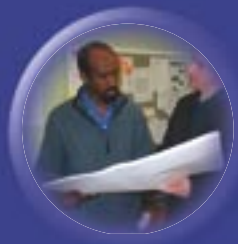


Social Enterprise

in **Leicester**



a framework for growth

where we are

and where we're going

We have uncovered a hidden treasure: a network of diverse and thriving businesses which are contributing to and committed to the prosperity of Leicester.

- We believe that social enterprises have the potential to make an even greater contribution to Leicester's prosperity in the future.
- We envisage a fully developed social economy for Leicester, with social enterprises trading with each other and in the open market, and competing successfully for contracts from the public and private sectors.
- We envisage a world in which everybody understands what a social enterprise is - from business advisors to school leavers and career advisors, and in which institutions promote social enterprise as a positive business model.
- We envisage a city that supports social enterprises in the long term through the buying power and investment choices of institutions and individuals, and through the investment choices of banks, trusts, the public sector and individuals.
- We envisage a learning network that shares expertise and experience, building the confidence of community groups to start businesses and of businesses to embrace democratic ownership. We envisage specialist social enterprise support and training agencies, business to business mentoring, and business partnerships.
- We envisage a city that champions social enterprise equally alongside private enterprise and the voluntary sector as the way forward for economic and social regeneration, arts and leisure provision and the sustainable development of Leicester in years to come.

Please join us in raising a toast to Leicester's hidden asset, in honestly appraising its faults and in helping to ensure its future.

To Leicester's Social Enterprises... Long may they work!

Supported by:

Tina McEwen

Tina McEwen

Group Chief Executive, Chamber Business Link

Patricia Hewitt

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Secretary of State for Trade & Industry

Rodney Green

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Chief Executive, Leicestershire Economic Partnership

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Director, Leicester Social Economy Consortium

In 2002 a small group of people and organisations wondered whether more could be done to support social enterprises in Leicester. The Leicester Social Enterprise Network of support agencies and practitioners was formed and worked together over the course of 2003 to develop our ideas and working relationships. This report is one result of this work.

The organisations were: Leicester & County Co-operative Development Agency (LCCDA), Leicester City Council (LCC) - Economic Development Group, Business Link Leicester (BLL), Leicester CAN (Community Action Network) and Social Enterprise East Midlands (SEEM). You can meet the partners and find out about their work in supporting social enterprises on pages 20-22.

Another result of the network's activities is some research into the current state of social enterprise in Leicester today. You can find a summary of the research on pages 17-19.

You will find case studies and snapshots (literally) of some of Leicester's successes throughout.

On pages 5-16 we have outlined our vision, using as a basis the four 'drivers' of the Leicestershire Economic Partnership (LSEP), as this provides one of the main frameworks for economic development in the City today.

LAND & BUILDINGS page 5

ENTERPRISE & INNOVATION page 8

PEOPLE & SKILLS page 13

SUSTAINABLE COMMUNITIES page 15

EXECUTIVE SUMMARY... there isn't one! For the reader in a hurry we suggest a perusal of our vision sections on pages 7, 12, 14 and 16.

We identified around 100 social enterprises in Leicester and received information from 65 of them.

- **Collectively these 65 SEs have a turnover in the region of £27.5 million**
- **61% receive 100% of their income directly from trading.**
- **They collectively provide 172 part time and 326 full time jobs.**
- **Together they involve in the region of 900 volunteers in their work**

Their businesses cover: retail, training, construction, arts, textiles, community development, managed workspaces, recycling, youth work, local food, fair trade, childcare, cleaning, hospitality, neighbourhood regeneration, social care, security, interpretation, healthcare, printing and design, photography, architecture, financial services, sports, landscaping, employment training, education, motor vehicle services, and more!

There has been a considerable amount of discussion about what is and what's not a social enterprise.

A useful working definition is offered by Social Enterprise East Midlands (SEEM):

**A social enterprise is an organisation which is involved
in enterprising activities for social aims with social ownership
and democratic principles at its core.**

The Government says that a social enterprise has to be able to demonstrate that 50% or more of its income is earned from trading or that they are aiming for this target. The aim of this project was not to come up with a 'Leicester definition' - you will find discussion of how we decided who to include in our survey on page 17.

For further information on definitions, a glossary of relevant terms and other details, including some interesting case studies, we refer the reader the Social Enterprise Coalition publication: 'There's more to business than you think'. (www.socialenterprise.org.uk)

Perhaps the best way to recognise a social enterprise is to ask what contribution it makes to society over and above providing jobs, and what its underlying values and ethos are (taken from a vision day held as part of the project)

Democratic ownership offers

- Protection for weaker economic interests in competitive global economy
- Control for members over services and/or working conditions
- Prevention of take-over and relocation, and employee ownership succession strategies
- Potential for self-development and citizenship
- Long term investment decisions rather than short term asset stripping
- Less likelihood of relocation if going gets tough

Enterprise culture offers

- Service delivery combining fairness of public sector and entrepreneurship of private sector
- Generation of surpluses to reinvest locally
- Reduced reliance on public subsidy and greater independence for not-for-profits
- Potential to attract private investment to social causes



Social goals offer

- Local circulation of profits and prevention of money 'leakage' from local economy
- Poor communities retain or gain financial, housing, employment and retail services
- Sustainable job creation especially in deprived areas
- Local services under local control
- Investment in learning and training, often in those with fewest skills and opportunities
- Building of social capital through involvement of volunteers and co-operative approaches

Re-investment of profits

- Their profits are re-invested into the business, making them stronger. Or they are redistributed amongst workers, creating incentives. Or they are invested for community benefit
- Can undertake business activities which are not necessarily profitable in the free market

How do we know?

- ?
- A number of measurement 'tools' have been developed, including: social audit, social capital and 'BRIAN' (currently being piloted in the region), to help social enterprises go beyond conventional economic measures to prove their social benefit - the 'double bottom line.'
-

What makes these businesses successful is primarily the commitment of dedicated people with vision, courage, skill and hard work. However, the support of experienced advisors providing legal and business advice, confidence building, and routes to appropriate finance is vital. Financial investment in the form of start up grants and loans is also essential.

Muslim Khatri Association

Converted warehouse purchased 1984

- award-winning, environmentally-friendly community centre
- over 60 different classes every week
- 'first rung' support to attract people into learning activities
- computer training room
- high-tech cardio-vascular fitness suite
- disabled access
- incubator offices for social enterprises

- 40% income generated by activities in the centre, 10% from local donations and 50% from grants
- Turnover in 2003 will exceed £250,000
- One co-op 'spin off', more developing



What social enterprises contribute

Social enterprises offer innovative models for regenerating derelict land and buildings and returning them to economic use.

This is achieved by bringing together different partners, harnessing the skills and 'sweat equity' of volunteers, investing a mix of private and public funds and transferring assets to a community or social enterprise. The type of development can include housing, industrial units, community buildings or gardens, leisure centre or retail units. Because the asset does not need to provide a profit for shareholders or to pay back high interest loans, it can become economically viable in a way which otherwise would not be possible. The return on investment for public authorities may be a reduction in vandalism, improved health, reduced welfare payments, a more self-reliant community or simply a reduced maintenance bill. This type of regeneration is known as 'asset based development'.

There is an opportunity not only for specific projects to contribute, but for strategic partnerships of social enterprise to support and enhance the current wave of physical regeneration in the City.

Social enterprises also offer excellent models for the management of multi-use community centres, involving users in management decisions and in day-to-day maintenance. Examples include healthy living centres, community cafés, family centres and nursery schools. Open space can also be managed in this way as community gardens, reducing maintenance costs and increasing use.

Examples of how social enterprises in Leicester are making a contribution to this theme: Leicester Social Economy Consortium/Phoenix Yard, Highpoint and Newlife Construction, Woodgate Resources Centre, Peepul Centre, BiLDiT 2002, KCY, CAPTA Centre, Environ.



Phoenix Yard



Highpoint



Newlife

Springboard Centre

- Set up in 1985, originally as managed workspace but evolved into incubator.
- 70 units from 150 to 2,000 sq ft, facilitating all types of enterprise including social.
- workspace; on site administration; reception; ICT and office equipment; car parking; training suite, café
- phased rents and occupancy
- waiting list of prospective new start-up businesses, many of which have applied through using services provided by companies at the centre
- business advice delivered by Business Link and other agencies on site
- 'Spin Off' social enterprises e.g. Mantle Community Arts, supported by LCCDA
- 30% of income is council grants and 70% rent.
- Five employees and volunteer Board Members run the centre.

Supporting social enterprises

1. Asset transfer can provide a good strategy for community and voluntary sector development. It enables independence through providing a valuable long term income stream. Any organisation with surplus building stock should seek to transfer it to a social enterprise for re-use if possible.

2. Social enterprises, like all businesses, need start up premises and managed workspaces can be an ideal first step. However, a Business Incubator (a property with small work units which provides an instructive and supportive environment to entrepreneurs at start-up and during the early stages of business) is even more useful. A 99/2000 UKBI study found that 80-90% of companies in incubators survive, compared to just 50% of small firms outside incubators. Experience & research (CAN, UKBI) tells us that the building is not enough - the human factors are what make an incubator work.

There are no incubators or similar aimed specifically at Social Enterprise in Leicester at the time of writing. There is a nearby example of a development that has successfully incorporated social enterprise at the Springboard Centre in Coalville and there are a number of existing and developing centres that may be useful.

Existing units that, with additional resources, could host or incubate social enterprises include:

- Several Council owned units and workshops including two centres managed by the Economic Development Group: the Linwood Workshops and the Wyvern Centre.
- The 'Depot' - which will provide 57 studio/work units for local creative industries businesses.
- Hot desks as part of the CAN 'cluster within the Active Communities Centre'
- Centres started by independent social entrepreneurs e.g. KCY services and 'Frontline' in the City centre and Amazon Enterprises on Evington Rd.

We are aware of three or four centres that are at planning, feasibility or applying for funding stage, which may have an element of Social Enterprise support, in Belgrave, Braunstone, Humberstone and St Matthews

Our research found that 69% of social enterprises needed support relating to premises. 25% have plans to move or expand and need premises for use as: classroom, light industrial, office, storage, wholesale, retail, crèche, training rooms, refurbishment as incubator and managed workspace.

If all the planned incubator developments were to come to fruition and all the planned and existing centres had good access to Social Enterprise Support then Leicester would have a good coverage of incubators at least covering light industrial and office based enterprises. What is missing is a 'retail incubator'.

To be really useful, these incubators will need:

Access to specific business support and funding advice relevant to the enterprises' needs

Partnerships with relevant educational and training establishments

Links with local mainstream business to provide mentoring on both sides and facilitate a better understanding of social enterprise as a whole.

Routes to growth funding from banks and specialised loan funds

Another consideration is the idea of an 'incubation host' - where a private, voluntary or public sector organisation could be supported to host an incubating social enterprise. We need to identify organisations with physical space and the willingness to take on this role, e.g. Soft Touch Community Arts Co-op has provided incubation space to another arts co-op and two other businesses.

Phoenix Yard

The Phoenix Yard offers 28,000 square feet of building space for lease and rent in three recently refurbished Victorian mill buildings near the City centre. The project brought back into use a group of derelict buildings which had a considerable future life but which were otherwise likely to be demolished, creating an asset worth £1.75 million with a turnover of approximately £180k. The project was led by Leicester Social Economy Consortium, effectively the trading arm of Leicester Shelter, the housing charity, via SHARP, its training arm. The success of the initiative contributed to Leicester subsequently securing major structural funds. Leicester City Council supported the initiative, acting as the accountable body for European Union funding and releasing a social economy development officer for six months to work as project manager, following two years of capacity building. The Phoenix Yard now houses the Centre for Enterprise, the Leicestershire Centre for Integrated Living and many other agencies and businesses.



Highpoint

Highpoint Conference Centre was opened in March 2002 as one of the region's premier venues and as a centre of excellence for community learning, social enterprise and regeneration. The £6m project sensitively renovated and brought back into use a convent and chapel to create a high quality conference venue combining modern facilities and design with sensitive restoration of historic features. Developed by Leicester Housing Association and built by Newlife, the work created 130 on site training opportunities for local college students. With a turnover exceeding £1m, the company has created more than 30 jobs, many in the local community and the centre has attracted many events directly relating to regeneration and community development. Highpoint is part of the TREES social enterprise group which includes Newlife (a construction company) and Thorpete (a gas servicing company).



Maximise opportunities for social enterprises to support the redevelopment of the City Centre and its surrounding areas, promoting good design, innovative uses and enriching the environment.

- Set up a City wide, neighbourhood controlled, small works and grounds maintenance social enterprise company, to help maintain regenerated areas
- Develop a 'masterplan' for the social enterprise sector that parallels and supports the Leicester Regeneration Company and helps to deliver aspects of the Leicester Partnership actions.
- Identify underused buildings for redevelopment and brownfield land for reclamation

Explore the potential of social enterprise models for the management of some facilities currently run by the public sector in order to provide greater stakeholder involvement, shared facilities, and more commercial freedom e.g.

- Council owned leisure facilities that are currently being reviewed
- Planned developments in Primary Care facilities through the LIFT programme

Enable social enterprise to play a greater role in developing and managing incubators and managed workspaces around the City.

- Support the initiatives that are in the planning stage in areas such as Humberstone, Belgrave, Braunstone, St Matthews etc.
- Develop a 'retail incubator' for businesses that require retail frontage.

e.g. St Matthews Managed Workspace & Studios

LSE Consortium are leading plans to convert a 3,000m² factory building in St Matthews into managed workspaces and incubator units for local entrepreneurs - social and commercial.

The Centre, supported by CAN, and with local social enterprises already on board, aims to be a centre of excellence, bringing together a cluster of social enterprises acting as supporting organisations with each other as well as for the local community. The workspace provided will be part of complete package including:

- a business advice and support resource, specialising in supporting start-up business and developing the social economy
- work placements, vocational training and personal development support for long-term unemployed people
- Targeted support for businesses owned/managed by people from disadvantaged groups, including women, ethnic minorities and people with disabilities
- 43 new full-time equivalent jobs created

What social enterprises contribute

Social enterprises are at the forefront of innovation and business collaboration.

Managed workspaces and incubators are often run by or as social enterprises. Secondary marketing co-operatives are in themselves forms of business cluster, enabling sole traders or micro-businesses to pursue joint marketing and development strategies and increase their market share.

Social enterprises are one of the most powerful means we have of promoting economic inclusion, keeping wealth in the local economy, providing training and development, a 'bridge to work' for the long term unemployed, and work for people with disabilities excluded from the mainstream economy, offering an attractive route to business for new entrepreneurs and an appropriate model for the community development goals of some ethnic minority entrepreneurs.

Social enterprises have been at the forefront of the environmental sector including: renewable energy, recycling, sustainable transport, and organic food.

Social enterprises can deliver a wide range of public services in an innovative way, including: care co-operatives; leisure centres; school meals; cleaning services, nurseries & childcare.

Examples of social enterprise making a contribution to these themes include: Just Services Ltd, Hitslink Management Co-op, Youth Arts Leicestershire, Acuherb Good Health Centre, Soft Touch Co-operative Ltd, Language Services Co-op, Newlife construction, Ethnic Minority Employment Services, Leicester African-Caribbean Business Association, Shepshed Carers.



Social enterprises operate as businesses but with social objectives. They need specialist business support relating to their special legal and financial structures, democratic principles and 'double bottom line'. Communities starting enterprises often need pre-business confidence building as well.

What is currently available in Leicester?

| | LCCDA | BLL | CAN | LCC | SEEM | Other Organisations |
|---|-------|-----|-------------|-----|------|--|
| One to one support for business startup | ● | ● | ● | | | Frontline Training |
| Work with groups | ● | ● | | ● | | |
| Legal advice and democratic structures | ● | | | | | Can-online (for Can members) |
| Asset based development | ● | | Co-location | ● | | Leicester Housing Association Leicester Social Economy Consortium |
| Loans and grants | ● | ● | | | ● | Princes Trust |
| Funding & finance advice | ● | ● | ● | ● | ● | |
| Community development & capacity building | ● | | | ● | | Frontline Training |
| General entrepreneurship programmes | | ● | ● | | | Centre for Enterprise Princes Trust |
| Networking and learning events and activities | | ● | ● | | ● | |
| Incubation of new social enterprises | | | Hot-desking | | | Leicester Housing Association KCY Amazon Enterprises |
| Outreach to faith and minority ethnic groups | ● | | | | | Leicester African Caribbean Business Association LABA |

For profiles of the partners please see pages 20-22

A variety of other organisations are already making, or have potential to make, strong contributions to Social Enterprise support

- Leicester Housing Association (through the TREES family of businesses)
- The Princes Trust
- Leicester Social Economy Consortium
- The Centre for Enterprise
- Leicester African Caribbean Business Association
- Leicester Asian Business Association
- Frontline Training
- Programmes aiming to encourage enterprise development in disadvantaged areas
- Local Alchemy (funded by EMDA and run by the New Economics Foundation as a 3 year pilot in Leicester North West)

74% of SEs need management consultancy
 45% of SEs need some kind of training
 63% of SEs need help with marketing
 70% of SEs need help in relation to premises
 71% of SEs need specialist legal advice

In general there is more support for new and pre-start up enterprises in Leicester than for established and expanding businesses.

Routes to Social Enterprise

1. New Starts: one or a group of entrepreneurs come together to start a business. Financed from bank lending, investment by founding entrepreneurs (e.g. using redundancy money), social venture capital and public sector grants for social enterprise or micro-enterprise. May also start as a spin-off from an existing business or organisation e.g. Just Fair Trade, A-Z Construction Services, Soft Touch Arts, Leicester Wholefood Co-operative, Thorpete, STRIDE, Twilight Zone

2. Community Development start-ups: develop from a grass-roots community project, community consultation or regeneration programme. Unlikely to have personal investment, since they usually begin in deprived areas. Bank funding difficult to access as the business proposed to serve an underinvested area and is unlikely to be seen as good investment prospect. Start up investment from local authority or local regeneration funding, European funds, soft loans or donations. In some cases a building or piece of land may be offered to a community for a peppercorn rent and become the basis of a Development Trust, e.g. BiLDiT Ltd, Red Kite Nursery, Peepul Centre, Phoenix Yard, Manna Resource Centre, Braunstone Childcare Co-operative, Chaos Enterprises

3. Externalisation of Public Services: a local authority plans to sell off a public service, e.g. parks service, leisure, or care services. Staff and other stakeholders form a social enterprise to buy out or contract for the privatised service. Often financed by a combination of redundancy payments, local authority service contract and business start-up grants. e.g. Hitslink Management Co-op, Youth Arts Leicestershire, Shepshed Carers

4. Conversion of a voluntary group or private firm into a social enterprise, often as an employee owned co-operative: When a business owner is retiring, a charity is threatened with closure or a voluntary group is seeking more sustainable income e.g. CAPTA Centre, Glebelands Day Nursery, Qualsec Services, Scaleways Ltd, Leicester Pleating Company

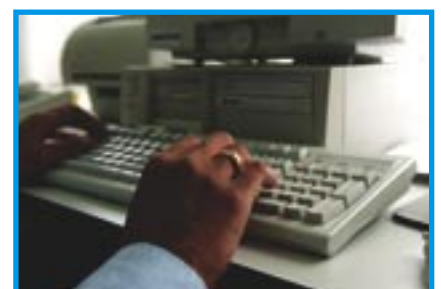
5. Direct sponsorship/re-directing mainstream spend: Leicester Housing Association have pioneered this approach by generating new businesses such as Thorpete and Newlife under their own umbrella and then launching them into the mainstream as independent social businesses.

6. Franchising or replication of existing businesses: This is a relatively new route for the social sector but increasingly being considered as a potentially lower risk start up route. Social Enterprises may start up using a model that is successful elsewhere which may be a social or commercial. (This year has seen the first commercial franchise being taken on by a social enterprise - a 'Ben & Jerry's' franchise in Chester)

ICCT

The 'Framework' project included training and a local pilot of the 'can-online' system - a membership extranet linked to CAN's web site which is designed to be a tool for collaboration (hence ICCT - information, communication & collaboration technology). This provides a range of interactive features to support social entrepreneurs and has great potential to be developed with local collaboration, learning & networking.

All the partners have web sites. Business Link's site is large and well developed, linking to the national Business Link network and may be open for further tailoring to social enterprise needs. SEEM's site is still under development but also has a range of potentially useful features.



Clusters

Social enterprise clusters could help to make social enterprises more competitive and more efficient, encouraging horizontal and vertical linkages and inter-trading and raising the profile of the sector. Clusters are geographically concentrated networks of firms within and across industries, together with non-business organisations, such as universities, that are interlinked (formally and informally) through commercial relationships, infrastructure, customers, skills and so on, where these linkages enhance competitiveness. Cluster theory argues that collaboration underpins the success of industrial “clusters” such as financial services in London or high-tech industries in Southern California. The DTI strategy, ‘Social Enterprise: a Strategy for Success’ refers to Government being keen to support the development of social enterprise clusters. In ‘Researching Social Enterprise’, a report for the Small Business Service, researchers noted ‘evidence of clustering of social enterprises, often based on links with particular support agencies, as well as each other, that sometimes includes common roots. It was more common for case study enterprises to access business advice through informal networks than from formal sources.’

FINANCE

Social enterprises usually have a complex portfolio of start up investment and ongoing income streams, drawn from the public and private sectors, often a mix of direct trading of goods or services, service level agreements, grants and loans, venture capital, even sweat equity and volunteer input. Intermediary organisations are essential in helping entrepreneurs to access and manage all kinds of finance.

62 of Leicester’s SEs have more than 1 kind of client base (i.e. private sector, general public etc.) and 9 of them have 4, demonstrating the complexity of social enterprise income streams.

84% of SEs need financial advice, and 63% need new income sources.

Some social enterprises look to the mainstream banking sector for their investment finance. Some, however, are of no interest to banks because, in the words of ICOF, ‘few of their activities are high added value in the financial sense, although they are high value in the sense of quality of life in some of the UK’s most impoverished and deprived communities, and they can operate as viable businesses.’ Therefore other organisations have developed a range of mechanisms providing access to finance, ranging from ‘micro-credit’ schemes to help those starting self employment and the provision of finance for community and social enterprise, to funds making commercial loans and venture capital available to markets that are unattractive to mainstream commercial finance. Collectively, these mechanisms are known as Community Development Finance Institutions (CDFIs)

Leicester Housing Association is currently examining the case for a Community Re-investment Trust for Leicester. This is likely to cover personal, business and property related lending but all with the aim of tackling financial exclusion.

Although a very specific type of Social Enterprise and not covered in our research, we need to mention the Credit Unions in Leicester, both the long established Caribbean CU and the new ‘Clockwise’ CU formed from the merger of the City Council and Highfields CUs.

The East Midland Community Loan Fund is a partnership organisation for the East Midlands, providing loan finance to ‘not-for-profit’ organisations that are economically viable but are unable to access mainstream loan finance. EMCLF provides loans of between £15,000 and £100,000.

Some community enterprises and Intermediate Labour Market companies have been launched with a regeneration grant through the Single Regeneration Budget or New Deal for Communities, or through the European Social Fund, often as exit strategies for regeneration programmes. Examples include Red Kite Nursery, BiLDiT and Saffron Community Enterprises Ltd. Programmes which are ongoing and provide the potential for new social enterprises include Leicester North West SRB, Gtr Humberstone SRB and Braunstone Nursery Co-op.



The network of over 100 established social enterprises related to the LCCDA is already a nascent cluster. We could stimulate more clustering within Leicester’s social enterprise sector by:

- continuing specialist support for Leicester social enterprise
- sharing managed workspaces and incubators
- running a social enterprise forum or network
- organising business to business mentoring
- developing links to universities providing specialised training
- collective buying of goods and services
- inter-trading of goods and services
- development of specialist clusters such as childcare co-operatives, development trusts or clusters linked to specific communities.

Procurement

The public sector is already an important purchaser of the goods and services of social enterprises, through service level agreements, ranging from education and training, youth and community and arts and leisure, to translation, farmers' markets and care work. A good nearby example of procurement is shown in Shepshed Carers. This range of services could be extended if the additional value of contracting with the social enterprise sector was recognised and procurement policies enabled social enterprises to compete effectively. These policies need to recognise the sometimes greater cost of running a social enterprise due to the incorporation of social and environmental goals such as training unemployed people or using environmental technologies. The benefits to the city of procuring goods and services from social enterprises would include ensuring public money circulates locally rather than leaking out of the City's economy, supporting local employment and fair employment practices and enabling local people to have say in the way services are delivered and managed. Supporting local procurement can also be achieved by helping to set up social enterprises when services such as leisure centres are being sold off or privatised.



Business Growth

Until recently the sector has not tended to look strategically at growth opportunities.

This framework gives the opportunity, for example, to consider how the sector could strategically respond to skills or service shortages in the City or to consider how successful business ideas could be replicated.

CAN has for the last two years been raising awareness of a range of growth models through seminars and through business analysis and customised support (in partnership with London Business School). This has led to several successes, including setting up a distribution deal for STRIDE in Leicester.

Over the next two years the mission is to make a significant impact on growth in the social sector through:

- franchising/replication as an innovative method to help people in disadvantaged areas to set up in business.
- facilitating the development of clusters and co-location programmes to house and/or incubate social enterprises thereby enabling them to grow
- helping existing social enterprise to grow, diversify and become more profitable through franchising, co-location and appropriate business support.
- embedding these approaches within mainstream providers.

Shepshed Carers

Shepshed Carers is a worker co-op started by 2 people who had been made redundant which has grown in 10 years to 70 worker-members and a turnover of £432k. The co-op provides homecare services to the elderly and others with dependency needs, largely under contract to Social Services. The enormous success of the business is due to its "co-operative culture" and excellent staff training programme which encourages members to stay and work hard towards the co-op's goals. LCCDA has provided support since the start in areas such as recruitment procedures, staff policies, all types of employment matters, training and policy procedures. The co-op's development plan involves all carers achieving NVQ level 3 in their first 12 months of employment. Encouraged by this "learning environment" some workers have moved on to higher qualifications, and then gone on to other careers such as nursing and teaching and full time education. The co-op is planning more growth and the development of "satellite" co-ops and the LCCDA is providing specialist training on group working and cohesion in acknowledgement of the changing structure and size. Succession issues will also need to be managed with training provided on the role and responsibilities of company directors for the co-op's team leaders. The LCCDA introduced Investors in People to the co-op and they were able to call upon their first class learning culture to obtain iP in a very short time. "And we started without an 'O' level between us!" said one of the founder-member Directors.



Shepshed Carers with LCCDA advisors and Stephen Timms, former Social Enterprise Minister

A network approach to support that makes best use of the complementary approaches of current agencies, encouraging a diversity of approaches but avoiding duplication

- A variety of start up routes offered by different agencies
- Continued & enhanced provision of 'aftercare' services for start-ups and existing businesses
- Bigger organisations underwriting, incubating and championing new start ups - this could extend to include the private sector and smaller organisations could be assisted to do this through a bursary or loan linked to specialist support.
- Further exploration of growth models & practical ways of sharing good practice e.g. social franchising, buy outs etc.
- Encourage secondment of staff from larger agencies to work intensively with developing social enterprises - this has proved successful and provides mutual benefit.
- A continued Social Enterprise Network for mutual support & learning - expanding to cover the sub region
- Trust fund to support start ups and small businesses needing support: a voucher scheme for people to 'spend' with their agency of choice
- Creating sustainable employment by giving more support to the most vulnerable during the early phases of employment, e.g. more Intermediate labour markets (but integrate with social enterprise permanent jobs)

Promoting social enterprise options alongside other business options:

- A co-ordinated promotional campaign linking into general promotion of an enterprise culture
- Increased enterprise culture and entrepreneurship programmes within communities and for individuals
- Encourage the development of clusters /centres of excellence perhaps linking to emda ideas for Neighbourhood renewal centres of excellence

Sectoral support and cluster development

- Women entrepreneurs
- Black & Minority Ethnic and new arrival communities - mutual exchange of entrepreneurial skills
- Arts & cultural industries
- Young people
- Further work on targeting disadvantaged wards and vulnerable groups such as young and ex-offenders
- The over 45s - a growing source of expertise

Better use of ICT in supporting enterprise

- Explore a ICT base portal for SE business support
- Increased networking using ICT e.g. intranets
- Sector training & support for businesses to increase their use of ICT

e.g. Somali Enterprise Cluster

The last 18 months have seen the relocation of many Somalis to Leicester, bringing with them a cultural tradition of self-help and mutuality. The LCCDA has become a central business agency for these communities who are developing a range of social enterprises to meet their needs. One such is AqOon Education Services Ltd (AES) (also supported by CAN through mentoring and funding advice). This has been set up by 5 Somali educated professionals who wish to support the education and integration of newly arrived people. Plans are being developed for after school and supplementary schools, homework clubs and family learning programmes to improve literacy and numeracy, as well as translation and interpretation services. AES is in the process of negotiating a service level agreement with the City Council to provide these services. Other social enterprises developing in this community include Ecological Society (food growing), Ethnic Minority Employment Services (employment agency), childcare and garage services.



vision

What Social Enterprises Contribute

Social enterprise is a growing field of employment and offers a route into business for many people who would not otherwise have the confidence or support from the mainstream to go into business. They often exist primarily to provide meaningful work under the control of the members.

Some social enterprises are established specifically to create enterprise and employment in areas of low employment, offering employment training, work experience, job search, and business advice. Intermediate Labour Markets provide a tried and tested route into employment for the long term unemployed. Social enterprise models can provide a lifeline for workers in threatened businesses through employee buyouts. A high number of co-operatives have been started by people from Black Minority & Ethnic communities to meet specific market needs of their communities. Research demonstrates that social enterprises have a high commitment to employee learning. LCCDA was itself one of the first organisations in Leicester to achieve the Investors in People award.

Examples in Leicester include: A-Z Construction Services, Gayatri Beauty Clinic, Rene Distribution, Apex, NewLife, SOFA, STRIDE, LACBA, Ethnic Minority Employment Service, AES Services, Scaleways.



Scaleways

In 1995 the owner of this successful Leicester business was in semi retirement but had no-one to inherit the business he had started 30 years before. With a longstanding experienced workforce he saw publicity about the LCCDA being able to help employees buy out the company they worked for on owners retirement. The idea was introduced to the staff and they were very enthusiastic. LCCDA worked intensively with the employees on the valuation and business planning, and tailored a worker co-operative structure with share ownership but still run on a one person one vote basis. The buyout was financed by the LCCDA's Loan Fund and through specialist social economy lender ICOF. The LCCDA also acted as the pivotal body co-ordinating activities of buyers, vendor, accountants and solicitors. After the buyout the new owners made lots of improvements in the management and quality systems and moved to new premises. The advantages to the previous owner included, among other things, avoidance of redundancy and liquidation costs. Only 30% of family businesses such as Scaleways are passed on to the next generation, yet these SMEs are the backbone of the East Midlands economy.



Supporting Social Enterprises

45% of SEs identified a need for training of some kind

28% of SEs need help with human resources

Training and advice is an essential part of creating and nurturing any business or organisation in whichever sector. Social entrepreneurs need specific skills due to the 'double bottom line' they operate - financial profit and social good. If we can share these and pass them on, we can save a good deal of time, money and heartache.

'A social entrepreneur is someone who works in an entrepreneurial manner, but for public or social benefit, rather than to make money. Social entrepreneurs may work in ethical businesses, governmental or public bodies, 'quangos', or the voluntary and community sector.' SSE

One means of sharing our knowledge and developing expertise is through the collective experience of specialist agencies such as LCCDA and LCC's Social Economy team. Another could be a social enterprise cluster, as described on page 10. Yet another could be a School for Social Entrepreneurs.

There is further a need for additional capacity building and training to bring new experienced and skilled people into the support & infrastructure organisations.

There is also the opportunity to act strategically to address general skills shortages across the city, for example in construction.

An emphasis on human resources is particularly important in co-operatives and other democratic businesses. Investors in People is a good place to start, and good support is offered by BLL in achieving this standard. Many social enterprises will seek to go beyond this standard in staff development and training, and there is a need to share good practice in staff development and co-operative working practices.

Some existing & developing initiatives:

- Ideas Spark
- New Entrepreneur Scholarship
- Business Link workshops
- Highpoint Learning
- Training for business advisors

Soft Touch Arts

17 years ago a number of community artists were working as sessional staff for the public sector, employed on an 'as and when' basis. They felt this way of working did not reflect the central principle of community arts - empowerment - and so they decided to take control over their work environment by setting up a workers co-operative, Soft Touch Community Arts. They were helped by LCCDA with a democratic legal structure which recognised their desire for a business with ethical principles and equality in decision-making. Ten years ago the Soft Touch legal structure was amended to include some community directors to accommodate organisations in the public sector they contract with who were not familiar with a worker co-op model as opposed to a voluntary organisation with a management committee. These misunderstandings are common and need to be resolved if co-operatives are to deliver more public services. The Soft Touch Arts co-op are now buying their own building, part of which they will let to other arts co-ops. The LCCDA has helped at all levels of the co-op's development, including with employment and collective management issues inherent in a democratic ownership model. Now employing 9 members, Soft Touch have a national reputation, a turnover of £300k, and provide training in confidence building and creative opportunities for over 1,000 young people a year via music, arts and media, including young offenders and children excluded from school.



A learning network approach to that makes best use of the complementary approaches and skills of current agencies, encouraging a diversity of approaches but avoiding duplication

- Sharing skills between agencies
- A continued Social Enterprise Network for mutual support & learning - expanding to cover the sub region
- A coherent Social Enterprise management & leadership training programme - combination of SSE (see panel, right) Regen School and home grown.
- Further developing high quality advice and guidance
- Working at the pace of groups in the community
- More enabling those with overseas qualifications to be trained to use their skills and experience in social enterprises
- Trust fund to support start ups and small businesses experiencing skill shortages: a voucher scheme for people to 'spend' with their agency of choice
- Creating sustainable employment by giving more support to the most vulnerable during the early phases of employment; e.g. more Intermediate labour markets (but integrate with social enterprise permanent jobs)
- Further work on targeting disadvantaged wards and vulnerable groups such as young and ex-offenders.
- Work with partners to help over 45s transfer skills in order to work in or start social enterprises. e.g. with Experience Works.

e.g. School for Social Entrepreneurs

The School for Social Entrepreneurs provides training to enable people to use their creative and entrepreneurial abilities more fully for social benefit. The school was founded in 1997 by Michael Young (Lord Young of Dartington). Following successful Millennium Awards programmes around the UK, the SSE is now expanding outside its base in Bethnal Green, London. The development of an East Midlands School for Social Entrepreneurs is under way. The school aims to address the demand for increased entrepreneurial capacity within communities by a offering structured programme of:

- Learning through practice: Students work on a practical project
- Peer networking and support: An opportunity to hone ideas, gain strength from each other and problem-solve
- Building knowledge: Looking at political and policy frameworks and adding to contacts
- Developing entrepreneurial behaviour: Nurturing the talent and enthusiasm of entrepreneurs, and adding in skills such as risk assessment and management

What social enterprises contribute

Sustainable communities are self-reliant, inclusive, use resources and assets fully and have thriving local economies. Social enterprises can make an important contribution, capable as they are of reaching 'hard to help' communities, providing services both fairly and efficiently and providing a buffer to the devastating effects of industrial decline and globalisation. Social enterprises are also at the forefront of sustainable business practices.

Sustainable development when applied to the economy requires some fundamental changes in business and economic development practice, and social enterprises have been taking the lead in testing out such business approaches; indeed it is debatable to what extent conventional businesses are able to do so, given the expectations of investors in quick profits.

Examples of social enterprises in Leicester leading sustainable development are Environ, Just Fair Trade, Stride, Red Kite Nursery, Fairshares Timebank, Newlife, BiLDiT2002, SOFA, STRIDE, Saffron Out of School Childcare, Cherubs Childcare Co-op, Complete Wasters, Tangent Design Co-operative, Leicester Wholefood Co-op, CHAOS Enterprises, Woodgate Resource Centre.

Supporting Social Enterprises

One approach is the community development route to developing social enterprise, working at neighbourhood and ward level with community groups and individuals to build their capacity (confidence, skills and know-how) to turn ideas and needs into thriving community businesses. This approach would suggest training all professionals working in communities to understand and recognise the potential for social enterprise and know when to call in specialist help, as recommended by the Government's publication on Neighbourhood Renewal, 'The Learning Curve'. It would suggest that all regeneration programmes look at the potential for social enterprises as exit strategies (in Highfields SRB area, Red Kite Nursery is one of the few projects which has survived beyond the life of the programme).

Confidence building courses in target areas to create a can-do entrepreneurial culture could be run in schools and community settings.

The Leicester City Council Social Economy Development Officer supports the concept of long term community development approaches to social enterprise development in residential areas with high indices of deprivation. Secondments of staff from organisations such as the City Council and BLL to community organisations have provided in the past a very positive means of practically building capacity in community organisations and this idea could be extended. Holistic local economy development programmes such as Local Alchemy, currently being piloted in Leicester North West, could also be used to help develop ideas for 'plugging leaks' in the local economy.

Procurement policies favouring local labour and high environmental standards could also help to support social enterprises delivering sustainable development, and would encourage more businesses to set up in the fields of recycling, fair trade, organic foods, sustainable transport, renewable energy and so on. The added benefit would be that these types of businesses are often highly labour intensive, so this would also create employment.

Chaos Enterprises

The Chaos Enterprises (CHAOS) vision is to create a sustainable community for its members and local residents by incorporating social, economic and environmental considerations in the creation of new services and the securing of an environment in which people care for each other (e.g development of social capital). To achieve this goal, CHAOS, which has over 100 members and 40 volunteers, has concentrated on following an Asset Base Development approach. This method recognises the economic necessity of building capital as well as human resources under local community control.

Receiving development support from Leicester City Council from its inception, CHAOS was established by local people in the North West area of the City. The area was and is designated as one of multiple social and economic deprivation. It has suffered from the decline in the hosiery and knitwear industry and the loss of other manufacturing sectors. However, local people were determined to break the cycle of deprivation and, after local and national research, created a community development trust in 2001. The main focus for CHAOS is the redevelopment of a 2 acre site called Greenacres into a facility that will include; incubator business units, workshops, café/restaurant, meeting/training spaces, Graphics and IT units, Gallery, Reception and Pets Centre. The Greenacres will incorporate the latest in sustainable technology including biomass heating system, thermal ground source heat pumps, photovoltaic panels and wind turbines.



vision

Raise the profile of social enterprise options in parallel with other approaches to neighbourhood renewal, revitalisation, regeneration & community development

- A co-ordinated promotional campaign linking into programmes
- Increased enterprise culture and entrepreneurship programmes within communities
- Social Enterprises supporting Local Strategic Partnerships in addressing the identified gaps in provision of mainstream services (see idea about Masterplan, page 7)

Explore development of co location or local access centres on a social enterprise basis

- A network of local access centres to be run as Social Enterprises
- Neighbourhood centres/clusters could have local ownership
- Integrated Health centres
- Clusters based on faith groups or other grass roots communities

Supportive links between the Voluntary sector and social enterprise

- Help develop earned income strategies
- Where desired & feasible help voluntary organisations convert to social enterprise

- Encourage secondment of staff from larger agencies to work intensively with developing social enterprises - this has proved successful and provides mutual benefit.
- Encourage mutually beneficial partnerships

Links to locally controlled infrastructure

- Renewable energy,
- ICT local networks
- A continued Social Enterprise Network for mutual support & learning - expanding to cover the sub region
- Creating sustainable employment by giving more support to the most vulnerable during the early phases of employment; e.g. more Intermediate labour markets (but integrate with social enterprise permanent jobs)

Sectoral support and cluster development

- Women entrepreneurs
- Black & Minority Ethnic communities - mutual exchange of entrepreneurial skills
- Arts & cultural industries
- Young people
- Further work on targeting disadvantaged wards and vulnerable groups such as young and ex-offenders.

Reduce gap between the deprived and the wealthy and add to the quality of the City environment

e.g. CAPTA Centre

After 20 years in Leicester providing a Family Centre in Highfields, the charity Childrens Society withdrew funding in September 2003. Staff with 26 years combined experience who would be made redundant are working with the LCCDA to continue to provide the service as a worker co-operative. They do not want to deprive the 200+ existing families who use the centre in an already very disadvantaged area. The centre provides support to families experiencing domestic violence, runs parenting skills groups, after school services, confidence building for children in care, cross cultural education and a host of other childcare and family support. The new co-operative plans to deliver work for Highfields Sure Start and arrange Service Level Agreements to continue the work with Social Services and a range of other providers. Redundancy money will be used to part fund the building purchase (value £300,000) from the charity. The LCCDA is assisting at all levels including changing the unsuitable legal structure which had been supplied "off the shelf" by a local solicitor before the group sourced help from the LCCDA. Help is being provided on sourcing grant and loan finance. LCCDA support will also include facilitating the change to a democratic management structure for the new owners and support in establishing co-operative working methods for the team who were formerly employed by the Childrens Society.



The aims of this research were to provide a snapshot of the Social Enterprise sector in Leicester and to find out about the sort of business support that social enterprises need.

The questionnaire was designed by SEEM as part of its East Midlands wide mapping exercise, and adapted by the local partners. We contacted around 300 organisations from the Leicester social economy (including voluntary organisations). The responses were scored against four main criteria to decide who qualifies as a social enterprise for the purposes of this research. As long as enterprises score something against each dimension, or aim to, they are included. For example several businesses are effectively operating as sole traders but aspire to become co-operatives and have adopted such a structure, whilst a few voluntary organisations are increasing the amount

of earned income and seeking financial independence from grants. Credit unions were not included as they are a very specific type of SE. Our criteria were

- **Enterprise - proportion of income earned through trading**
- **Social - amount of social benefit due to operational methods and business aims**
- **Ownership - degree of social/democratic ownership**
- **Profit distribution - degree that surpluses are reinvested for community/social benefit**

Differences in research philosophy also meant each partner took a different approach to gathering data from its user network and adapted the questionnaire to its needs. This has been taken into account during analysis.

15 out of 250 organisations returned a postal questionnaire for analysis direct

to SEEM from a mailout by the City Council in SEEM's name. This 6% return rate is low but the mailing list probably included many organisations that do not think of themselves as social enterprises e.g. voluntary groups. 50 social enterprises from their client network were interviewed by telephone by LCCDA. 17 enterprises from their network were interviewed face to face by CAN. The personal approach achieved a very high 'return rate' and more qualitative, subjective data as well as the hard facts.

After weeding of duplications and elimination against agreed criteria, 65 respondents were included in the analysis that follows. We estimate that there are 100 SEs in the City, so this represents a significant sample. The list of respondents can be found on page 22.

Thank you to everyone who participated in this research. Apologies to any we may have inadvertently missed out.

Social Enterprise in Leicester – what we found

Ownership

The main organisational structure adopted by social enterprises in Leicester is the Company Limited by Guarantee (60%), followed by the Company Limited by Shares (15%) and the unincorporated Co-operative Partnership (15%) which is now being largely replaced by the Co-operative Limited Liability Partnership, which offers partnership structure with limited liability protection. 5% of local social enterprises are Industrial and Provident Societies, an older but still very much valid form of incorporation. These will soon be complemented by the Community Interest Company (CIC) structure following Government consultation.

Co-operatives operate under a variety of legal structures, there being no specific co-operatives structure under UK law. However, all co-operatives, whatever their structure, operate on a 'one-person, one-vote' basis.

Categorising social enterprises is difficult and some respondents clearly found it hard to place themselves. Our categories are not mutually exclusive and they were not defined in the questionnaire. Some chose more than one category, for example co-operative and community business. Therefore this analysis is based on 73 responses for the 65 respondents!

- 58% are Co-operatives (not farming/agricultural)**
- 11% are Social Businesses**
- 8% are Community Businesses**
- 8% are Voluntary organisations with trading income**
- 4% are Development Trusts**
- 4% are a Charity Trading Company**
- 3% are Employee owned businesses**
- 3% are Other/Not sure**
- 1% are Intermediate Labour Markets**

Research shows that the presence of social enterprises is largely dependent on the presence of specialist development agencies. The incidence of a high number of worker co-operatives reflects the specialist support provided by LCCDA over the past two decades.

79% of the SEs do not have and are not seeking charitable status. This is in line with the aspiration of most social enterprises to be independent from short term grant and trust funding.

85% of these SEs are independent organisations. Just 2 have a parent organisation, 4 are wholly owned subsidiaries (3 of them owned by the same holding company), 2 are the trading arm of a charity and 2 are the project of a regeneration initiative, probably as part of a long term exit strategy.

The average SE was aged 6.3 years. The oldest was 23 years and the youngest less than one year - a few were in the pre trading phase. Research tends to show that the survival rate for co-operatives is higher than the average new business.

Enterprising Activities

SEs can be found across virtually every sector of the economy in Leicester, especially in growth areas such as personal services - childcare, health care, advice services, and cultural services, arts and leisure, hospitality, design etc. An area which is particularly interesting is the number of SEs in the building sector, a very traditional sector of the economy, but one which is crying out for high quality training and recruitment. A growing area is the provision of workspace and training spaces through the redevelopment of derelict buildings.

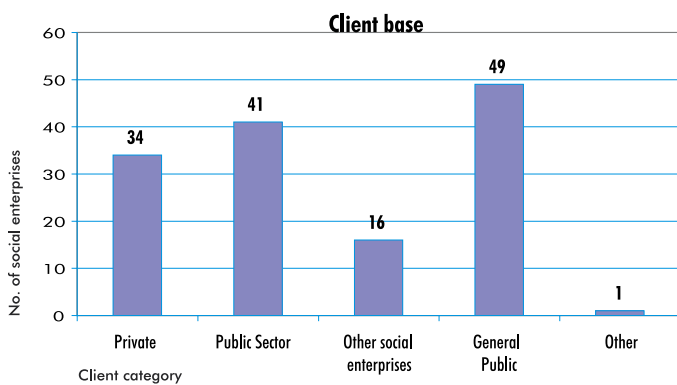
Turnover and Size

Most SEs, like most businesses in the East Midlands, are SMEs (Small to Medium Enterprises) in terms of number of staff and annual turnover. The first category includes a few which are pre-trading or have not had their first full year's income. However, there are some rather large SEs as well, demonstrating the potential for growth in some sectors. 5 SEs have a turnover of more than £1m and 1 has a turnover of more than £5m. Collectively these 65 SEs have a turnover in the region of £27.5 million. They collectively provide 172 part time and 326 full time jobs. The average is 4 part time and 8 full time staff, i.e. these are mainly SMEs. However the range is from 56 to 1 full time jobs.

Social Goals

Social enterprises are identified by their social goals as well their democratic structure and enterprising activities. The primary social goal identified was creating employment opportunities (34%), i.e. creating meaningful, satisfying work for members or beneficiaries. This was followed by community development (11%) and creative arts promotion (9%).

On average SEs also identified 2.5 secondary aims across all the categories offered, indicating the complexity and scale of ambition of many of these enterprises and the range of contributions they are making to Leicester's welfare. In reality the social aim may be achieved in a number of ways - through generating a surplus for a sister or parent organisation (e.g. a charity), through simply providing meaningful work opportunities (e.g. through an employee buyout) or through the result of the enterprises activities themselves (e.g. fair trade, recycling, youth work).



Market Place

The most common market for SEs services is the general public (75%), followed by the public sector (63%). 24% provide services to other social enterprises, demonstrating perhaps the potential for more inter-trading and a stronger social economy.

55 SEs (84% of respondents) derive income through direct trading (including SLAs), 17 from grants (26% of respondents), 3 from property, 1 from endowment funds and 3 from 'other'.

40 SEs derive 100% of their income through direct trading. Of all those which derive income through direct trading, on average 82.5% of income is derived this way. Of those which derive income from grants, on average 63% of income is derived this way (these might be described as aspiring SEs). Of those which derive income through property, on average 38% of income is derived this way. 62 SEs have more than one kind of client base and 9 have 4,

Number of people working on a voluntary basis

38 (58%) of SEs involve volunteers, either in a management committee or to carry out practical tasks, such as caring for the elderly to working with young people. This is another social contribution since volunteering provides opportunities to develop skills and make a contribution to society. It also represents a sometimes significant uncounted contribution to SE turnover.



demonstrating the complexity of social enterprise markets.

22 (34%) of SEs have an SLA or contract, usually but not always with a public sector body or quango. Organisations purchasing services from SEs include: Environ, Job Centre Plus, Small Business Service/Business Link, Private sector companies, Fern training, Housing Associations, LHA, Probation service, Stephenson College, Jobcentre Plus, LSC, Connexions, Neighbourhood Nurseries Initiative, DFES, Haymarket Theatre (now closed), Police, City and county schools and colleges, Leicester voluntary organisations, Birmingham Social Services, Leicester City Museums Service, Beaumont Leys Community Forum, City Council, County Council, GO-EM.

This means that work which might otherwise be contracted to private sector companies is going to organisations with a strong commitment to staff welfare, democratic ownership and social aims.

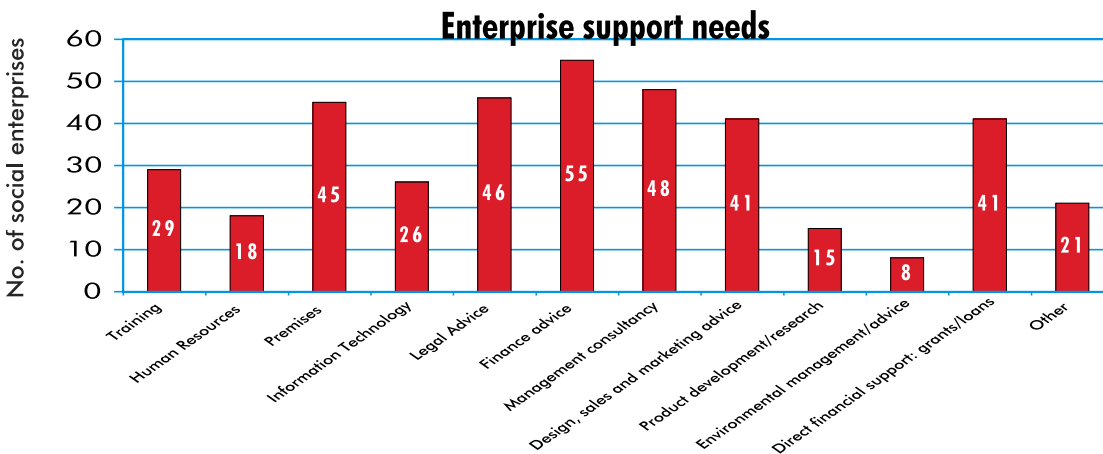
Geographical area served

Respondents could select more than one option, and there was no 'Leicestershire' option, so several SEs selected more than one e.g. rural and urban. The results indicate that whilst a minority of SEs are very local (12% serve a Neighbourhood/local ward), more are East Midlands wide (40%), national (16%) and even international (9%) in their clientele. This indicates a significant inward investment into the City.

Enterprise support needs

Research consistently shows that the effectiveness of business support makes an enormous difference to business survival and growth, and this also goes for social enterprises. We wanted to find out what support SEs need and who they generally access support from. This will help to identify what gaps there are in support in Leicester and what existing support needs expanding and developing.

Respondents identified a big range of support needs, the most popular being help with finance (84% of SEs), with management (74%) and with legal advice (71%).



Specific support or training needs mentioned were:

- staff training, MBA
- ILMs (Intermediate Labour Markets)
- help with public sector contracting
- general confidence building
- moving to new premises
- human resources
- project management, ICT
- database/ITC, grants for Directory
- drafting SLAs
- PR
- business plans, product development
- commercial viability in low income areas
- moving to new premises, public sector tendering
- management, h&s, employment law
- feasibility study, finance, forward planning
- childcare training, human resources
- training for Directors, business skills,
- meet mature organisations, one to one support
- employment law

69% need support relating to premises and 25% have plans to move or expand:

- need more classroom space approx 1000 sq ft, Highfields/St, Matthews
- more light industrial incubators
- moving to cultural quarter, worried about rents
- purchase building
- need more office space, stock room and floor space
- expanding, need 25,000 sq ft
- plans to develop rear of building
- Need to extend office space
- purchase property
- seeking to expand to wholesale and open another retail premises.
- seeking new premises 16,000 sq ft in regeneration area in 12 - 18 months
- seeking 15-20 sq ft office with creche & training rooms to buy
- negotiating on factory in St Matthews - 30,000 sq ft
- plan to buy property to rent out

SEs have accessed support from a wide range of agencies, with the most popular being Leicester and County CDA (47) followed by Business Link (17) and a range of others (24) including:

- Princes Trust
- Architects
- LACBA
- VAL
- Sure Start
- ICOF
- Arts in Business
- DTA
- Thomas White Charity
- Environment Agency
- CAN
- ACEVO, ENGAGE, NCVO
- Pre-school Learning Alliance
- Leicester Race Equality Council
- LCIL
- Local Investment Fund
- City Challenge

Five partners worked together on this project and here you can find out a little more about them...

Angie Hardy - Development Manager, Leicester and County CDA - projects and programmes development and management, external relationships, fund-raising, marketing, legal structures

What support do you offer social enterprises as an organisation?

The CDA has 20 years experience of social enterprise development for all forms of social enterprises, new starts and conversions. Tailoring of legal and ownership structures. Help with finance including agency's own Loan Fund, access to specialist lenders in social economy and High St. Small grants when available. As a co-operative we understand from first hand experience the rewards, risks and responsibilities of social enterprise. Part of the wider co-operative network.

What skills do you and your colleagues offer?

5 colleagues with specialisms in: human resources, legal structures, co-operative working, business planning and management, finance, ITC, marketing and promotion and a social firms specialist. One is fluent in major Asian languages and has experience in co-operatives in Asia. Collectively we have over 60 years experience in co-operatives, family owned businesses, social enterprises and the corporate sector. All staff are members of the Institute of Business Advisers.

What excites you about social enterprises?

There are enormous rewards in working together for a common purpose and being able to express values in business. People providing themselves with satisfying work/local services under their own control whether as workers or community. Expression of local democracy with local communities being able to run

services such as nurseries. Being able to see how people "grow" when they can change the way they work, how many latent skills are brought out and how with support people's confidence grows enormously. Social enterprise opens up business to people who might not do it any other way.

Who inspires you in the social enterprise sector in Leicester and why?

It's a hard question because there are so many... Soft Touch Community Arts Co-op, established for 17 years, whose work in community arts helps empower young people who are excluded, helping to build up their confidence and self esteem via arts, media & music. How Soft Touch approach their work reflects how they run their business, putting into practice co-operative values on an everyday basis. Their success and national reputation for quality work is based on good working practices which comes from working co-operatively with respect for each other, clients, partners and participants.

What do SEs contribute to Leicester's prosperity and well-being?

Good quality work under people's own control. Shared purpose and high working morale. New jobs and services. A way for communities to influence and run services e.g. after regeneration schemes. Good training opportunities in jobs that are set up to last.

What challenges do social enterprises face which are different to conventional businesses?

Getting the ownership structure right to ensure democracy. Accessing expert advisers who understand the aspirations of people who want to run business this way. Making the democracy work! Getting the management structure right. Members taking personal responsibility to be involved whether as workers or a community owned enterprise. Sometimes difficulty in raising finance (because of shared ownership structure not fitting lending criteria etc.) Balancing social and ethical objectives with the need to make a profit for sustainability.

What would make your job easier?

Being able to provide our expert services on a contractual basis without wasting time chasing "project" funding which does not give straightforward benefits to client groups

Dave Ahlquist - Director, Leicester CAN
- an independent company providing the Leicester/East Midlands arm of the national Community Action Network

What support do you offer social enterprises as an organisation?

Mutual learning & support network for Social Entrepreneurs with an online networking tool and face to face events. Practical support to people starting new projects and looking at growth or change e.g. help with funding, marketing/PR & business planning, training & capacity building, developing and managing themed projects (e.g. enterprising young people, community engagement in health), bringing partnerships together (e.g. this project).

What skills do you and your colleagues offer?

Small Leicester core team of two along with associates working on particular areas - Young People's enterprise and PR for the sector. I also work closely with several social entrepreneurs who hot desk from our Leicester office. This is supplemented by links into a national team of 20 HQ staff and 8 regional directors with a wide range of regeneration/community development skills.

What excites you about social enterprises?

New ideas, future potential, combining the energy & efficiency of business with the fairness & compassion of public & voluntary sector

Who inspires you in the social enterprise sector in Leicester and why?

All colleagues who demonstrate a YES culture - and especially those that combine it with knowledge & skills to deliver. The determination shown by the team that brought the groundbreaking Phoenix Yard development about, the straightforward business 'nous' applied to the social sector by businesses like STRIDE, the vision and ambition shown by the team behind the Peepul Centre which has already inspired, even though it's not built yet! The tenacity of the Leicester Housing Association team in incubating social enterprises on top of their core activity. The sheer energy, ideas and entrepreneurial drive that all these show, as well as many featured in this report and who keep coming through the door (the individuals concerned know who they are!) Part of CAN's strength is the ability to connect, through our national network, to inspiring entrepreneurs all over the country - of which there are many, many examples.

What do social enterprises contribute to Leicester's prosperity and well-being?

Current contribution, compared with, for example, the 'mainstream economy', is small. (Although, I suspect, bigger than we think once we start to add up all the pieces). Potential is large in areas such as: keeping economies local & sustainable, improving public services, involving and improving the lives of excluded individuals and communities.

What challenges do social enterprises face which are different to conventional businesses?

Trying to do many things at once - deliver a triple bottom line, be good to employees & provide good services as well as learning on the job. Grappling with profit versus social benefit, along with often complex funding portfolios and the accompanying baggage. Having to explain themselves all the time!

What would make your job easier?

A re-classification within support services of Social Enterprise as a new sector that is about economic development AND community development - not falling between the two. Better ways for support organisations to work together & combine strengths. More Social Entrepreneurs and more opportunities for them to prosper.



Mark Mizzen - Social Economy Development Officer (SEDO), Leicester City Council

- the job combines Policy in the broad field of Social Economy with practical implementation within and helping to inform the work of the Local Authority.

What support do you offer social enterprises as an organisation?

The social economy is much broader than social enterprise. Furthermore, the core focus for the SEDO post within the LCC's Economic Development Group is the less wealthy geographic communities within Leicester as measured by the indices of social deprivation. The key emphasis for support is the community ownership and/or management of initiatives, although information on our managed workplace and other facilities is also given. Information, signposting, hands-on economic development support (short, medium and long-term), advocacy and fund-raising information (via Economic Development Officers) are all part of our responsive approach to the plethora of options (some realistic and some not) that the Economic Development Group (EDG) deals with. Other support with the provision of information is given by specialist Officers.

What skills do you and your colleagues offer?

A team of eleven with a range of skills including both the academic, professional and practical. Business, Management and Youth & Community Development through to practical in-depth experience such as in Asset Base Development. We also work with colleagues in other parts of the Regeneration Division, for example, the Regeneration Section and the European and Regional Office.

What excites you about social enterprises?

The potential for sustainable development, responding to local need.

Who inspires you in the social enterprise sector in Leicester and why?

Geographically based organisations such as Chaos Enterprises (Leicester) Limited. As stated by Cllr. Margo Henry, in the Leicester Link January 2004 Edition, "Greenacres is very exciting and I am delighted that the plans for the project are based on the wishes of local people who have triumphed over every obstacle, and will see the benefit of the money invested".

What do social enterprises contribute to Leicester's prosperity and well-being?

In my experience, community based social enterprises contribute a tremendous amount in terms of social capital. Social capital, which is not measured yet in terms of GDP, but is vital in my opinion to the well-being of our communities.

What challenges do social enterprises face which are different to conventional businesses?

Kishor Tailor, Chief Executive of the Leicestershire Economic Partnership, pointed out recently that mainstream business does not treat the social enterprise sector seriously, and that the majority of his board comes from the mainstream business sector.

Also, for most businesses, success is measured by the end of year 'bottom-line', where as for social enterprise it should be much more about the sustainable factors that contribute to our communities.

What would make your job easier?

Community based sustainable development involves long-term planning and involvement. It would make it easier if more Government resources were provided, through the Local Authorities accountable to local people, to follow this approach.

What is your ambition for the coming year?

The ambition of the Group is the establishment of major Social Economy projects within Leicester that are accountable to local people.



Lesley Severn - Business Development Adviser, Business Link Leicestershire/Social Enterprise Champion Business Link Leicestershire.

What support do you offer social enterprises as an organisation?

Providing support to social enterprises in Leicestershire through the Neighbourhood Renewal Scheme (currently delivered by LCCDA); brokering services to specialist agencies. Business advisers and specialists provide one to one advisory support, diagnosing the needs of businesses including social enterprises, guiding them through an action plan, and brokering to approved suppliers. Start up business support includes training, information and business planning support. The Workforce Development team assist with Investors in People, management development, performance appraisals and training plans.

What excites you about social enterprises?

The innovation and inspiration of those that drive such organisations, and the unleashing and harnessing of energy in the community to work on matters that are not addressed by voluntary organisations or commercial organisations, often identifying new markets and gaps in provision, whilst marrying their skills with business techniques.

Who inspires you in the social enterprise sector in Leicester and why?

Having been seconded for three years until December 2004 to Belgrave Baheno Peepul Centre - a major social enterprise in the City - I was inspired throughout by their sheer determination and drive to regenerate inner areas of Leicester and to unlock the potential of their communities. Over the years they also have changed the thinking in community provision, which has since been adopted by other organisations in the field and by commercial organisations. They have a great knack of listening to what people need, and providing a totally new service to meet it. Their hard work and perseverance have been rewarded with funding of £15.9 million for their new centre, which will create new jobs for over 120 workers over the next 15 months.

What do social enterprises contribute to Leicester's prosperity and well-being?

New markets, new ways of thinking, a creative approach, harnessing enthusiasm and developing skills.

What challenges do social enterprises face which are different to conventional businesses?

The inspiration tends to come from providing a valued service to the community. The support needed is commercial business techniques and skills, to ensure their work is effective, focussed and well managed, and that they have access to the latest ICT skills and knowledge to facilitate their work.

What would make your job easier?

A clear definition on what is a social enterprise being adopted by all Leicestershire agencies supporting social enterprise. A three year strategy of how to support and develop this sector. A means of measuring impact of social enterprises other than income - social capital measurements are currently being piloted in the region, and the lessons learnt need to be addressed. Clearly identifying the special needs of social enterprises.



David Kelly - Services and Development Manager, Social Enterprise East Midlands - my role is to develop new policy innovations, initiatives and membership services for social enterprises and our partners, to collate and disseminate information and intelligence to help stakeholders understand the needs of social enterprise in the region and to manage and support a number of projects within SEEM.

What support do you offer social enterprise as an organisation?

SEEM was established to be the voice of social enterprise in the East Midlands, with the aim of creating an environment in the region where social enterprise is encouraged to develop and enabled to grow. The bulk of our activity is working with regional agencies and support organisations within the social enterprise sector. Direct day to day work with social enterprises is delivered through our local members and partners. The main direct support we have available for social enterprise is the Social Enterprise Development Fund (SEDF). The SEDF covers the 6 counties of the East Midlands with a particular focus on areas and communities of disadvantage and need. It will support new and existing social enterprises, community organisations seeking to be more enterprising and agencies providing support to social enterprises. The SEDF will be used to fund activities which support social enterprise development, create new social enterprises or identify some of the key environmental issues. We also have a Sports Social Enterprise project to grow the number of enterprises within the sport and leisure sector. We have a Development Manager who can work directly with groups.

What skills do you and your colleagues offer?

I have 7 colleagues within SEEM, with a range of skills and experience, including project development and management, finance, advice, social enterprise development, funding, contract management, ICT and administration.

What excites you about social enterprises?

The fact that social enterprise has both an economic role as well as a social role, enabling individuals and communities to work collectively to develop and own solutions to their own identified needs. The fact that communities can come together to provide vital services which the market will not provide as there isn't a profit in it and which the state ignores as it isn't a funding priority. Social enterprise enables communities to have a stake in the development of their local economy, enabling them to become providers of services rather than just being passive recipients.

What challenges do social enterprises face which are different to conventional businesses?

The sector faces a number of key challenges which, through SEEM, we are seeking to address. These include access to quality business advice and support, access to start-up and growth capital, entry into markets, particularly through public procurement routes and being accepted as part of the enterprise community on an equal footing with private business.

What would make your job easier?

Agencies listening to social enterprises and responding to their needs rather than deciding for themselves what is best for the sector.

An agreed understanding of what does and does not constitute a social enterprise.

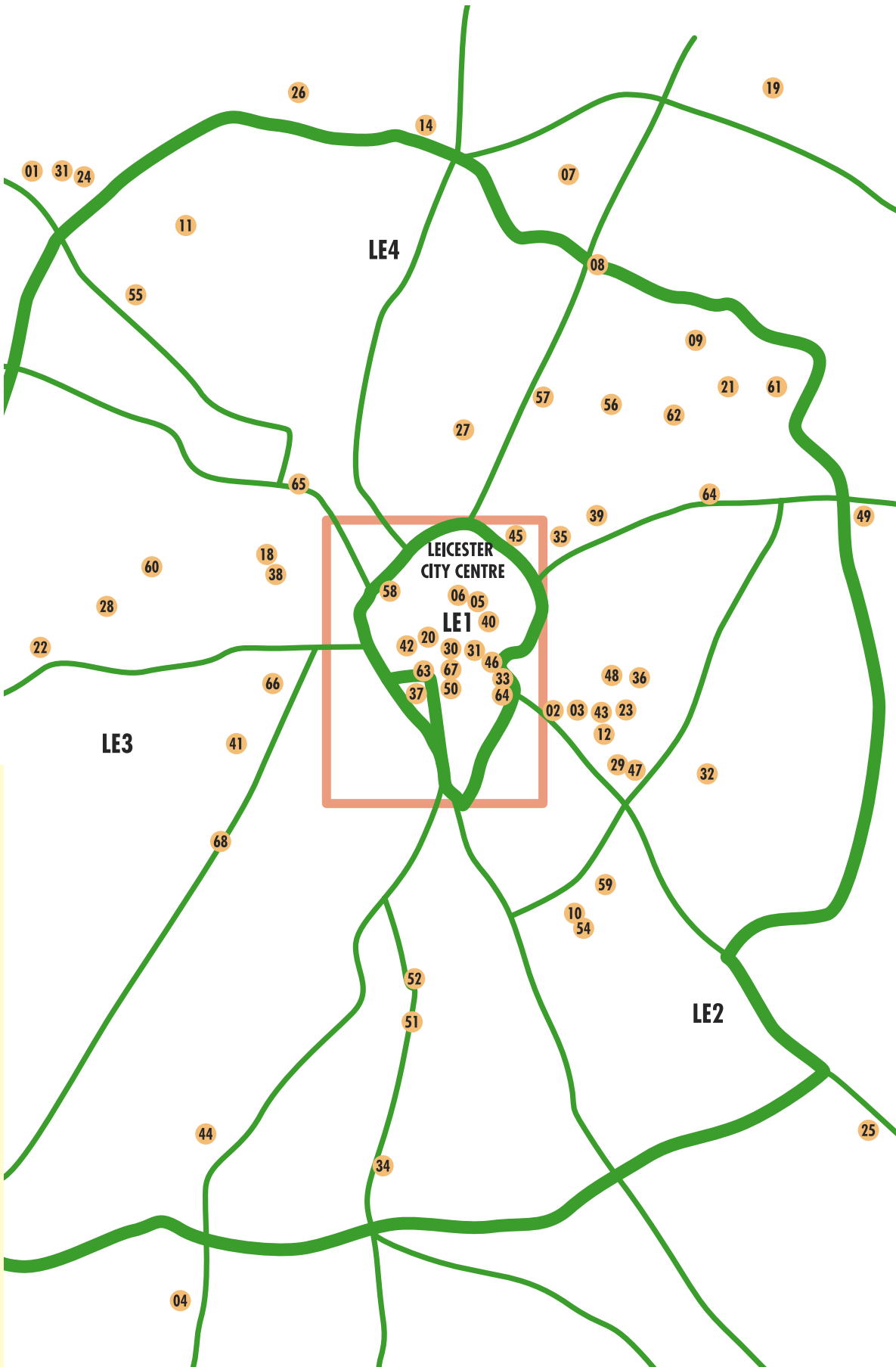
An easy tool to measure the impact that social enterprise has on local communities and economies.

Less meetings and more hours in the day!



www.seem.uk.net

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|--|---|---|
| 01 Access to Success | 24 Fairshares | 46 Picture House Centre for Photography Ltd |
| 02 Acuherb Good Health Centre | 25 Fatima Network | 47 Qualsec Services Ltd |
| 03 AES Services | 26 FOCUS | 48 Red Kite Nursery |
| 04 Affordable PCs | 27 Gayatri Beauty Clinic | 49 Rene Distribution |
| 05 Age Concern Leicester | 28 Henry's House Design Cooperative Ltd | 50 S.O.F.A. |
| 06 APEX | 29 Hitslink Management Co-operative Ltd | 51 Saffron Community Enterprises Ltd |
| 07 Auto Xpression Services | 30 Joseph Essentials | 52 Saffron out of school Childcare |
| 08 Ayurvedic Herbal Clinic Ltd | 31 Just Fair Trade Ltd | 53 Scaleways (Leicester) Ltd |
| 09 A-Z Construction Services | 32 Just Services Ltd | 54 Soft Touch Co-operative Ltd |
| 10 Bathysphere Ltd | 33 KCY/John Coster | 55 Somali Ecological Society Ltd |
| 11 BiLDiT 2002 Ltd | 34 Langtons Signs & Graphics | 56 Sonal Ayurvedic |
| 12 Centre for Indian Classical Dance | 35 Language Services Co-op Ltd | 57 Start 2 Finish |
| 13 Centre NLP | 36 Leicester African Caribbean Business Association | 58 STRIDE |
| 14 Chaos Enterprises (Leicester) Ltd | 37 Leicester Social Enterprise Consortium | 59 Tangent Design Co-operative |
| 15 Cherubs Childcare Co-op | 38 Leicester Pleating Company | 60 TREES |
| 16 CKI School of Martial Arts | 39 Leicester Wholefood Co-operative Ltd | 61 Twilight Zone |
| 17 Clarity Translations | 40 Manna Centre | 62 Victory Portfolio Investments |
| 18 Complete Wasters | 41 Mark's Herbalists | 63 Voluntary Action Leicester |
| 19 Drop Back Productions | 42 Metro-Boulot-Dodo | 64 Warsan News |
| 20 Dyslexia Institute | 43 Muslim Khatri Association | 65 Woodgate Resources Centre |
| 21 Earth Co-op Ltd | 44 Namitas Ltd | 66 World Arts Gallery |
| 22 Environ | 45 Peepul Centre (site of) | 67 Youth Voice |
| 23 Ethnic Minority Employment Services | | 68 Zahira Media Solution |



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Social Enterprises in Leicester

those who were included in our research and a few more we know of - apologies to any we have missed!

Social Enterprise

in **Leicester**

a framework for growth

promoting economic inclusion
and empowerment,
helping organisations to move
away from grant reliance
and encouraging an
entrepreneurial culture...



European Union
Regional
Development
Fund