

Social Enterprise in Leicester

Past Events and Future Prospects

A Paper by David Brazier

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About the Author:

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He has lived in the City of Leicester for over 50 years.

Originally from Sutton, Surrey, David came to the University of Leicester to study Economics.

For 12 years he was an elected member of Leicester City Council, Chair of the Housing Renewal Committee and subsequently the Economic Development Committee.

After leaving the City Council he served for 8 years as the Chair of the Trustee Board at Voluntary Action Leicestershire and for 5 years as the Chair of the Trustee Board at Social Enterprise East Midlands.

David describes himself as an inveterate joiner of Boards. Serving at various times on the Boards of no less than 23 Companies.

He was for example a Director of Leicester City Challenge Limited and remains a member of the Board of the City Council's Independent Housing Company – Homecome Limited.

He was briefly a member of the Expert Panel on Social Enterprise set up by the Office of the Third Sector (OTS) then part of the Cabinet Office. The OTS subsequently became the Office for Civil Society and is now part of the Department for Digital, Culture, Media and Sport (DCMS).

Beyond the worlds of Housing, Economic Development, and Social Enterprise David is a great fan of detective fiction. Commenting that Stieg Larsson's Millennium trilogy is a better description of how the real world economy works than anything he read whilst at University.

Introduction

I have been re-reading a book called "Social Enterprise in Anytown" by John Pearce. It was first published in 2003 by the Calouste Gulbenkian Foundation. It is I believe out of print, but copies are of course available from Amazon.

Which prompts the thought how different would the world be if Jeff Bezos had shared the same philosophy as Jimmy Wales ?

But Leicester is not Anytown - it is Our Town. And Social Enterprise in Our Town is thriving. Or is it ? How would we know ? The lengthy list of Social Enterprises described in Chapter One of John Pearce's book are certainly not all replicated in Leicester. Or indeed anywhere else.

The story of Social Enterprise in Anytown is aspirational. Social Enterprises of the types described all exist in many different towns around the UK. Just not all in one place. Not even in Preston, or Totnes, or Stroud or Hebden Bridge. You might find many of them in a Big City like London or Glasgow. But in Leicester there are many glaring gaps.

John Pearce takes a very broad view of what he calls the third system (not sector) of economic activities. Not the Private Sector trading for individual profit. And not the economic activities owned and controlled by the State. He includes cooperatives that have a Social Purpose. Plus of course all 'not for profit' organisations that obtain a reasonable proportion of their income from Trading Activities. Definitions of Social Enterprise, Social Firms, Community Controlled Businesses, etc. are notoriously slippery. And very important. You need to read the book !

Antecedents

My own Social Enterprise journey started in the 1990's. In the 1980's new elements within the Labour Party had 'captured' parts of Local Government in Leicester, London, Brighton, and elsewhere. As the manager of a local charity I could see that the big expansion in funding from Local Authorities was going to be squeezed.

Traditionally Labour controlled councils had embraced Municipal Enterprise. The City of Leicester had its own Water, Gas, Electricity, and Bus Companies in the 1930's. The remnants still remain in buildings like the Hallgates Building near Cropston Reservoir and the old Leicester City Tram Depot on London Road. Nationalised by Labour in the 1940's all were privatised by the Tories in the 1980's.

The abolition of the GLC in 1986 showed the limits to the powers of Local Government. Rate-Capping and then the Poll-Tax soon followed. As an elected member of the City Council from 1982 to 1991 I witnessed the power slowly ebbing away. The point being made was that it was illegitimate for concentrations of poor people living in a particular area to try to vote to become richer or more powerful. The more especially so if their neighbours living elsewhere could be persuaded that it was wrong even to allow them to try.

The flowering of Voluntary and Community Groups in Leicester between 1974 and the late 1980's was truly remarkable. Millions of pounds were given away to

hundreds of different organisations. Some of these, albeit not very many, engaged in trading activities and looked to become more financially self-sufficient. Gorse Hill City Farm for example. Or Archaid - the Leicester Community Technical Aid Centre. One or two moved into areas of activity that could have been undertaken 'in-house' by the City Council. The Leicester Action for Youth Trust (later the Leicester Community Projects Trust) provided Youth Work services for wayward (i.e. criminally inclined) young people. The City Wildlife Project undertook environmental conservation work that the Council could have done for itself.

In the field of Housing a raft of new groups were set up. Action Homeless (that later incorporated The Bridge Women's Hostel, The 220 Group, The Hollies, Jarvis House, and the Info Hostel), Park Lodge Hostel (that later incorporated St Michaels Housing Trust), Leicester Women's Aid, Liberty House, The Youth Foundation (that blossomed into the Foundation Housing Association), Hits Homes Trust, and quite a few others. To say nothing of Leicester Housing Association (now part of PA Housing) and Leicester Family Housing Association (now part of Riverside Housing Association) and De Montfort Housing Association and Leicester Newarke Housing Association (now part of the Platform Housing Group).

Many more of these housing based groups have survived than those based on Arts and Leisure or Community Work or Advice Work. Housing Benefit (HB) provides an independent source of income for them. And the cynic in me would add that since HB also provided a regular income stream for lots of rich and well connected people (they are called Landlords) it was very hard to dismantle it. And of course in many instances Housing Groups were successful in acquiring and retaining the freehold ownership of houses and land. Such assets can sustain an organisation for a very long time - just take a look at Wyggestons Hospital founded in 1513.

Also established in Leicester in the 1970's were 4 Housing Cooperatives. Belgrave Neighbourhood; Ross Walk; Cossington; and Maynard Cooperative Housing Associations. Now almost unknown outside of their membership they provide many hundreds of homes in some of the Cities most deprived areas. The struggle to establish and control them would justify an entire PhD thesis. Large Leicester based Social Enterprises with hundreds of members and income streams well into the millions. They have sunk from public view almost without trace. They are much ignored hidden assets.

Challenging Times

To return to my own Social Enterprise journey in May 1991 the good people of the Saint Augustine Ward (now Fosse Ward) rejected me at the Ballot Box. This freed up a good chunk of time. I devoted it to ruthlessly growing the Shelter Housing Aid and Research Project (SHARP). Mainly in the provision of resettlement services for formerly homeless people. Working particularly with ex-offenders. Revenue for this kind of soft crime prevention was still available. The Home Office were encouraging the Probation Service to outsource it and SHARP was a cuddly provider. The cuts at the City Council had started but mainly of more esoteric and less well managed Voluntary Community Sector groups. Being politically very well connected may have helped SHARP but certainly I was not conscious of this at the time.

Also in May 1991 Michael Heseltine then Secretary of State for the Environment announced the creation of the City Challenge programme. Urban Regeneration resources were to be allocated competitively with 55 Cities invited to take part in a beauty contest. Leicester was one of the 20 lucky winners. I believe that the intention was to effectively 'nationalise' Urban Regeneration. Local Authorities were to be side-stepped and marginalised in the decision taking process. A Tripartite Board was to be set up to run Leicester City Challenge Ltd. One third Local Authority Representatives; one third from the Private Sector, and one third from the Local Community. In reality all the big spending decisions were taken by civil servants following 'consultations' with the relevant ministers. A pattern that was to be much repeated over the years that followed.

As a resident in the area covered by Leicester City Challenge I promptly got myself 'elected' as a community representative. I had a ringside seat to watch as the big money was carved up between William Davis (the land around the PEX building), Wilson Bowden (the Bede Island North site), Morrisons (the Cattle Market site) and LCFC (the Raw Dykes Road site). The bizarre element was the incredible leverage involved. The actual cash injection element from the Private Sector was minimal. The land was provided free of any up-front costs and ownership of it together with an agreed amount of grant meant that virtually all the development costs could be paid for by bank borrowing. And upon completion the asset could be sold to long term investors such as Pension Funds. The sale proceeds could be used to pay back the banks. And shareholders would be left with a tidy profit having taken virtually no risk.

Sometime in around 1995 or 1996 I walked through the double height archway on Upper Brown Street into what is now the Phoenix Yard. The old Hosiery Mills were a scene of dereliction. Some of the buildings had no roof. The bridges between them were so unsafe that they had not been used in years. Except of course by the pigeons whose droppings created a truly agricultural aroma. It took the 4 of us, me, Mark, Mark, and Baz a couple of years to put together a deal. A funding package involving five different sources. City Challenge, European Union Article 10, English Partnerships Gap Funding, borrowing from the Local Investment Fund (now part of Big Issue Invest) and refinancing by the Triodos Bank. It was complicated.

Three things made it possible:

Firstly the Community Enterprise Development Project (CEDP) funded by City Challenge and staffed by Mark Mizzen. In my eyes Mark was the main mover behind the Gorse Hill City Farm and Archaid. The CEDP grant funded our incorporation as a company limited by Guarantee - called Leicester Social Economy Consortium Ltd (LSEC). And also funded a series of study visits to see other Social Enterprises at work in Dumfries, Glasgow, Paisley, Manchester, Leeds, Bradford, and London. The visits were informative. And the time spent travelling together between them was invaluable. Trust has to be built and earned.

Secondly anger. The ringside seat as a spectator of the Urban Regeneration game - City Challenge Style – was enough to make anyone angry. It was not the diversion of public funds into private pockets that provoked such anger. Such diversion was to be expected. Indeed it was in many ways the *raison d'être* for the City Challenge

programme. What provoked the anger was the apparent belief amongst the private sector participants that what they were doing was public spirited. As complicated as rocket science. And only capable of being executed by those with deep pockets and entrepreneurial flair. We were determined to prove them wrong.

Thirdly luck. By the autumn of 1997 I had been re-elected to the City Council and joined the City Challenge Board as one of its representatives. The old Leicestershire Club (now Peter Pizzeria) was a bar and restaurant called the Welford Place. In the bar I bumped into the then Chief Executive of Leicester City Challenge – Keith Beaumont. We got to talking. We discovered that we both had separate but potentially interrelated problems. Keith had an approved grant for the creation of the Leicestershire Centre for Integrated Living (LCIL). But no suitable building in which it could be accommodated. And the grant had to be spent before the end of the 5 year City Challenge programme.

In the meanwhile LSEC had secured 577,150 Euros of funding under the EU Article 10 funding programme called “A Blueprint for Sustainable Development”. But the Euros could only be spent on the refurbishment of an existing building. The purchase of capital assets was not permitted. So in the course of a conversation that lasted less than an hour we struck a deal. Or rather we came up with a possible deal and agreed that it was one worth exploring. Keith would hand over the grant to LCIL, they would purchase from LSEC a long leasehold interest on space in a building that was on the market but completely unsuited for their requirements. LSEC would then use the money LCIL paid us to acquire a building and use the 577,150 Euros to make it suitable for them. Property developers call this a ‘back to back’ deal. You buy and sell something simultaneously. You can’t sell it until you own it. And you don’t own it until you buy it. And you can’t afford to buy it until you have got the money from selling it. I did say it was complicated !

Fortunately, we did not have to rely on the services of Schrödinger's cat. We employed a young solicitor called Tom Bower. Then and now one of the smartest commercial property lawyers I have ever met. Although of course at the time since he was the only commercial property lawyer I had ever met I simply did not understand the legal skill that went into translating a conversation in a bar into a legally enforceable contract.

Nor did I appreciate, as a novice property developer, that this the first ever deal I did was the best deal I was to do for more than 20 years. In proving the guys from the private sector wrong – property development is not rocket science – I was also at the same time at the beginning of a process that would prove them right. You really do need deep pockets and entrepreneurial flair. And a shed load of luck.

The start of the twenty first century saw Social Enterprise in Leicester experience very mixed fortunes. The legacy of Leicester City Challenge was much more limited than had been hoped. The Bede Island Community Association and the West- End Community Project both rapidly bit the dust. Even more disappointingly the ideals that inspired the International Youth House on Upperton Road did not sustain it as an independent Social Enterprise. The building remains as the Watershed Youth Centre but the vision of international solidarity between young people from different

nations sank without trace. Archaid, the architects who designed the International Youth House, were also forced to close. Unsustainable without ongoing revenue support from the City Council. As was Playscape in Braunstone, one of the very few Social Enterprises in Leicester producing physical goods (outdoor play equipment) as opposed to more intangible services. These losses were a big disappointment to me. Particularly Archaid where I had served as a Board Member for many years.

Another notable casualty of the first decade of the 21st Century was Chaos Enterprises Limited . Initially connected to the Mowmacre Tenants and Residents Association Chaos grew to have a life of its own. Chaos secured approximately £1.9 million in capital grants to develop a Community Centre at Mowmacre Hill called Greenacres.

Greenacres was, and indeed still is, a very impressive building. Designed by TANC (Technical Aid for Nottingham Communities) it is an amazing piece of modernist architecture. The main building juts out from the hillside with impressive views looking south towards Leicester City Centre. Unfortunately whilst very close to Mowmacre Hill as the crow flies the route to walk to it is circuitous and involves climbing quite a steep hill. The buildings whilst impressive are not large.

Community Groups that are successful in attracting very substantial capital grants are sometimes far too optimistic when it comes to the revenue element in their business plans. Costs are higher than anticipated and income is lower. The capital costs of new build projects are also prone to exceed the original estimates. Both problems beset Chaos Enterprises Ltd. The Company went into voluntary liquidation in 2009 and at the time of liquidation the building was unfinished.

The City Council was compelled to pick up the tab for its completion. And the building was left unused for 3 or 4 years. The demise of Chaos Enterprises has had in my view a significant impact on the attitude of the City Council towards Social Enterprise. Community controlled Social Enterprises and Social Enterprises involved in the development of large-scale capital projects have both been met with considerable scepticism if not on occasion outright hostility. And the City Council's role in developing further new Social Enterprises has been curtailed.

Trouble and Stride

Sometimes from adversity good things can flow. In March 2000 SHARP lost City Council grant funding for its “man & van” donated furniture collection and delivery service. Phill Saunders, the Man with the Van, was given 6 months to create a new sustainable funding model. And STRIDE was born. The SHARP Training Recycling and Income Development Enterprise.

We borrowed from the developers of the Highcross Centre an old factory they had purchased well in advance of its intended demolition. Next door to Norman and Underwood on St Peters Lane we borrowed it initially for 6 months and stayed for 5 years. The well-established glass merchants Norman & Underwood owned the freehold of their building. They insisted on getting paid top dollar to move to make way for the Highcross Shopping Centre. And whilst they stayed we stayed next door.

STRIDE started out as a straightforward furniture reuse project. Selling products to the public to cover its costs and generate profits for SHARP the parent charity. We found out about the “grey market” in catalogue flat-pack furniture. Returned to the catalogue companies by frustrated customers unable to assemble it. The flat-packs were for sale at between 3% and 15% of their catalogue price. Provided they were unbanded - that is not sold as being from IKEA, Littlewoods, or Argos. Using labour supplied by the Courts, as part of the unpaid work programme of community based rehabilitation, STRIDE assembled the flat-packs in our factory. We quickly overcame the problems the public had in trying to assemble it at home. With power tools, the right Allen keys, and all the missing parts you could possibly want, it was easy to make. And easy to make money. Bought at say 5% of catalogue price and sold for 50% - the margins were amazing. And sales just took off from a standing start to over £½ million per year in less than 3 years.

As the decade progressed we moved from St Peters Lane to Woodboy Street off Belgrave Gate near to St Matthews. STRIDE furniture shops were opened in Earl Shilton, Coalville, Loughborough, Nottingham, and Beeston as well of course as one, two, and sometimes three in Leicester. For a while business boomed. Phill Saunders won the Leicester Mercury Entrepreneur of the Year Award in 2005. In 2010 we won the SPARK Social Enterprise Award. And a £50,000 prize to replicate STRIDE in Nottingham. But unfortunately Phill does not have an identical twin brother !

The business grew too fast. It was undercapitalised. The shop rents were too high. The furniture prices too low. The financial crash of 2008 came and went, and STRIDE ignored it. The second-hand furniture business was changing, shrinking, and at the bottom end of the market disappearing altogether. STRIDE Management was stretched far too thin. Not only with Leicester and Nottingham but also the franchise business we launched in Liverpool – MerseyStride.

This reality was however not apparent to us. The Gordon Brown plan to offer paid work to every long term unemployed person came to our rescue. It was called the Future Jobs Fund (FJF). In effect our workers became our product. The furniture just a side-line. More subtle than the suggestion attributed to the famous economist John Maynard Keynes that people be paid to dig holes and fill them in again. But with

exactly the same countercyclical effects. For STRIDE it was in the short term absolutely brilliant. Literally hundreds of jobs were created in Leicester, Nottingham, and Liverpool. To encourage take up the payments under the scheme to employers were quite generous. And they were front loaded. Not by much but enough to make it very difficult to affect an orderly withdrawal from the scheme.

For the Social Enterprises that had taken on large numbers of FJF workers the election of the new Coalition Government on 6 May 2010 was the beginning of the end. FJF contracts were honoured but the winding down of the scheme was rapidly confirmed. And the austerity that followed with 40% plus reductions in Central Government funding to Local Government was devastating. Social Enterprises dependent on sales to, or grants from, their local Council were in grave peril. Many were forced out of business.

The Big Four

At the start of the 2010s Leicester boasted 4 quite sizable Social Enterprises. STRIDE; Groundwork Leicester and Leicestershire; APEX; and the TREES Group. As the 2010s progressed all the big four went into liquidation. Three of them started with annual turnovers at around £2 million. The TREES Group was much bigger with annual turnover of around £7 million.

STRIDE was the first to go in February 2013 with debts of well over £1 million. This was followed by the winding up in May 2013 of Groundwork Leicester and Leicestershire (Ex ENVIRON). APEX Leicester Project Ltd started the decade in a much more financially robust position than either STRIDE or Groundwork Leicester & Leicestershire with 'cash in hand' of over £641,000 in March 2011. Over the next five or six years the Trustees considered a whole variety of means to achieve financial sustainability. The business model that enabled APEX to prosper in the 'noughties' had become unsustainable in the 2010's. By Sept 2016 'cash in hand' had shrunk to less than £3,000. Reductions in cash running at over £100,000 a year were simply unsustainable and APEX Leicester Project Ltd was dissolved in 2018. Thus demonstrating that even the strongest can be laid waste by austerity. Put simply in Leicester three different businesses all heavily involved in Government funded training schemes went broke over a 5 year period. This was not a coincidence.

The demise of the TREES Group however had next to nothing to do with a lack of support from Central or Local Government. The TREES Group comprised a number of Social Enterprises primarily a Gas Servicing Company called Thorpete; NewLife Regeneration & Construction, and the Highpoint Conference Centre. The annual turnover of the TREES Group was over £7million. Yet despite this the Group was effectively killed off in 2012, lingered on until 2014 and was finally dissolved in 2016.

I believe that in terms of the development of Social Enterprise in Leicester the death of TREES was the most damaging death amongst the big Four. Not only was TREES the largest of the home grown Social Enterprises – it also had the most potential. Not only in terms of creating good quality sustainable jobs but also in terms of its capacity to initiate and develop other Social Enterprises. The greatest sadness in relation to the death of the TREES Group is that it was effectively an own goal.

The withdrawal of support by Leicester Housing Association (itself a Social Enterprise) made the TREES Group unsustainable. As a former Board Member of TREES I was nonplussed.

Leicester Housing Association (LHA) had in effect created the TREES Group in the 1980s to try to close the circle in its flow of income. Using its purchasing power to create Social Enterprises that would be amongst its primary suppliers. For the servicing of its tenant's gas appliances, the construction & refurbishment of its tenant's homes, and the training and development of its tenants and staff. Eventually this enlightened group of Managers at LHA were bound to move on or retire. What they did not anticipate was that the benefits of using Social Enterprise suppliers that were so obvious to them would not be so obvious to their successors. They simply did not see it coming. The decision of the new LHA Management to put most of its resources available for beneficial social purposes into the Peepul Centre rather than the TREES Group appears to have been influenced by personal relationships. This was simply not predictable.

However in retrospect three other factors were also at work.

Firstly the connection between LHA and the TREES Group was so well known that other rival Housing Associations were simply not prepared to cut the TREES Group any slack. This made the Group much too dependent upon one single 'outside' organisation.

Secondly it has been suggested to me by the former CEO of NewLife Regeneration and Construction that despite its size in terms of Social Enterprises the company was too small in relation to its private sector competitors. The public sector bodies responsible for the procurement and tendering of major construction projects took the view at the time that 'big is best' and edged out smaller players. This was of course well before the demise of Carillion prompted the thought that 'the bigger they are - the harder they fall.'

Thirdly the connections between LHA and the TREES Group were all dependent upon personal relationships. Nothing much was in writing. There were few legally enforceable contracts. This is in one sense a circumstance that other Social Enterprises could learn from. But not in any particularly useful way. To put such relationships into writing would leave them open to challenge by all those in the private sector looking to undercut Social Enterprises. Primarily by offering to their staff the kind of poor terms & conditions of employment that for ethical reasons no Social Enterprise would be willing to match.

To gain and maintain a competitive edge against such unscrupulous rivals Social Enterprises need "sweetheart deals." I am told that in the private sector such deals are commonplace. Golf clubs are apparently a favourite venue for concluding them. Nothing is written down, but everything is understood. For Social Enterprises such as the TREES Group having nothing in writing leaves you vulnerable. But putting it all in writing leaves you in the High Court. The only good outcome would require the law as it relates to anti-competitive practices to be rewritten. Until this happens Social

Enterprises such as LHA and TREES will continue to be in an impossible position. A case of heads they win and tails you lose !

Winner takes it all ?

Having taken a good long look at some of the loser's from the last 10 years I propose to consider who in Social Enterprise terms were the winners ?

Firstly the Housing Associations. They have a business model that continues to work. It may have changed since the days of Peabody, William Sutton, and Octavia Hill. But it continues to work. Rented housing is almost always in demand. Rent collection can at times be tricky. But follow the rules laid down by Octavia Hill a century ago and it's a very poor manager indeed who cannot collect 95% plus of the debt. Furthermore rents rise with inflation. The amount of money borrowed to create accommodation is fixed in nominal terms at the time of its construction. In real terms it goes down with inflation. Having Index linked income and fixed costs is a sure recipe for profitability.

In Leicester however virtually without exception all the Housing Associations that started their life in the City are now controlled from elsewhere. Leicester Housing Association is now part of PA Housing. Leicester Family Housing Association is part of Riverside HA. De Montfort Housing Association & Leicester Newarke Housing Association are part of the Waterloo Housing Group which in its turn has become part of the Platform Housing Group. Foundation Housing Association is now part of EMH Homes. Leicester Quaker Housing Association is now part of Nottingham Community Housing Association. Of the 18 Housing Associations listed on the City Council website only the 4 Cooperative Housing Associations continue to have an element of *local* accountability. Homecome Ltd, the City Council's own Housing Company, is not technically a Housing Association albeit that in many ways it behaves like one. Foundation HA is also managed from within Leicestershire. Discount the City Council itself, Homecome Ltd, and the Co-operative Housing Associations and it now turns out that the largest numbers of Social Homes owned and managed in Leicester are the units of supported accommodation provided by Action Homeless and the YMCA. Both of which are now Social Enterprises with multi-million pound turnovers.

Secondly there have been three other notable winners. All of which have been in very different circumstances recipients of substantial asset transfers.

The Braunstone Foundation (previously The Braunstone Community Association) has benefitted substantially from the New Deal for Communities (NDC) Programme in Braunstone. It is now trading as B-Inspired. From assets of under £3,000 back in 2002 the Foundation now has net assets of over £8 million with cash of just over £810,000. An amazing transformation. In terms of Community Enterprise – that is a Social Enterprise based within a specific geographical area - the Braunstone Foundation has been phenomenally successful.

The Highfields Community Association has also 'benefitted' from a substantial asset transfer albeit in much more acrimonious circumstances. They obtained multimillion pound grant funding to extend and improve their facilities at 96 Melbourne Road. The

grants came from the Sport England Lottery Fund; the Learning and Skills Council; the European Regional Development Fund; and Round 2 of the Single Regeneration Budget. This funding was apparently dependent upon the community owning the asset. For reasons not entirely clear to me the City Council were unhappy about this. A dispute arose that was much reported upon in the Local Press. Revenue Funding from the City Council to the Centre was dramatically reduced. This illustrates one of the key problems related to asset transfers. That something has cost £5 million to build does not necessarily make it a financial as opposed to a physical asset. Unless the use of the building generates sufficient revenue to cover at the very least its 'caretaking costs' it is a liability not an asset. In the case of the Highfields Community Association despite the dispute I think they have in the end come out of it as a more sustainable Social Enterprise.

The third great winner vis-à-vis asset transfer has been Saffron Lane Neighbourhood Council (SLNC). Much more quietly they have put together an incredible deal. They have purchased from the City Council for just £1 a very substantial piece of land. Already 68 new dwellings have been built on this land with a further 40 plus planned for Phase 2. Not only does this provide much needed high quality affordable housing it also creates a long term revenue stream. This is because the land has been leased by SLNC to a Housing Association on a long term basis. The rent paid under the lease by the Housing Association is unrestricted funds. SLNC has created for itself in perpetuity the kind of revenue funding that most community groups can only dream about.

Despite their different origins and whilst the assets being transferred are wildly different in character these three areas of Leicester do have some things in common. Firstly they were all identified by the Education Authority about 50 years ago as parts of the City that would benefit from 'community education projects'. And since that time have been subject to an incredible variety of area based antipoverty action programmes. I confess that I cannot remember all the names. A few that come to mind are Educational Priority Areas, the Inner Area Programme, the Inner City Task Force, Education Action Zones, the Priority Estates Project, the Single Regeneration Budget, et al.

Not all of these programmes were tried in all three areas. The boundaries of the areas concerned have changed. With the Braunstone New Deal for Communities including not just North Braunstone but all parts of Braunstone within the City boundary. Nevertheless these 3 areas have figured more consistently than anywhere else in Leicester. Because they have consistently featured as amongst the highest ranked parts of the City in the Index of Multiple Deprivation. The endeavours of Government both National & Local have consistently failed over the 50 year timescale. It remains to be seen whether or not Social Enterprises linked to comparatively small scale asset transfers can do any better. In this context note - that in these areas of Leicester 1000 houses are worth roughly £100 million. The areas concerned comprise several thousand houses. So even an £8 million asset transfer in Braunstone would amount to less than 2% of residential asset value. Ignoring the value of any shops, factories, swimming pools, libraries or doctors surgeries that might just happen to be located in Braunstone. It is a really tough ask !

Looking beyond these 3 big community based Social Enterprises which other winners would I identify ?

Firstly 'CASE' otherwise the Co-operative and Social Enterprise Development Agency is still going strong after nearly 40 years. A rare survivor from the 1980s. Dorothy Francis a Co-Director received an MBE in the 2017 New Year Honours List for services to enterprise and the communities of Leicester and Leicestershire. As far as I am aware the only 'Social Entrepreneur' in Leicester to be recognised in this way. Exceptional.

Secondly Soft Touch Arts – another great survivor from the 1980's that enjoyed great success in the 2010's. Acquiring premises at 50 New Walk worth well over £1 million whilst continuing to deliver a quite extraordinary variety of projects. Amazing stuff.

Thirdly New Dawn New Day (the former Turning Point Women's Centre) has grown substantially over the last 15 years albeit not so much in the last 10 years. I am unclear to what extent if any they may have benefitted from being located in the Braunstone NDC area. It is clear that the organisation has benefitted substantially from its acquisition of its former premises at 27 Cantrell Road and the subsequent sale of their freehold interest. New Dawn New Day is a great survivor from the 1990's and in the austerity ridden 2010's this was in itself a considerable achievement.

Fourthly Trans4m CIC. Created from the ruins that was STRIDE Trans4m have done very well to not only survive but to thrive. The market for alternative education providers aimed at the 14 to 19 age group is very tough. Especially so for sub-contractors lacking a direct relationship with the Education and Skills Funding Agency. The forthcoming much anticipated recession is especially unwelcome news for young people trying to enter the labour market. But for Trams4m CIC it should create commercial opportunities aplenty.

In addition to these four that just happened to spring to mind there of course many, many others. And since there is no universally accepted definition of what constitutes a Social Enterprise it follows that there is no way of knowing exactly how many. So I will name check a few more:

The National Space Centre. The Leicester Riders Foundation owners of the Morningside Arena. The Cook e-Learning Foundation. The Shama Women's Centre. The Bangladeshi Youth and Cultural Shomiti. The Centre for Enterprise. The Pakistan Youth and Community Association. Somali Development Services CIC. Aqoon Home-School Support Services. The Maher Community Association (Leicester) UK. Ramgarhia Board Leicester and Leicestershire. The Peepul Centre. The Mathematical Association. Voluntary Action Leicester known as Voluntary Action Leicestershire. The Leicester Print Workshop. The Clockwise Credit Union. The Leicester Outdoor Pursuits Centre. The Emerald Centre. Reaching People. The Hive.

And that's just the first 20 local Social Enterprises that came into my mind. In Leicester as in many other towns we also have the national giants. The Co-op, The John Lewis Partnership, The BBC, and the Nationwide Building Society. To say

nothing of smaller local Building Societies scattered around the County Towns of Leicestershire. Market Harborough, Melton Mowbray, Loughborough, Earl Shilton, Shepshed (merged with Nottingham Building Society), and Hinckley (with Rugby) all boast their own. Nearly all founded in the 19th Century but hanging on into the 21st. Incredible.

“In the midst of every crisis lies great opportunity”

Albert Einstein one of the great thinkers of the 20th century is said to have been the first person who articulated this thought. Albeit that in Japan the Chinese ideograms for crisis are thought to represent ‘danger’ and ‘opportunity.’ The 2020s have without doubt started with a crisis. The danger is all too apparent. A worldwide killer pandemic the like of which has not been seen in over 100 years. The opportunities much less so.

In his book ‘Social Enterprise in Anytown’ John Pearce describes an imaginary town in which a multitude of Social Enterprises exist. The description of Anytown is quite short. The details are a bit sketchy. But by my reckoning there are at least Twenty-Four Social Enterprises of various different types operating in Anytown. Many supporting each other by means of mutual trading or overlapping management structures.

The position in Our Town is very different from that in Anytown. Only 8 of the 24 are to my certain knowledge replicated in Leicester.

Workspace	Braunstone Box, Phoenix Yard/Studios
Social & Community Enterprise Team	CASE
Community Newspaper	Western Park Gazette and others
Childcare	Sunflowers Day Nursery & others ?
Credit Union	Clockwise Credit Union
Social Housing	4 Housing Co-ops & other providers
Comm Development Finance Initiative	Sir Thomas White Charity (maybe)
Light Railway Society	Main Line Steam Trust (Loughborough)

A few more have similarities to Social Enterprises in Leicester. We do not have an overarching Sports and Leisure Trust (al la Greenwich Leisure), but we do have the Morningside Arena and the Highfields Centre both providing the venue for Sports and Leisure Events. We do not have a Music Teachers Co-op or a Social Enterprise making ceramics. But we do have the Soft Touch Arts Co-op and the Leicester Print Workshop. We don’t have a successful tourist attraction based in a Tunnel, but we do have the National Space Centre based in a ‘Rocket Tower.’ We don’t have a Social Enterprise providing respite care for the elderly or people with disabilities. But we do have Mosaic, the Leicestershire Centre for Integrated Living, Wyggestons Hospital, and the Trinity Hospital that work with very similar client groups. We don’t have any Social Enterprises actively engaged in the design and building of structures. But we do have the Saffron Lane Neighbourhood Council developing houses and the Leicester Social Economy Consortium and B-Inspired developing Workspaces. In the City we don’t (I think) have any Social Enterprises left actively engaged in Waste Re-use or Re-Cycling but we do have Complete Wasters in

Sileby. And in Glenfield and in Blaby there are Country (Farmer's) Markets run as co-ops. And given the very small number of farms in Leicester the lack of a Farmer's Market run as a Social Enterprise in the City is scarcely surprising.

The above list of exceptions and comparables covers a further 8 of the 24 on John Pearce's List. So what is missing in Leicester but found in Anytown ?

Enterprise Training	Covered in part by CASE & B-Inspired. Skills for Enterprise (an SE provider) has been defunct since 2014. Recently Leicester Startups CIC has become active in this field
Events Management	I am not aware of a Social Enterprise provider in Leicester
Security Company	I am not aware of a Social Enterprise provider in Leicester
Training (ILM) Provider	I am not aware of any Intermediate Labour Market Project still trading in Leicester e.g. Remploy closed in 2012.
Social Firms	I am not aware of any Social Firms still trading in Leicester. Baby Gear was dissolved in 2018. Rathbone Training went into creditors voluntary liquidation in 2020.
Garden Centre	I am not aware of a Social Enterprise provider in Leicester. There are a number of projects based on allotments that sell some products but not I think a Garden Centre.
Community Owned Pub	I am not aware of any operating in Leicester or the County. The Anglers Rest in Bamford, Derbyshire is the closest.
Local Exchange Trading	A number of LETs schemes have operated in Leicester but none appear to be active at present.

Given the most drastic reduction in Economic Activity in the UK since the great frost of 1709 do any of the above look like attractive opportunities ? Gaps in the market with a margin in the gap (to quote the Business School mantra). Do any of the missing pieces look like they could complete the jigsaw of Social Enterprise activity in Leicester ?

Unlike successive Governments I am not averse to picking winners. And I was a great fan of Tony Benn. But as he discovered back in the 1970s picking winners is far from straightforward. My own instant thought is to go for a Security Company run

as a Social Enterprise. I know of at least one local charity spending about £30,000 per year on paying a private sector security firm. They might not take too much persuading to move to a more ethical supplier. Security firms do not have high added value and typically pay low wages. But their jobs are easily accessible to people without much in the way of formal educational qualifications. There are lots of models round the country to learn from and the initial capital investment required is quite modest.

Given the astonishing scale of market intervention that has been undertaken by a Conservative Government it is just possible that Intermediate Labour Market Projects might make a comeback. But I doubt it. Training provision without any wage subsidy looks like a better bet. Perhaps especially Enterprise Training targeted towards those looking to go into self-employment. Nostalgia for the Enterprise Allowance scheme in its old much more generous format could create an opportunity. But like all schemes dependent upon the ebb and flow of political and policy priorities it is inherently risky.

A Garden Centre based upon cheap or even zero cost land looks to me to be a better proposition. The popularity of gardening appears to be increasing. And the Centre might be grown organically (to coin a phrase) maybe from an allotment site. The initial capital costs would be minimised if land with planning consent was made available free of charge. And might be more readily justified if the business were set up as a Social Firm.

Given that pubs and “working men’s clubs” have been closing in the City in recent years a Community Owned Pub looks like a bit of a stretch to me. Events Management is a mystery to me so I shall say no more about it. I wish those looking to re-establish the Leicester LETs scheme every success. LETs schemes represent in my view brilliant economics but bad business. And that covers all the Anytown Social Enterprises that are not present in Leicester.

There are however a couple of other ideas one suggested by John’s book and one unconnected to it that I believe deserve more consideration.

Firstly there should be somewhere hidden in the bowels of County Hall a feasibility study concerning a community hydro-electricity scheme at Groby Pool. I don’t know if such a feasibility study exists, but I do know it ought to exist. If it doesn’t someone has been falling down on the job. It may of course conclude that such a scheme is for technical reasons a non-starter. But around the country the frequent replication of such schemes based upon an Archimedes Screw has altered their economics. Someone from Groby or better still a group of people from Groby need to take another look. You never know.

Secondly as suggested by Social Enterprise in Anytown - how about a Tunnel as an all year round Tourist Attraction ? The City Council is I believe the owner of the Glenfield Tunnel. Dug by hand in the 1830s on the old Swannington to Leicester Railway Line. It was one of the first such tunnels in the World. It opened in July 1832

and is just over 1 mile long. George Stephenson himself was on the first trip. The chimney on the locomotive was too high and was knocked down by the tunnel roof. Leased by the City Council to a suitable Social Enterprise it could make money. Run along the right lines it would attract railway buffs from around the world. Add in a café and a souvenir shop. And some extra jobs in New Parks that would not go amiss could be created.

This is the final substantive section of Social Enterprise in Leicester. In it I have given some thought to just what opportunities there are for Social Enterprises in Our Town. "The ancestor of every action is a thought" (according to Ralph Waldo Emerson). And I would be delighted if these thoughts were to prompt some action.

Conclusions

From the forgoing I think we can safely conclude that Social Enterprise in Leicester is at one and the same time thriving, surviving, and extinct. It is just a matter of which particular Social Enterprises are taken to be typical of Our Town.

It is also reasonable to conclude that in Our Town the attitude of the Council is a bit more equivocal than that of the Council in Anytown. At times incredibly supportive of individual Social Enterprises and at other times much less so. Social Enterprise as a concept has been neither denigrated nor wholeheartedly espoused.

In Leicester, as elsewhere, there are many opportunities for Social Enterprises to develop to fill in the missing pieces in the jigsaw of Social Enterprise activity. For the moment, the whole adds up to substantially less than the sum of its parts. For the future ways should be found to create a very much bigger picture.

Lotta Continua.

David Brazier
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