The public interface can be searched on a number of different criteria in order to identify specific kinds of social enterprise.

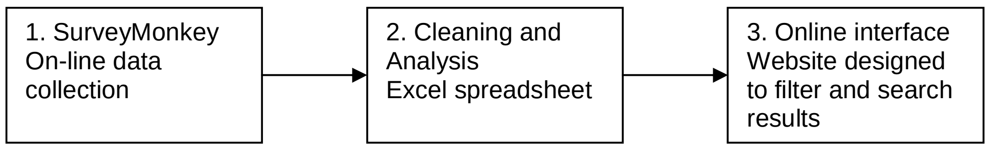

Figure 1: Three step data gathering methodology

2.2 Sample size and display of results

The data used in this survey is a convenient sample of social enterprise in Brighton and Hove. Use of existing networks and previous databases helped to ensure that a strong coverage of the sector was obtained. Based on previous work and the collated databases of several organisations we estimate that a representative sample covering 60%-70% of the sector was achieved.

Not all organisations responding to the survey responded to all the questions. Where organisations skipped a question, they were not included in the calculation of overall percentages. Graphs, charts and tables below show both actual numbers and percentages. Where percentages are displayed in the graph or chart, the actual number is shown in parenthesis after the category name.

3. Findings

3.1 What is a social enterprise?

Social enterprises have no single legal status and take many different forms. Different agencies use different definitions and any gathering of social enterprises will struggle to find a consensus on this issue. However, any mapping exercise must be clear on criteria for involvement for the results to be meaningful. Moreover, it is important to include potential social enterprises in the mapping as this will give an indication of the potential growth of the sector in the future.

BCP's experience working directly with social enterprises in Brighton and Hove has led to the identification of six characteristics of social enterprises. These characteristics were developed in consultation with social enterprises. They serve as a useful benchmark to evaluate if a organisation wants to develop in a social enterprise direction.

Some organisations may be very under-resourced in one or more of these areas. However, an intention to develop in this area is generally sufficient for inclusion. After all, a business can still be a business even if is not making money.

The six characteristics were agreed with the stakeholder group and it was agreed that organisations should match a minimum of five out of six characteristics for inclusion in the survey. However, all respondents would be allowed to continue and these contributions could be filtered out by users according to their own definition and priorities. The six characteristics are described in box 1 below:

Are you a social enterprise?
If you can answer yes to at least five of the following six criteria, we would like to include you in the mapping of social enterprises:

Trading activity – Are you directly involved in producing goods or providing services to a market? You may run a shop, sell services, training or membership.

Social Aims – Do you have explicit social and/or environmental aims such as job creation, training or the provision of local services? Your ethical values may include a commitment to building skills in local communities.

Trading surplus re-invested - Are your profits are principally reinvested to achieve your social objectives?

Partnership based – Are you currently engaged in or intending to develop partnerships with businesses, statutory organisations or community groups. Partnerships are relationships between organisations and are usually non-financial. It may involve getting free support from businesses or special arrangements with local authorities such as cheap rates or leases.

Enterprise Orientation – Are you intending to increase your trading activity in the next 3 years? This question is intended to capture organisations that plan to extend and grow their business activities by finding new markets or introducing new services.

Local – Are your social beneficiaries and business activities in the same geographical area? This question is intended to ensure that it is possible to filter out international social enterprises from local social enterprises. Fiar trade organisations, international groups and national consultancies may have different needs to local groups.

Box 1: Characteristics of social enterprise

3.2 How many Social Enterprises are there in Brighton and Hove?

The social enterprise survey was live on-line for 3 months from October 2006. During this period, the survey was completed by a total of 91 individuals. Of these, 14 respondents did not leave an organisational name or contact details and failed to complete the most of the questions.

A small number of records were also duplicated and removed as the data was cleaned.

Of the 74 remaining records, 6 failed to meet 5 out of six of the core characteristics identified above. A 7th record, Brighton and Hove City College, was also excluded as this represents a statutory organisation and is not considered representative of the rest of the sector.

The excluded organisations are listed in table 1 below.

Table 1: Organisations excluded from the survey

	Trading	Social Aims	Trading Surplus Reinvested	Partnership Based	Enterprise Orientated	Local
Brighton & Hove Food Partnership		Yes	Yes	Yes		Yes
Brighton and Hove Fare share		Yes		Yes		Yes

Brighton Lesbian and Gay Switchboard		Yes		Yes		Yes
Bristol Estate Community Association		Yes				Yes
City College Brighton and Hove	Yes	Yes	Yes	Yes	Yes	Yes
Plenty Productions		Yes	Yes			
Threshold Women's Mental Health Initiative		Yes	Yes	Yes		Yes

The remaining 67 organisations represent the core data set on which the analysis below is based.

This is a convenient sample, based on organisations that actively completed the on-line survey. However, the methodology chosen actively incorporated contacts from previous surveys conducted. This included use of the Community and Voluntary Sector Forum, the Green Pages directory of Ethical businesses, produced by the Brighton Peace and Environment Centre, and data gathered as part of a social enterprise mapping by Social Solutions in 2004. This last survey gathered data on 34 organisations, classed as 'social enterprises' 'aspiring social enterprises' or 'start ups'.

As with any mapping exercise, there are several key organisations missing from data used in this report. However, based on previous surveys and on contacts through the network of organisations linked with the Business Community Partnership, we estimate that these organisations include a representative sample covering 60%-70% of the sector in Brighton and Hove and that the true number of social enterprises matching the above criteria is between 90-110 organisations.

3.3 Basic characteristics of the social enterprise sector in Brighton and Hove

How big is the Brighton and Hove Social Enterprise Sector?

Figure 2 shows a breakdown of the social enterprise sector in terms of level of turnover. Most organisations are very small: 66% have a turnover of less than £150,000 per year. Only two in this sample (Martlets Hospice and the University of Sussex Student's Union) break through the £1Million barrier.

However, the sector does have a significant financial value to the city. In financial terms alone, a conservative analysis suggests that the organisations in the survey collectively turn over £12.35 Million.

If this figure is scaled up to represent the full social enterprise sector in the city, the total financial value can be calculated at £18M - £21Million (Table 2).

Table 2: Value of the social enterprise sector

Turnover Range	No. Organisations	Mean turnover	Approximate value
<£50,000	27	25,000	£675,000.00
£50K - 100K	11	75000	£825,000.00
£100K - £150K	4	125,000	£500,000.00
£150K - £200K	1	175,000	£175,000.00
£200K - £250K	3	225,000	£675,000.00

£250K - £500K	8	375,000	£3,000,000.00
£500 - £750K	3	625,000	£1,875,000.00
£750 - £1M	3	875,000	£2,625,000.00
>£1M	2	1,000,000	£2,000,000.00
Total	62		£12,350,000.00

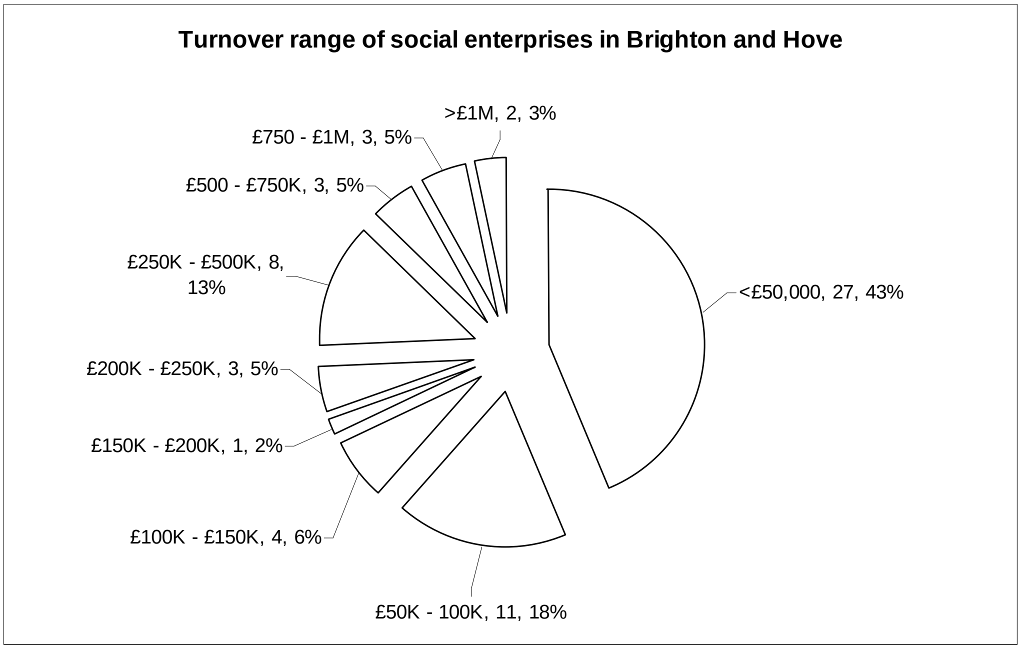

Figure 2: Turnover range of social enterprises in Brighton and Hove

What legal forms do Social Enterprises take in Brighton and Hove?

Despite the introduction of the Community Interest Company (C.I.C) legislation in 2005, very few social enterprises have adopted this form. Four organisations (Assist Communities CIC, Harmony in the Community, The Big Lemon, and Training Enterprise Network) constituted as CICs in 2006.

Just under 57% of organisations are company limited by guarantee. 37% are constituted as a charity. 16 organisations in the survey are constituted as both charity and company limited by guarantee, totalling 24% of social enterprises.

Figure 3 shows the breakdown of legal forms for Brighton and Hove social Enterprises.

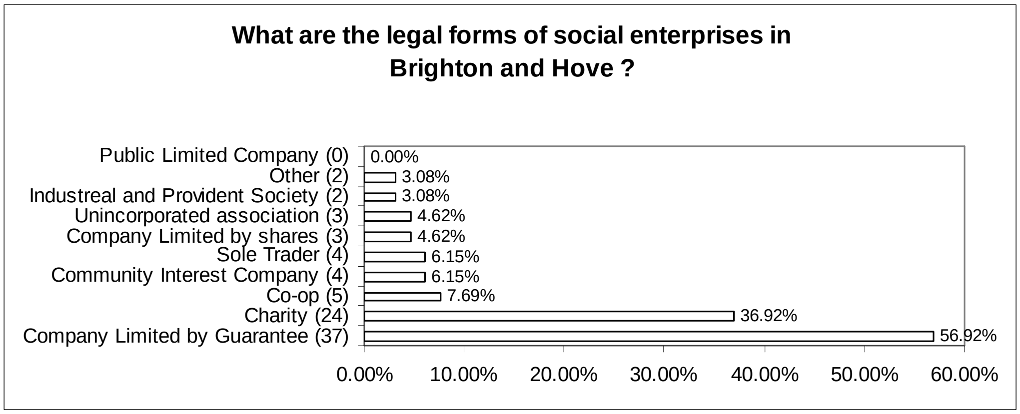

Figure 3: Legal forms of social enterprises in Brighton and Hove

How old are social enterprises in Brighton and Hove?

Respondents to the survey were asked to provide the year their organisation was constituted or founded. This enabled respondents to choose the most significant date. For many organisations, legal constitution is a formality that can take place some time after the organisation has been running. For others, constitution takes place at the same time as founding.

Only three organisations in the sample were constituted before 1980. These were:

- Brighton and Hove Chamber of Commerce (1926)
- Relate Brighton and Hove (1945)
- QueenSpark books (1972)

Figure 4 shows organisations founded or constituted 1980-2006. More organisations were founded from 1997 onwards, however, this could indicate a survival rate rather than an increasing trend in establishing organisations. The chart also does not indicate how income streams have changed over time, as many organisations in the sample are long established in the voluntary sector and have only begun exploring trading-based revenue in more recent years.

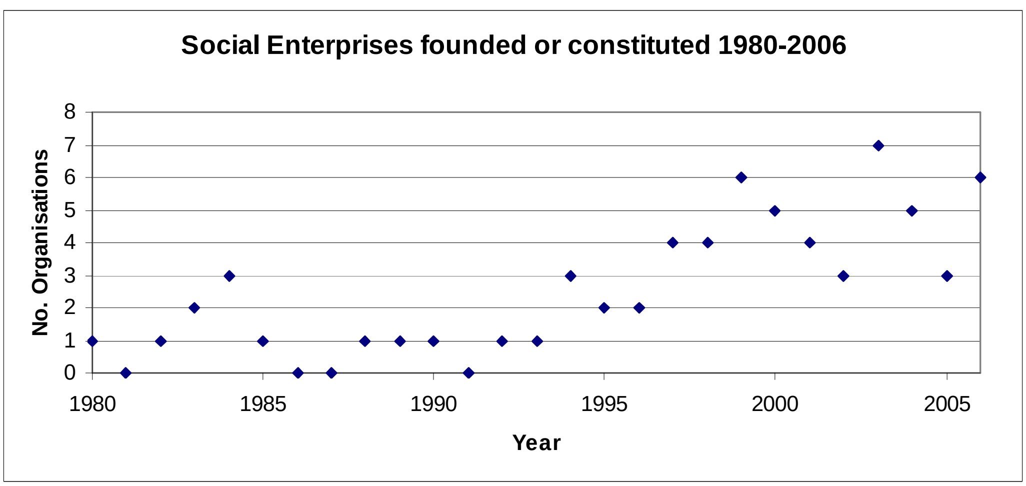

Figure 4: Social enterprises founded or constituted 1980 - 2006

Do older social enterprises have a larger turnover?

Figure 5 shows year founded or constituted against turnover range. No organisation established after 2002 has yet cleared more than £150,000 annual turnover. However, many of the older organisations, including the Peace and Environment Centre (Founded 1982) and Common Purpose (Founded 1989) remain at less than £50,000 annual turnover.

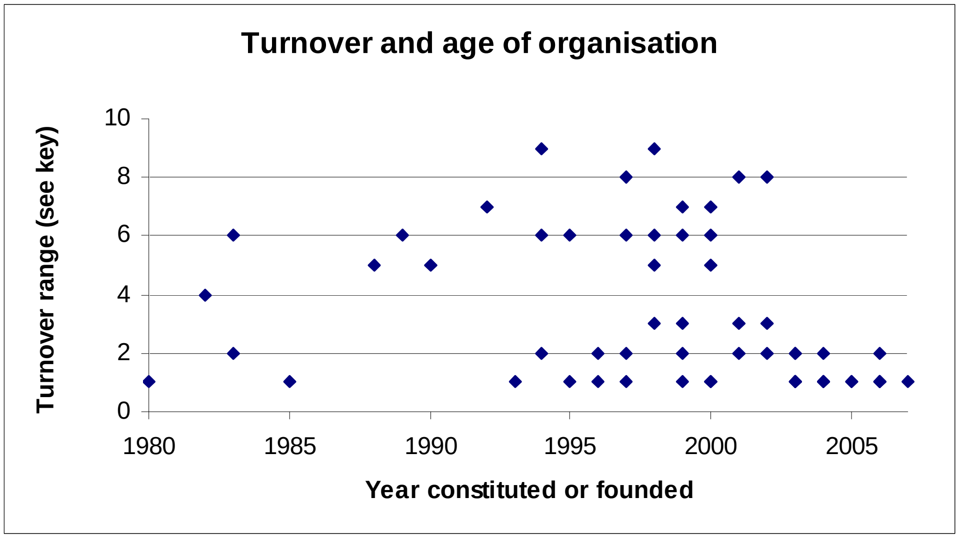

Figure 5: Turnover and age of organization

Key:

<£50,000	1
£50K - 100K	2
£100K - £150K	3
£150K - £200K	4
£200K - £250K	5
£250K - £500K	6
£500 - £750K	7
£750 - £1M	8
>£1M	9

The lower turnover of newer organisations probably reflects the length of time it takes to establish viable organisations. There are a number of reasons why older organisations could remain at a low turnover level. These include:

- High levels of grant subsidy during the 1980s and 1990s.
- Turnover was sufficient to meet social aims and growth was not desired or sought.
- Many social enterprises have a long history in the voluntary sector. Trading-based income has only been a priority in the last few years.

3.4 Social Impact and Activities of Social Enterprises in Brighton and Hove

All the organisations in the sample were established with a primary social aim. Identifying these aims and establishing how they are delivered is key to understanding the social impact and value of the sector in the city and identifying gaps.

In the survey, the social aims and outcomes were divided into three areas in order to understand how social enterprises integrate their aims and activities. This also helped respondents consider how their organisations were run and which areas could be developed in the future. Social aims and outcomes were divided as follows:

1. Social Purpose
This requires respondents to identify the reason their organisation was established.

2. Social beneficiaries
Organisations working directly with a beneficiary group were asked to identify which group these people came from.

3. Staff and volunteers
Respondents were asked to provide information on their staff and volunteers in order to establish how many people are engaged in the social enterprise sector, which groups they come from and how they are employed.

What are the social aims of social enterprises in Brighton and Hove?

Figure 6 shows the social purposes of social enterprises in Brighton and Hove. Organisations were permitted to select more than one category. This shows that social enterprises consider their social purposes as very broad.

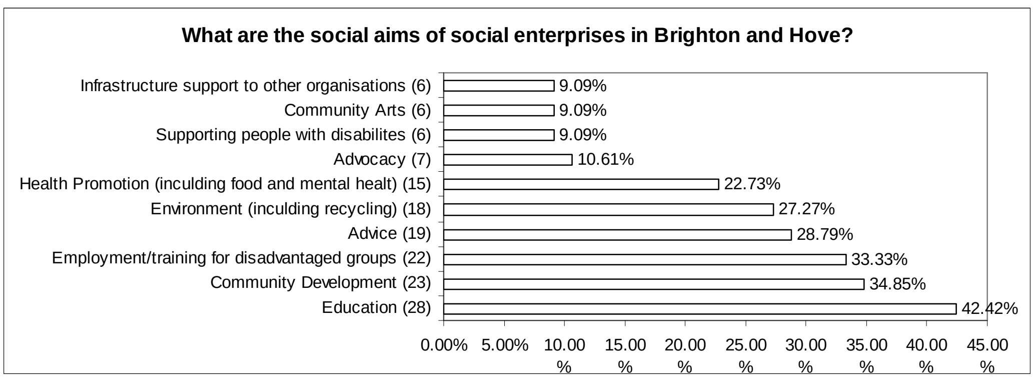

Figure 6: Social aims of social enterprises in Brighton and Hove

The most popular category (Education) was selected by 42.42% of respondents. The range of organisations that selected this category shows that social enterprises see themselves as playing a strong education role in raising awareness around social, environmental and ethical issues. This characteristic desire to share social principles has the possibility to be exploited in the development of the social enterprise sector.

Community Development (33.33%) is another broadly defined category selected by a broad range of organisations. Organisations that selected this question are listed in below:

- Assist Communities CIC
- Black and Minority Ethnic Community Partnership
- Brighton & Hove Independent Mediation Service
- Brighton and Hove Business Community Partnership
- Brighton and Hove Chamber of Commerce
- Care Co-ops
- City of Brighton & Hove Credit Union
- Common Purpose
- Cornerstone community centre
- East Communications

- FRESHSTART COMMUNITY CENTRE LTD
- Harmony in the Community
- Jim Simpson Consultancy
- kala phool
- Phoenix Community Centre
- QueenSpark Books
- RadioReverb
- Resource Centre
- SecureHotel
- Sussex Interpreting Services
- Sustainable Earthworks Ltd.
- The Bridge Community Education Centre
- Woodingdean Community Association Trading Co. Ltd

Who are the beneficiaries of Brighton and Hove Social Enterprises?

Respondents were asked to select all of the beneficiary groups supported by their organisation. No group was supported by less than 26% of the organisations surveyed. Broadly defined ‘community development’ was supported by 64% of the organisations responding. This is a positive indication of the range of people and communities supported by social enterprises in the city, however, in the context of social enterprise support more specific beneficiary groups are more helpful. Figure 7 shows beneficiary groups supported by Brighton and Hove social enterprises.

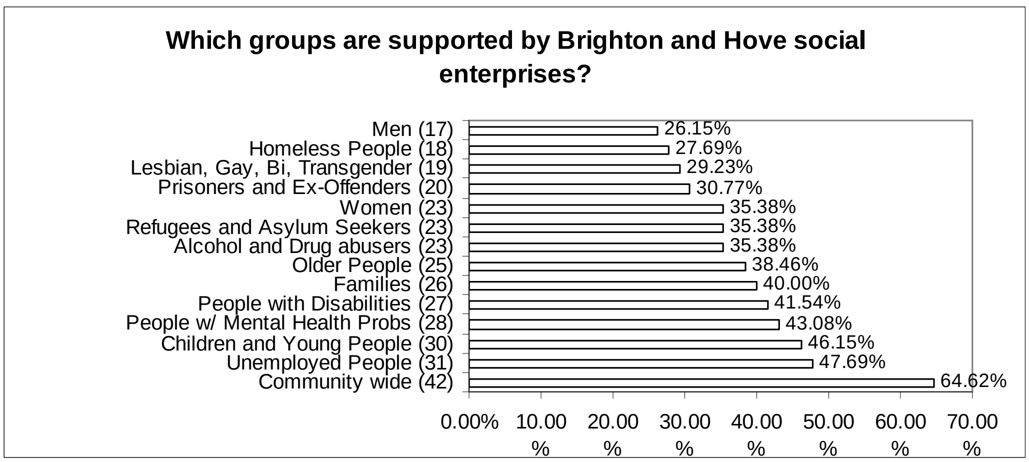

Figure 7: Who is supported by Brighton and Hove social enterprises?

How many people work in Brighton and Hove Social Enterprises?

The number of paid employees of Brighton and Hove social enterprises is very small. Of the organisations that responded to the survey, 29.51% have no full time paid staff at all. Only 32.79% employ 3 or more full time staff.

Figure 8 shows numbers of full time staff employed in Brighton and Hove social enterprises.

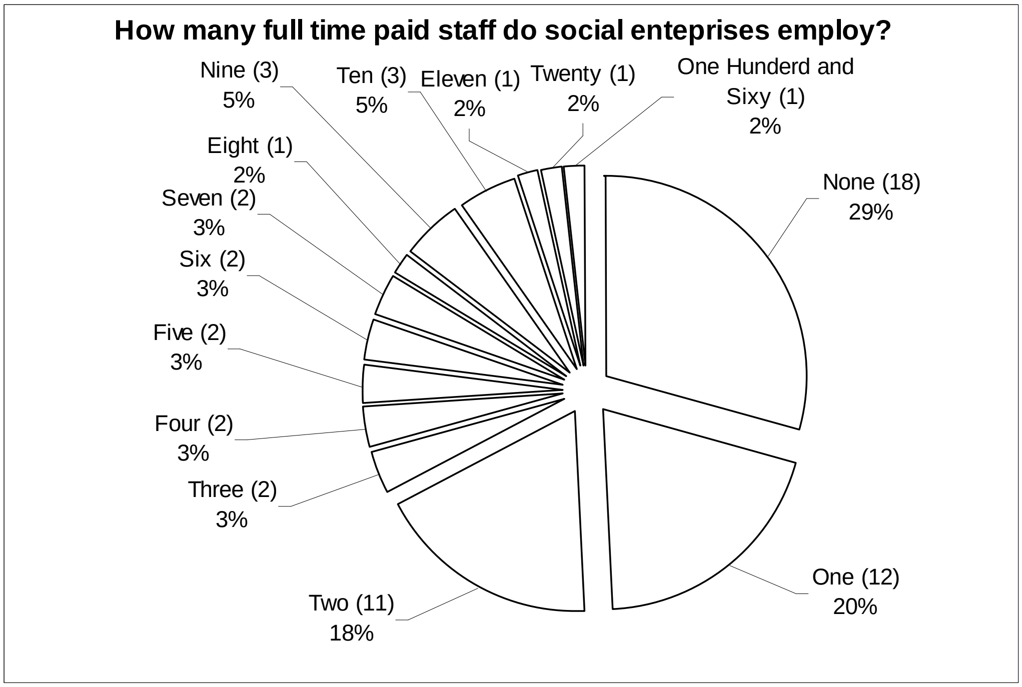

Figure 8: Full time paid staff in Brighton and Hove social enterprises

Table 3 shows numbers of full time, part time, and staff from disadvantaged backgrounds.

Table 3: Paid staff in Brighton and Hove social enterprises.

	Full Time staff	**Part Time staff**	**Staff from a disadvantaged group**
Total	310	447	110
Mean / Org.	5	7	2
Scaled up total (including missing 40%)	517	745	183

The total number of paid staff working for social enterprises is therefore approximately 1262 individuals, of whom approximately 15% come from a disadvantaged group.

35 out of 67 organisations (52%) employ staff from a disadvantaged group. Figure 9 shows which disadvantaged groups these individuals come from. The category “women” was included during the pilot phase of the survey development at the request of users. The extent to which women are disadvantaged in this context is arguable.

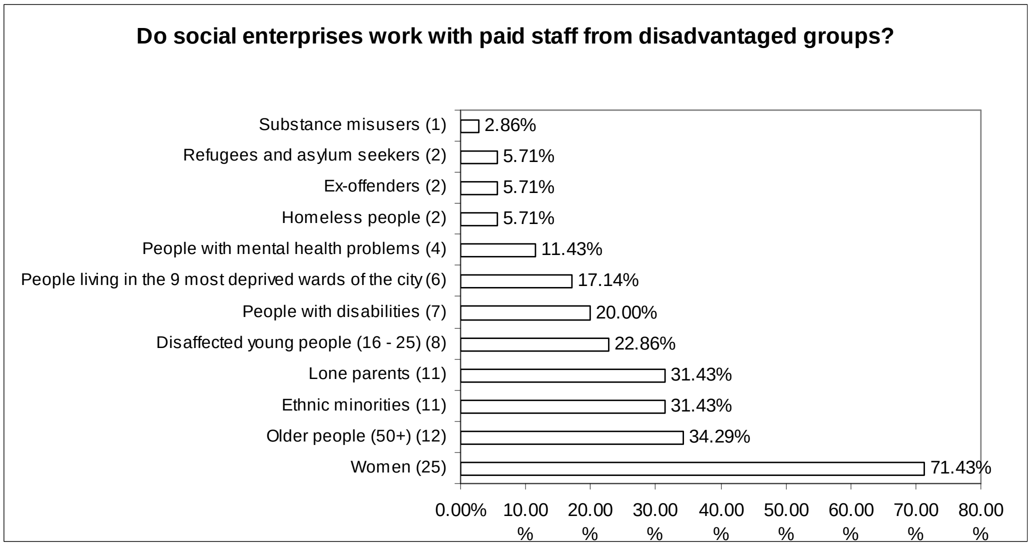

Figure 9: Paid staff from disadvantaged groups

How many volunteers are involved with Brighton and Hove Social Enterprises?

Two thirds (66%) or organisations in the survey work with volunteers. However, the degree to which organisations work with volunteers varies widely. Four organisations use over 100 volunteers/year:

- Age Concern (250)
- Brighton and Hove Community Initiatives (250)
- Martlets Hospice (500)
- Moulescoomb Forest Garden and Wildlife Project (300)

In total, 1825 people volunteer with social enterprises in Brighton and Hove. Of these, 413 come from disadvantaged groups (Figure 10). If this can be taken as 60% of the total, 3042 people volunteer with local social enterprises.

42 organisations work with volunteers from one or more disadvantaged group. Figure 10 shows which disadvantaged groups social enterprises work with as volunteers. Older people (50+) are the most common disadvantaged group engaged with social enterprises as volunteers.

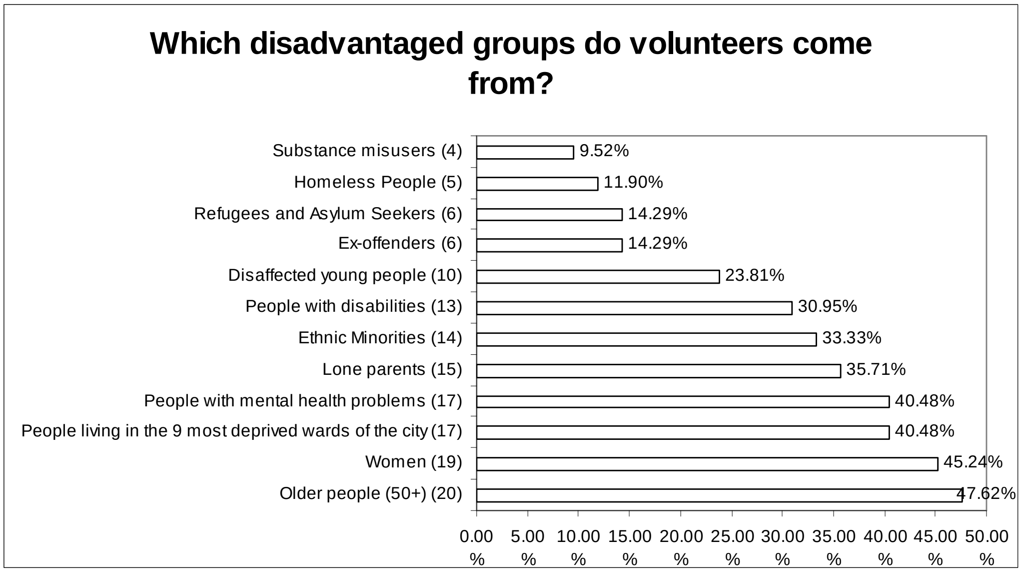

Figure 10: Volunteers from disadvantaged groups

Do social enterprises offer work placements?

Two thirds (66%) of social enterprises in the survey offer work placements. This provides 285 placements per year. This compares to 73% of organisations that work with volunteers in general. Work placements are a more formal, employment based version of volunteering.

3.5 Business activity and impact

Business activity was addressed in terms of both source and proportion of income (grants, loans, trading etc) and sector of revenue generating activity.

What kinds of income support social enterprises in Brighton and Hove?

Proportion of income from trading has traditionally been used as defining feature of social enterprise. A level of trading income was not used in this survey, however, respondents were asked to break down their income into approximate 5% segments. 57 organisations responded to this part of the survey. Results have been grouped in 10% bands for further clarity and are shown in Table 4 below.

Social Enterprises in Brighton and Hove rely on a mixture of income sources. Only 5% of the organisations in the survey are currently more than 91% loan dependent, although 14% do not yet gain any income from sales. Conversely, 19% of organisations surveyed obtain more than 91% of their income from sales, and 28% receive no income from grants at all.

Social enterprises are also optimistic about the future role of trading revenue. 90% of respondents expected their trading income to increase in the next 3 years.

Social enterprises in the city are also shy of loans. A small number of organisations (7%) obtain less than 10% of their income from loans. Only one organisation (Veritas Projects) started up with a 100% loan.

Cash donations also occupy a small proportion of income generated by social enterprises. Nearly 18% of organisations gain under 10% of their income from donations.

Only 1 organisation gains funds from endowments and 1 organisation from property investments. These are Martlets Hospice and the Children's Clinic and Dolphin House Shop.

Table 4: Income source of Brighton and Hove Social Enterprises
(SLAs = Service Level Agreements)

	GRANTS		LOANS		SLAS		SALES		DONATIONS		INVESTMENTS		ENDOWMENT FUNDS		PROPERTY	
Income source	**N**	**%**	**n**	**%**	**N**	**%**	**n**	**%**	**n**	**%**		**%**		**%**		**%**
No income		28.07		89.47		64.91		14.04		17.18		87.72		98.5		98.5
1-10%	13	22.81	4	7.02	8	14.04	8	14.04	10	17.54	5	8.77	0	0.00	0	0.00
11-20%	3	5.26	0	0.00	2	3.51	2	3.51	5	8.77	1	1.75	1	1.75	0	0.00
21-30%	2	3.51	1	1.75	4	7.02	6	10.53	1	1.75	0	0.00	0	0.00	1	1.75
31-40%	4	7.02	0	0.00	1	1.75	5	8.77	1	1.75	0	0.00	0	0.00	0	0.00
41-50%	0	0.00	0	0.00	1	1.75	1	1.75	0	0.00	1	1.75	0	0.00	0	0.00
51-60%	5	8.77	0	0.00	1	1.75	3	5.26	0	0.00	0	0.00	0	0.00	0	0.00
61-70%	4	7.02	0	0.00	2	3.51	2	3.51	0	0.00	0	0.00	0	0.00	0	0.00
71-80%	3	5.26	0	0.00	1	1.75	6	10.53	0	0.00	0	0.00	0	0.00	0	0.00
81-90%	4	7.02	0	0.00	0	0.00	5	8.77	0	0.00	0	0.00	0	0.00	0	0.00
91-100%	3	5.26	1	1.75	0	0.00	11	19.30	0	0.00	0	0.00	0	0.00	0	0.00

What are the business activities of social enterprises in Brighton and Hove?

Figure 11 shows where social enterprises in Brighton and Hove gain the majority of their business income. Respondents were asked to select up to three categories.

An astonishing 48 % (28 organisations) of social enterprises in the survey gain significant trading income from education and training. Other sectors are not represented at all (Agriculture, Graphic Design, Legal, Manufacturing, Religion and Sport).

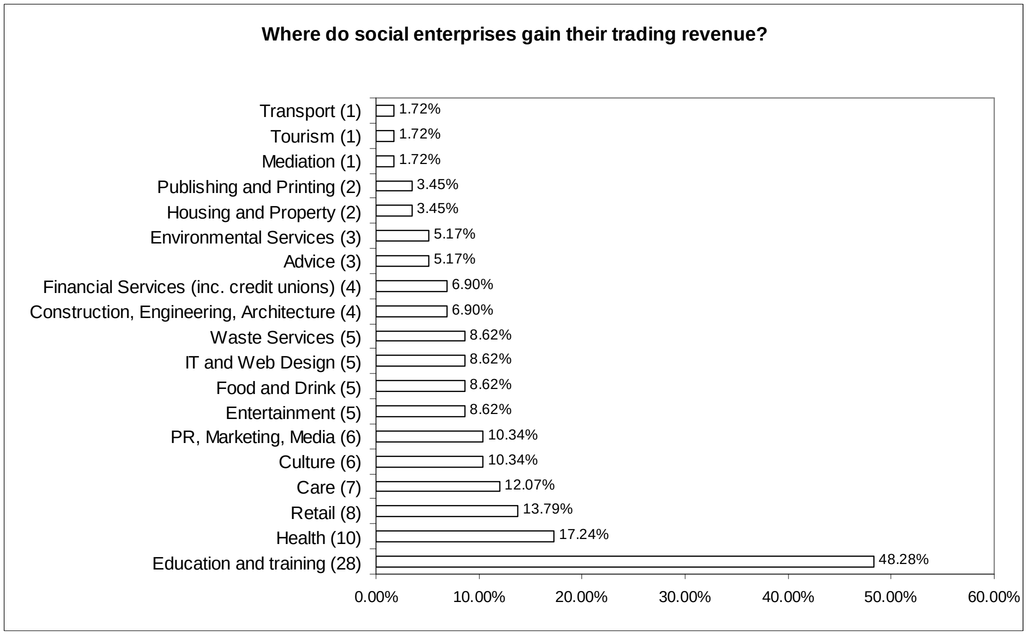

Figure 11: Origin of trading revenue

3.6 Networking, Partnerships and Directories

What membership organisations do Brighton and Hove social enterprises join?

Figure 12 shows membership organisations that social enterprises in Brighton and Hove have joined.

Almost 60% of organisations surveyed are members of the Brighton and Hove Business Community Partnership. Just under 54% are also members of the Community and Voluntary Sector forum.

A far smaller proportion are members of business orientated networks – 25% are members of Sussex Enterprise and 11% are members of the Chamber of Commerce.

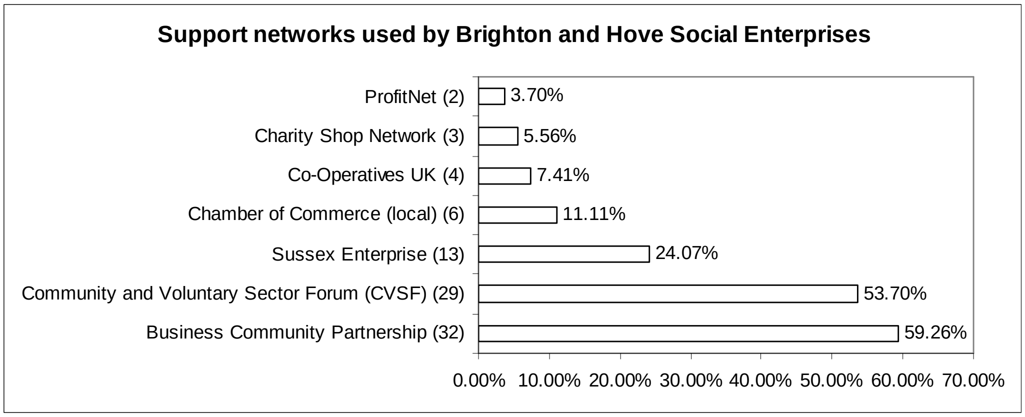

Figure 12: Support networks used by Brighton and Hove Social Enterprises

The most interesting finding however is the number of membership organisations listed under “other”. This are listed below.

- Association of Chief Executives of Voluntary Organisations (ACEVO)
- Brighton & Hove Community Buildings Network
- Brighton & Hove Racial Harassment Forum
- Brighton & Hove Refugee Forum
- Brighton and Hove Economic Partnership
- Brighton and Hove Food Partnership
- Brighton and Hove Learning Partnership
- British Association of Counselling Proffesionals (BACP)
- Br-nag Be-nag
- Chartered Institute of Marketing
- Chartered Institute of Public Relations
- Community Action Network
- Community Recycling Network
- CRN
- East Sussex Council for the Voluntary Youth Services
- Emmaus International
- Emmaus UK
- EMN
- Federation of Small Business
- Furniture Re-use Network
- ITC
- Mens Health Forum
- MOSAIC - black and mixed parentage support group
- National Community Interpreting Project (NCIP)
- National Council for Voluntary Organisations (NCVO)
- NUS - National Union of Students
- RuralNet
- Soil Association
- South of England Multi Ethnic Development Agency
- Stanmer Organics
- Striding Out CIC
- Sussex Reuse Network

91% of organisations questioned also expressed interest in joining a Brighton and Hove Social Enterprise Network.

89% of organisations expressed interest in joining a social enterprise directory. Organisations that provided a description of their services are included in Attachment 4.

3.7 What are the support needs of Brighton and Hove Social Enterprises?

Respondents were asked about support needs according to six broadly defined categories:

1. Do you need support to understand and access procurement and contracting from the public sector?
2. Do you need support to develop appropriate governance structures?
3. Do you need support to measure and promote your social impact?
4. Do you need support with business planning and development?
5. Do you need support to provide or manage work placements?
6. Do you need support to build partnerships with businesses and other social enterprises?

Support questions were intentionally kept very broad in able to allow specific support providers to undertake more detailed assessments at a later stage and according to their own priorities. Question 1, regarding procurement and contracting was considered particularly important as public sector linkages are currently a policy priority.

Question 4, regarding business planning, was intended to capture organisations with generic business planning needs, including financial planning, marketing and Human Resources.

Respondents were asked to identify their needs according to five categories: Strategic Priority, Important, Useful, No support needed and Don't know. While this has provided some indication of the support needs, future versions of this survey will change these categories. More useful categories have been identified as "support needed now"; "support needed in the future" "no support needed" and "don't know".

Table 5 shows results aggregated for all respondents.

Support around procurement and contracting is clearly important, with just under 70% of respondents suggesting this would be useful, important or a strategic priority. 30% of respondents indicated that this was 'important'.

80% of respondents expressed an interest in support on social impact assessment, although these were generally less enthusiastic. 37.5% only indicated that this would be useful.

70% of respondents were interested in support on business planning.

79% of respondents expressed an interest in support for developing networks and partnerships with businesses. More respondents named partnerships as a strategic priority than any other category.

Support on governance structures was not recognised as important, with 48% responding that no support was needed. However, this may be due to the phrasing of the question that confuses governance structures with governance practice.

Support for work placements was also unpopular, with 48% responding that no support is needed.

Table 5: Support needs from all respondents
All respondents

	Strategic Priority	Important	Useful	No support needed	Don't know	Total response
Do you need support to understand and access procurement and contracting from the public sector	11 19.64%	17 **30.36%**	11 19.64%	13 23.21%	3 5.36%	55
Do you need support to develop appropriate governance structures?	5 8.93%	7 12.50%	13 23.21%	27 **48.21%**	2 3.57%	54
Do you need support to measure and promote your social impact?	11 19.64%	13 23.21%	21 **37.50%**	8 14.29%	2 3.57%	55
Do you need support with business planning and development?	8 14.29%	13 23.21%	18 **32.14%**	14 25.00%	2 3.57%	55
Do you need support to provide or manage work placements?	2 3.57%	6 10.71%	17 30.36%	27 **48.21%**	2 3.57%	54
Do you need support to build partnerships with businesses and other social enterprises?	12 21.43%	13 23.21%	19 **33.93%**	8 14.29%	4 7.14%	56

Many organisations also responded with their own support needs. These are listed in attachment 4.

Are support needs different for different sized organisations?

Tables 6, 7 and 8 below, break down support needs for organisations of different sizes. Micro social enterprises, with a turnover of less than £50,000 were separated from small social enterprises with a turnover of £50,000 – £150,000 as organisations begin to employ more staff, and support requirements change.

Table 6: Support needs for small social enterprises
Less than £50,000 turnover

	Strategic Priority	Important	Useful	No support needed	Don't know	Total response
Do you need support to understand and access procurement and contracting from the public sector	2 9.09%	10 **45.45%**	6 27.27%	1 4.55%	3 13.64%	22

Do you need support to develop appropriate governance structures?	2 9.09%	3 13.64%	6 27.27%	8 **36.36%**	2 9.09%	21
Do you need support to measure and promote your social impact?	6 27.27%	3 13.64%	9 **40.91%**	3 13.64%	1 4.55%	22
Do you need support with business planning and development?	7 **31.82%**	4 18.18%	3 13.64%	6 27.27%	2 9.09%	22
Do you need support to provide or manage work placements?	2 9.09%	2 9.09%	7 31.82%	9 40.91%	2 9.09%	22
Do you need support to build partnerships with businesses and other social enterprises?	3 13.64%	7 31.82%	8 **36.36%**	3 13.64%	2 9.09%	23

Table 7: support needs for small-medium social enterprises £50,000-£150,000 Turnover

	Strategic Priority	Important	Useful	No support needed	Don't know	Total response
Do you need support to understand and access procurement and contracting from the public sector	4 28.57%	4 28.57%	1 7.14%	5 35.71%	0 0.00%	14
Do you need support to develop appropriate governance structures?	1 7.14%	4 28.57%	3 21.43%	6 42.86%	0 0.00%	14
Do you need support to measure and promote your social impact?	3 21.43%	4 28.57%	4 28.57%	2 14.29%	1 7.14%	14
Do you need support with business planning and development?	0 0.00%	7 50.00%	4 28.57%	3 21.43%	0 0.00%	14
Do you need support to provide or manage work placements?	0 0.00%	2 14.29%	5 35.71%	6 42.86%	0 0.00%	13
Do you need support to build partnerships with businesses and other social enterprises?	4 28.57%	3 21.43%	4 28.57%	1 7.14%	2 14.29%	14

Table 8: Support needs for medium-large social enterprises
More than £150,000 Turnover

	Strategic Priority	Important	Useful	No support needed	Don't know	Total response
Do you need support to understand and access procurement and contracting from the public sector	5 26%	3 16%	4 21%	7 37%	0 0%	19
Do you need support to develop appropriate governance structures?	2 11%	0 0%	4 21%	13 68%	0 0%	19
Do you need support to measure and promote your social impact?	2 11%	6 32%	8 42%	3 16%	0 0%	19
Do you need support with business planning and development?	1 5%	2 11%	11 58%	5 26%	0 0%	19
Do you need support to provide or manage work placements?	0 0%	2 11%	5 26%	12 63%	0 0%	19
Do you need support to build partnerships with businesses and other social enterprises?	5 26%	3 16%	7 37%	4 21%	0 0%	19

4. Implications for social enterprises support

The findings of this report indicate that Brighton and Hove is home to a vibrant and extensive cluster of social enterprises. The most striking characteristics of the sector are the small size of most organisations and the range of activities (both social and commercial) that they undertake. While the small size does expose social enterprise to vulnerability, existing activities do offer a sound platform for future growth. If the right conditions can be provided, social enterprise in Brighton and Hove offers exceptional opportunities for both economic growth and greater social participation.

Future research should explore the potential for development based on three areas:

1. Growth and sustainability

The small scale of many existing organisations results in a high level of vulnerability. Until more social enterprises are employing more staff and building a larger turnover this vulnerability will have implications for sustainability and the ability of organisations to attract larger contracts.

In addition to a greater chance of survival, larger organisations are also better equipped to deliver social benefits through a broader range of mechanisms. These include employment practices, profit sharing and delivery of environmental benefits.

There is no single route to growth identified by the organisations in this survey that could deliver the necessary scale and sustainability. The key factor uniting a large proportion (90%) of organisations was a need for a social enterprise network. This could for on-going dialogue with social enterprises on the development of an appropriate portfolio of support services.

The need for other forms of business support, particularly 1:1 advice, networking and specialist workshops also needs to be further explored. The information in this report should enable appropriate targeting of this research. It is important to note, however, that this report has not identified the limiting factor to social enterprise growth and that this should be established in dialogue with individual organisations.

2. Partnership -

A full range of partnership opportunities need to be explored in more detail. Different kinds of partnership offer routes into both commercial growth and the further penetration of social enterprise values and culture into commercial and public sector environments.

Four kinds of partnership require further exploration:

Firstly, partnerships between social enterprises to share skills, resources and activities in order to create more robust organisations for procurement and contracting with both public sector bodies and private businesses.

Secondly, partnerships between businesses and public sector bodies based on in-kind voluntary exchange of skills, resources and surplus equipment. Businesses offer the time and skills of their staff as part of their social responsibility programmes. The result not only supports the receiving social enterprise, but also enables business employees to gain insight to the social enterprise business model and share the innovation and social values of the social enterprise environment.

Thirdly, ‘mentor’ partnerships between larger, more established social enterprises and smaller, start-up social enterprises. This could involve the establishment of new learning networks through ProfitNet and the University of Brighton’s Graduate Certificate in Social Enterprise.

Fourth, commercial partnerships with private businesses. This may offer some organisations a route to growth. There may be benefits for both sides in involvement with joint projects and services. Possibilities for commercial partnerships include both supply chain integration of private sector businesses with social enterprises and the development of products and services through partnerships between private business and social enterprise.

3. Promotion

More work is required to build the profile of the sector generally. Sharing successes from the social enterprise environment will lead to stronger relationships with both private and public sector bodies. This has been identified as a priority in the government’s 2006 social enterprise action plan.

One of the key lessons of this survey has been the value of placing the promotion and development of the social enterprise sector into local hands. The development of a user-driven and open access survey has enabled the key characteristics of social enterprise in the context of Brighton and Hove to be identified. The next step is for local stakeholders to use this information in the promotion of the sector and to build up a library of case studies and experiences that will continue to prove the credibility and value of Social Enterprises in Brighton and Hove.