



Mapping London's Minority Ethnic Social Enterprises



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Executive Summary

Introduction

The Government Office for London (GOL) through the London Change-Up Consortium provided funding for Olmec to conduct a mapping of minority ethnic (henceforth referred as BME) social enterprise activity in London. This decision formed part of an overarching goal of creating an enabling environment for BME social enterprise development.

The research had two main objectives:

1. To determine the characteristics and geographical spread of existing and potential BME social enterprise across London
2. Investigate their business support needs with a view to developing a business support model for their growth and development.

Olmec commissioned CDSE (Centre for Development & Social Enterprise Ltd) to assist in the achievement of these objectives. This report represents the outcome of the exercise as instructed.

Methodology

A combination of desk and field research was used to inform the findings of the report. Desk-based research comprising relevant reports, papers, and published information regarding social enterprises was conducted. The fieldwork comprised a fieldwork questionnaire and interviews.

Olmec adopted a network approach by distributing questionnaires via social partners e.g. mainstream social enterprises, BME Forums/Alliances, Council for Voluntary Services, Local Authorities, Trust Funders, Business Development Agencies and Regeneration Agencies; a small percentage were distributed by post.

Social Enterprise - Definition and Review of Studies

The literature review focused on the main areas of; definition, benefits, challenges and the current policy decisions.

Definition

In the UK, the most commonly used definition is that produced by the Department of Trade and Industry:

“a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for the share holders and owners.” This definition focuses on the use of profits or surpluses, although in reality, it may be sometime before there are any profits to distribute.

The section also outlines the distinguishing characteristics between a social enterprise and social entrepreneurship. Some schools of thought believe that, “for many social entrepreneurs, charity is essentially about philanthropy, whereas social enterprise is about empowering people who are socially disadvantaged to improve their financial, social and moral status and well being” (Linklaters, 2006).

Needs of BME Social Enterprises

It is estimated that there are between 3,300 and 5,000 social enterprises in London – according to the London Voluntary Service Council (LVSC) and the small Business Service Survey (2005) – of which a considerable proportion are BME led. London is home to 46.4% of England's BME population (refer ONS, 2001 Census). Also 30.7% of London's population (according to ONS, Labour Market Data for Local Areas by Ethnicity, Sept 2004) belong to BME groups, so it would be fair to assume that BME social enterprises support a vibrant, diverse and growing BME community. Their local knowledge and relationship with the community is an invaluable resource.

Across London at present, BME social enterprises -most of whom are at the start-up stage- are making a real difference. They play an important part in the fabric of London's communities through offering services that statutory bodies are unable to provide. They are able to address the needs of BME communities in ways that others can't.

In spite of the remarkable contribution they continue to make to community development, BME social enterprises increasingly struggle to meet most of their aspirations.

Whilst mainstream social enterprises face the same business challenges as BME social enterprises, the latter tend to face additional barriers due to factors such as:

- Lack of access to appropriate finance
- Lack of access to appropriate business advice and support.

Even though some BME social enterprises are able to access grants and donated items, there's always the need for finance to match other income. Access to loan finance to invest however has been a major barrier to their development. Also the lack of support at sub regional and regional level has led to the sector feeling marginalised.

Government Policy

A number of statements have come from political sources in recent times that acknowledge the value of social enterprises to the UK economy, and the pledges of support for their growth. In relation to BME social enterprises however, there appears to be very little impact across the key areas of need outlined in the previous paragraphs.

The Chancellor, Gordon Brown, announced plans to make over £18m available over the coming years to help knock down barriers to growth and enable social enterprises to thrive. But it remains to be seen, how far such commitments will go towards transforming the fortunes of the BME social enterprise sector.

Findings

In total, 60 questionnaires were returned. This was disappointingly low given the fact that ample time, coupled with reminders via network partners, was given for targeted organisations to complete them.

Feedback from network organisations indicates the likelihood of general 'questionnaire fatigue' suffered by voluntary and community organisations (VCOs) in the current environment. However, greater responses through interviews yielded very useful information that combined effectively with the questionnaire to answer key questions

posed by the study. Sixty five combined telephone and face-to-face interviews were conducted overall.

Summary of key findings are as follows:

- The majority (63.1%) of respondents classified themselves as Company Limited by Guarantee (CLG) in terms of their legal structure
- Interviewees also confirmed the CLG model as the one most BME social enterprises were reasonably comfortable with
- 72.4% of the social enterprise respondents were start-ups, between 0-18 months, whilst the remaining 27.6% had been in existence for over 18 months
- The majority (78.8%) stated they served local markets, whilst 16.1% provided services across London; the remaining 5.1% served clients nationally
- All but one out of the 28 local authorities interviewed expressed commitment to social enterprise development in their boroughs. Three however –Camden, Croydon and Havering - had a strategy in place whilst Haringey and Enfield had draft strategies that were yet to be implemented. 15 had social enterprise development as part of their wider economic development or enterprise strategy
- A more interesting representation of social enterprise activity perhaps was the local authority networks or consortia. Four of these were identified – SENSE in South London, ELSE in East London, West London PULSE, and SEDP in North London
- The main field of work for BME Social Enterprises (from the questionnaire responses) was employment and training which scored 54.1% followed by Arts, Culture and Leisure (43.2%)
- The main client group was the youth, followed by women and unemployed
- Client groups of African origin topped the list followed by Caribbean, Middle Eastern, South Asian and South East Asians
- 77% of respondent organisations had between 0-4 staff followed by 20% that had between 5-9 staff; 2.9% had staff between 10-19
- 33.3% of respondents earned between £10,000 -£49,000, whilst exactly the same number earned between £50,000 - £199,999
- The majority of respondents (79.1%) had income from grants

- Researchers were told that the decision to establish trading subsidiaries by BME VCOs was often influenced by their aspiration to escape grant dependency
- Even though, a substantial number of respondents were successful at costing projects and raising funds from grant providers, they were largely unsuccessful at bidding for contracts
- 85 % of respondents felt there were significant skills gaps in their organisations
- The majority (85%) had accessed business advice from infrastructure organisations, but only 12% found it effective
- Over 80% stressed upon the lack of consistency in the delivery of support by intermediary organisation. They also felt support was superficial and failed to respond to the specific needs of BME organisations
- It emerged also that, support for social enterprise is very patchy and uncoordinated. Provision is typified by large numbers of awareness raising events and 'untargeted' superficial provision comprising introductory workshops organised by local interests, and often in collaboration with regional and sub-regional infrastructure organisations.
- Resource constraints, particularly within CVSs have often compelled some of these organisations to limit their provision to no more than a day's seminar or training in a whole year, with no follow-up support
- The five most restrictive barriers expressed by respondents were; lack of specialist business support and advice, access to sustainable external funding, weak internal organisational systems, irregular cash flows and inadequate bid-writing skills.

Conclusion and recommendations

The report has confirmed the existence of active BME social enterprises across London, and concludes that the time has never been so ripe to develop a strong, vibrant and experienced BME social enterprise sector.

It recommends the establishment of a sustainable strategic umbrella body that can provide focus, leadership and co-ordination to achieve operational effectiveness within the BME social enterprise sector. Additional practical actions are also recommended in the areas of finance, mentoring, information dissemination, research and partnership work.

Chapter 1: Introduction and Background

1.1 Introduction

The Government Office for London (GOL) through the London Change-Up Consortium has provided funding for Olmec to conduct a mapping of minority ethnic (henceforth referred to as BME) social enterprise activity in London. This was part of an overarching goal of creating an enabling environment for BME social enterprise development. Many BME social enterprises are in their formative stages; the services they provide are more likely to be part of, or an attachment to the portfolio of services of an existing voluntary or community organisation (VCO) dependent on grant aid.

Additionally there appears to be an uneven distribution of BME social enterprise activity in London the direct result of the variation amongst regional and sub-regional infrastructure organisations in the extent of their engagement with social enterprises.

The mapping exercise sought to investigate this situation in order to develop a clearer picture and to identify ways of building a vibrant and robust sector able to generate substantial income from trading to further their social aims.

The research had two main objectives:

1. To determine the characteristics and geographical spread of existing and potential BME social enterprise across London
2. Investigate their business support needs with a view to developing a business support model for their growth and development.

Olmec commissioned CDSE (Centre for Development & Social Enterprise Ltd) to assist in the achievement of these objectives. This report represents the outcome of the exercise as instructed.

1.2 Background

The Government recognises social enterprise as a key growth area with abundant potential for:

- Helping to drive up productivity and competitiveness

- Contributing to socially inclusive wealth creation
- Enabling individuals and communities to work towards regenerating their local neighbourhoods
- Showing new ways to deliver public services.

This vision has generated a growing social enterprise movement across the UK social economy at present. The establishment of the Social Enterprise Unit, Social Enterprise London, Social Enterprise Coalition, the London Rebuilding Society, LDA Social Enterprise Strategy, and a number of regional, sub-regional and local providers of support to this sector, presents a clear evidence of the importance attached to the concept and benefits associated with social enterprises. It has however become apparent that government policies have not managed to attract a sustainable BME input.

To date in London, there has been well below optimal engagement of BME groups and businesses in Social Enterprise initiatives. The lack of support at sub regional and regional level has led to the sector feeling marginalized. Feedback received by Olmec from key organisations such as Minority Matters Foundation (formerly Fullemplay) - which used to run a mentoring support project for social enterprise development among BME communities - indicate the limited support and access points for BME social entrepreneurs.

Olmec's research also indicates that, whilst mainstream organisations have contributed to the development of social enterprises across London, their programmes have not effectively tackled the barriers to the growth and development of the BME social enterprises. Many of London's Local Enterprise Agencies and CVs -access points for existing and potential BME Social Enterprises (SEs) - are either experiencing capacity problems or are yet to incorporate social enterprise briefs into their existing business support programmes.

There is therefore a sense of isolation felt by BME groups at present, especially at a time when the demise or reduction in size of most of the popular grant regimes is forcing BME groups to appreciate the increased revenue, focus and effectiveness that can come from adopting 'for profit' business approaches. It is against this backdrop that this mapping exercise was proposed by Olmec.

Olmec is a charitable community investment foundation that works with individuals and organisations in deprived neighbourhoods. The organisation's focus is to invest in the strengths of individuals through the delivery of training, provision of support and facilitation of access to opportunities in education, employment and to decision-making bodies. Olmec aims to bring new resources and investment into deprived neighbourhoods by linking with businesses and funding organisations.

1.3 The Scope of Activities

Key activities agreed in order to conduct this research were:

- Review existing information regarding Social Enterprise via wider literature review involving critical examination of literature on the concept of Social Enterprise and current government thinking on the concept
- Establish Linkages with community based networks to secure their input
- Contact meetings with BME local and London-wide infrastructure and umbrella organisations in order to access existing and potential SEs
- Contact meetings with local, sub-regional and regional social enterprise networks and forums
- Compilation of an initial database - tapping as much as possible into existing databases and membership lists held by support networks and intermediaries
- Preparation for data collection by developing and testing a questionnaire
- Distribution of questionnaires and one-to-one interviews
- Analysis of finding
- Consultation and discussion of findings with stakeholders
- Presentation and submission of final report.

1.4 The Structure of the report

Following this introduction chapter, which also describes the methodology employed to achieve the objectives, the report is structured as follows:

Chapter 2: *Definition and review of studies* - This chapter attempts to define the concept of social enterprises and reviews existing studies on social enterprise. It sets the context for the mapping and draws on good practice model examples.

Chapter 3: *Findings* – This chapter presents the analysis of the results obtained from the questionnaire and interviews.

Chapter 4: *Conclusion and Recommendations* – This chapter presents concluding remarks and recommends broader actions for future policies and programme development for BME social enterprises.

1.5 Terminologies and Definitions

BME (Black and Minority Ethnic) in this report represents people of African, Caribbean and South Asian descent.

BME social enterprises and BME VCOs are used to represent BME-led organisations. They are organisations with no less than 51% of board members being of BME descent.

1.6 Methodology

A combination of desk and field research was used to inform the findings of the report.

A desk-based research comprising relevant reports, papers, and published information regarding social enterprises was conducted. These were collated and analysed to properly define the concept of social enterprise, identify key issues affecting the development of social enterprises (with a particular focus on BME social enterprise), and current ways of addressing these issues.

The fieldwork comprised a fieldwork questionnaire and interviews. The questionnaire (See appendix 4) design was based on the knowledge of the needs of the BME communities and the activities pursued by various organisations to meet them, with additional input from partner agencies. Because of the diverse nature of the targeted organisations - of which some were non-social businesses - the questions were broad rather than specific to social enterprise.

The questionnaire was divided into four sections:

Section 1: Basic details of the organisation including name, contact details, legal status and year established

Section 2: Information about the respondent's social enterprise including customer/clients, location, market(s) served, and ethnicity of client groups

Section 3: Information regarding the enterprise's income and expenditure, covering for example turnover, sources of contracts, running costs, and profits/surpluses

Section 4: Growth and development needs including current skills gaps, personnel issues, business plan, access to business advice and fundraising.

The questionnaire was distributed electronically as well as in hard copy. It targeted start-up, existing, and pre-start BME social enterprises via Olmec's network of social partners.

The absence of a definitive list of BME social enterprises in London made it impossible to select groups by sampling in the traditional sense to ensure that the study reached the mix of BME-led social enterprises in London. Olmec therefore adopted a network approach by distributing questionnaires via social partners e.g. mainstream social enterprises, BME Forums/Alliances, Council for Voluntary Services, Local Authorities, Funders, Business Development Agencies and regeneration agencies; a small percentage were distributed by post. The 80 organisations that classified themselves as social enterprises at the two social enterprise events organised by Olmec were targeted directly.

The interviews were conducted by a combination of face-to-face meetings and telephone interviews. Apart from BME social enterprises the interviews mainly targeted Local Authorities and intermediary organisations whose activities impact on BME VCOs and communities as a whole. The aim was to learn about their strategies and programmes for supporting the development of social enterprise activity in their area, how they engage with BME groups and more importantly, determine the level of activity and the key challenges faced by BME social enterprises. The format and line of questioning therefore differed to some extent from the questionnaire.

Two events organised by Olmec in 2006 - a seminar that attracted 130 participants and a workshop made up of 30 participants - provided opportunities for viewpoints to be extracted. Workshops during these events were also used as (focus groups) to extract the views and opinions on BME Social Enterprises. A total of 40 questionnaires were completed at both events.

Chapter 2. Social Enterprise - definitions and review of studies

2.1. Introduction

Social enterprise has generated a wide array of definitions. The concept now occupies a new and growing space between traditional charitable endeavours based on philanthropy and private businesses driven by shareholder value.

Recent government research estimates that there are now around 55,000 social enterprises in the UK, employing over 500,000 people and with a combined turnover of £27bn and contributing £8.4bn to GDP. The key questions that this chapter of the report seeks to answer are:

- What is a social enterprise?
- What benefits could be derived from social enterprises?
- What are the challenges faced by BME social enterprises?
- How far does current policy seek to address the challenges faced by social enterprises?

On the concept of social enterprises, the review covered a wide range of published information including books, articles and reports. Given the scarcity of information pertaining to BME social enterprise however, the review relied on a few published sources available (including studies on BME voluntary and community sector issues) and Olmec's previous research to set the context for the study.

2.2 Definition

Some describe the overall purpose of social enterprise as building "community wealth" – generating resources through profitable enterprises to promote social change and build assets for the community as a whole. Others take a more narrow focus and look at the benefits to the organisation and the people directly involved.

Social Enterprises are businesses that trade in the market in order to fulfil social aims. They bring people and communities together for economic development and social gain.

The idea of social enterprise - according to *Social Enterprise London* - goes back to the early cooperatives and mutuals, which used a business model for collective self-help. More recently, social enterprises have emerged from the voluntary and community sector.

In the UK, the most commonly used definition is that produced by the Department of Trade and Industry:

“a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for the share holders and owners.”

This definition focuses on the use of profits or surpluses, although in reality, it may be sometime before there are any profits to distribute.

2.3 Characteristics

Social enterprises have three common characteristics (refer Social Enterprise London (SEL) publications):

Enterprise Orientation: they are directly involved in the production of goods and the provision of services to the market. They seek to be viable trading concerns and make a surplus from trading.

Social Aims: have explicit social aims such as job creation, training and provision of local services. They have ethical values including a commitment to local capacity building. They are accountable to their members and the wider community for their social, environmental and economic impact.

Social Ownership: they are autonomous organisations with a governance and ownership structures based on participation by stakeholder groups (users or clients, local community groups, etc.) or by trustees. Profits are distributed as profit sharing to stakeholders or used for the benefit of the community.

2.4 Social Enterprise - Types

Social enterprises come in a variety of forms, which include:

- **Employee-owned businesses** – creating and sustaining jobs as part of economic development strategies
- **Community businesses** – social enterprises, which have a strong geographical definition and focus on local markets and local services
- **Credit unions** – providing access to finance
- **Co-operatives** – associations of persons united to meet common economic, and social needs through jointly owned enterprises
- **Development trusts** – key actors in community-based regeneration
- **Social firms** – providing employment and training to people with disabilities and other disadvantaged groups
- **Social businesses** – enabling charities to meet their objectives in innovative ways; such as fair trade companies
- **Intermediate labour market companies** – providing training and work experience for the long-term unemployed.

2.5 Social Entrepreneurship

Of interest to the social business debate is the distinction between the concepts of social enterprise and social entrepreneurship; some practitioners agree that they are not the same in terms of meaning. According to the *School for Social Entrepreneurs*:

“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. While entrepreneurs in the business sector identify untapped commercial markets, and gather together the resources to break into those markets for profit, social entrepreneurs use the same skills to different effect. For social entrepreneurs, untapped markets are people or communities in need, who haven't been reached by other initiatives.”

Social entrepreneurship is therefore related to a social enterprise but they are typically not the same thing. Social enterprises are typically businesses that measure their success both by how much they earn and how much they benefit their community.

Linklaters takes this further. In their report to the World Economic Forum - *Social Entrepreneurship, 2006* - they maintain that “for many *social entrepreneurs*, charity is essentially about philanthropy, whereas *social enterprise* is about empowering people who are socially disadvantaged to improve their financial, social and moral status and well being.”

The report further explains that “social entrepreneurs can set up their initiatives as for-profit or not-for-profit organisations, and that choice will be a function of their vision and theory of change.”

The similarities are that “both *not-for-profit* and *for-profit hybrids* apply innovative, transformational approaches to address government or market failures to provide goods, services and opportunities to excluded or marginalized sections of society.”

The difference, they claim, lies in the fact that “*not-for-profit* hybrids may recover some of their costs, as in, for example health service provision, education, and/or technology but in order to sustain their activities and respond to their clients effectively, they must mobilise other sources of funds from the public sector and/or the philanthropic community.

For-profit hybrids may recover their costs and also generate a profit margin with the main aim being to expand their social ventures and reach more people effectively. Personal wealth accumulation is not a priority for the entrepreneur – and in many cases profits are reinvested in the enterprise in order to fund expansion.”

2.6 Social Enterprise and the BME Community

It is estimated that there are between 3,300 and 5,000 social enterprises in London – according to LVSC and the small Business Service Survey (2005) – of which a considerable proportion are BME led. They conveniently endeavour to serve their respective communities through income raised from their trading activities and other

sources. Statistically BME non-profit organisations tend to engage more in service delivery through funded programmes and contracts from public service organisations.

London is home to 46.4% of England's BME population (refer ONS, 2001 Census). Also 30.7% of London's population (according to ONS, Labour Market Data for Local Areas by Ethnicity, Sept 2004) belong to BME groups, so it would be fair to assume that BME social enterprises support a vibrant, diverse and growing BME community. Their local knowledge and relationship with the community is an invaluable resource. Also, London, according to the LDA "embraces one of the wealthiest and most vibrant economies, but also includes some of the country's poorest communities and patterns of disadvantage fall disproportionately on certain sections of the community." The city has two-thirds of the most deprived local authority housing estates and three of the five most deprived boroughs in England. Members of the minority communities still face discrimination, most critically in access to employment and business support.

LDA records states also that, on average, Black Londoners are twice as likely to be unemployed as white residents. Economic and social issues such as unemployment and social exclusion often disproportionately affect BME communities. This confirms the fact that, social and economic deprivation challenges London's BME community more than others. For these to be effectively tackled, BME social enterprises should be at the forefront working as equal partners with other organisations. Links need to be developed with mainstream organisations and statutory bodies to ensure support is available to build a better understanding of the needs of BME social enterprises. This will help develop pragmatic and tailored solutions to be applied in overcoming them.

Across London at present, BME social enterprises - most of whom are at the start-up stage - are making a real difference. They play an important part in the fabric of London's communities through offering services that statutory bodies are unable to provide. BME social enterprises (as is the case for some mainstream social enterprises), are often situated within, or benefit disadvantaged areas. They often target niche markets within their own community including tailored care, translation services, cultural and leisure activities, employment, and educational activities. Increasingly they are also developing social enterprises that target wider markets. They are able to address the needs of BME communities in ways that others can't.

Childcare for example, represents a key service area where BME social enterprises have played an active role to date. According to the Daycare Trust, there are 600,000 children under three living in poverty in the UK but only 42,000 free or subsidised childcare places for disadvantaged families. Providing affordable childcare in some of Britain's poorest areas is a key pledge in the government's strategy of regenerating communities. According to the LDA, childcare costs 25% more in London than it does in other parts of the UK. With prices averaging between £165 and £250 a week, many single parents and families on lower incomes simply cannot afford to meet the cost and many are prevented from working because of this.

Often under-resourced and overstretched, BME social enterprises are already helping to address this in areas that are deprived – usually with a large number of single mothers and a high number of people in low-paid part-time work. They ensure that the cost of childcare remains affordable for parents at the same time as delivering a quality service.

Increasingly in the UK, social enterprise is being used to develop work opportunities for some of the most disadvantaged unemployed people. BME social enterprises are influencing the education agenda by working with schools and colleges to raise standards for underachievers and to develop the existing workforce. They are also encouraging and promoting cultural diversity across London amidst discrimination and ethnic stereotyping. In addition, social enterprises - from various research sources - offer BME communities, the advantage of:

- Co-operative ways of working amongst people from the same countries of origin (for immigrant population)
- Career opportunity
- Competitive wages
- Ownership for people who are disadvantaged, whether it be physically, mentally, economically, or educationally
- Taking ownership of the future through involvement in project design and implementation
- Developing innovative projects
- Building an asset base.

Overall BME social enterprises can play a significant role in developing local economies and improving service delivery in their local communities.

2.7 The Needs of BME Social Enterprises

In spite of the remarkable contribution they continue to make to community development, BME social enterprises increasingly struggle to meet most of their aspirations. The source of these barriers can often be traced to the nature and characteristics of BME social enterprises and more importantly, “the conditions under which they work” (refer Gaskin, K. *BME Twinning Initiative Evaluation, 2001*). The chronic state of under-funding means that BME organisations are stretched for resources and staff, affecting both the attention paid to project management and the capacity to supervise effectively.

Whilst mainstream social enterprises face the same business challenges as BME social enterprises, the latter tend to face additional barriers due to factors such as:

- Lack of access to appropriate finance
- Lack of access to appropriate business advice and support.

Lack of access to appropriate finance – A key driver behind the rise of social enterprises among VCOs is income generation towards sustainability. Burns, K. in her article, *Five Social Enterprise Myths, Dispelled* argues that “Starting a social enterprise requires investment. Between planning costs, start-up expenses, initial losses, and capital investments needed along the way, it's a rare enterprise that only requires a limited financial investment to get started and keep going.”

While BME social enterprise may be able to access some grants and donated items, there is always the need for finance to match other income. Access to loan finance to invest however has been a major barrier to their development.

Lack of access to appropriate business advice and support – As mentioned earlier in this report, there has been well below optimal engagement of BME groups and businesses in social enterprise initiatives in London at present. The lack of support at sub regional and regional level has led to the sector feeling marginalized. Support provision for social enterprises in London is currently co-ordinated by a number of mainstream

national or London-wide organisations such as Business Link, and local structures like the Council for Voluntary Services (CVS). The variation amongst these organisations regarding their involvement and the inconsistent pattern of delivery has affected the development of new and established BME social enterprises in the capital.

Another dimension to this lack of appropriate support is the relevance of the skills base of social business advisers. There are many providers of social enterprise support as are forms of business advice, but not all business advisers are as proficient at understanding BME social enterprises as they are at understanding mainstream or more conventional businesses. A study by Baker Brown Associates - *Regional infrastructure for the Social Economy, 2001*, reveals that “most business advisers lacked confidence in and experience of providing support to all types of social enterprises. This was even true of advisers working for agencies specialising in social enterprise.”

Notwithstanding this situation, there is a growing number of BME social enterprises in London that demonstrate enough prospects for growth. A typical example of a growing business is the catering business *Scotch Bonnet* that currently holds a contract with an NHS Trust in addition to their event catering services.

2.8 What is the Government doing for social enterprises?

A number of statements have come from political sources in recent times that acknowledge the value of social enterprises to the UK economy, and the pledges of support for their growth. These were usually made in response to a strategy or action plan for social enterprise development with reviews pointing to progress in most of the key action points. In relation to BME social enterprises however, there appears to be very little impact across the key areas of need outlined in the previous paragraphs.

In the report -*Social Enterprise: a Strategy for Success* - commissioned by the Social Enterprise Unit and launched in 2002, the Government set out a programme for three years to promote and sustain social enterprise activity. The programme was designed to address the major barriers to growth of the social enterprise sector, and to achieve three outcomes:

1. Create an enabling environment for social enterprise

2. Make social enterprises better businesses, and
3. Establish the value of social enterprise.

The Government's role in achieving these outcomes included:

- Help to ensure that social enterprises are able to compete effectively with mainstream businesses by 'levelling the playing field'
- Make sure that specific and justified needs of social enterprises are recognised and taken into account in policy and programme delivery
- Make sure that social enterprises have access to appropriate finance
- Make sure that timely and appropriate business advice is as widely available to social enterprises as it is to any mainstream business
- Help ensure that appropriate advice and support is available to voluntary and community organisations that wish to become more sustainable enterprises but are currently dependent on grant aid
- Encourage public sector bodies actively to consider social enterprise solutions when making procurement decisions.

The Prime Minister Tony Blair, in his foreword to the strategy report said that his government's vision for the social enterprise sector is "bold". Social enterprises he said, "offers radical new ways of operating for public benefit."

The government, to achieve these outcomes has – since the launch of the strategy - worked through intermediaries and other organisations in what the strategy described a "strong support infrastructure for social enterprises" already in existence. They include: Development Trust Association (DTA), The Co-operative Movement, Community Action Network, Social Firms UK, and Social Enterprise London. These are now being supplemented by regional support networks like Regional Development Agencies (RDAs) and Business Links.

For BME social enterprises, the involvement of these organisations are yet to yield enough measurable outcomes in spite of the real efforts and genuine commitment of some of them to reach out. Access to finance and appropriate business support remain key growth and development issues. Some types of social enterprise, most notably

Development Trusts and Social Firms benefit from regional and sub-regional support structures more than the usually isolated and fragmented BME social enterprises. This situation has impacted negatively on BME organisations forcing many start-ups to become moribund or die.

A review of the strategy this year –commissioned by SEU- highlights the view that “the environment has become more enabling for social enterprises in recent years, availability of appropriate business support has increased and there has been some improvement in the quality of business activity within the sector.” This view may apply to mainstream social enterprises more than it does to BME social enterprises.

The review further highlights achievements including:

- The new legal form - Community Interest Company – which “is now enabling social enterprises to use and protect their assets more effectively”
- Progress made in “opening up procurement opportunities” for social enterprises (examples observed within local government and National Health Service). The devolved administrations, RDAs and several government departments have introduced policies which recognise and support the sector
- Growing awareness amongst some banks of the needs and market opportunities represented by the sector
- Social enterprises appear to be moving towards greater financial independence
- Some business models of ‘first movers’ have been shown to be replicable e.g. leisure trusts and recycling enterprises
- Networking and relationship building e.g. through directories, specialist websites, co-location, franchising, building of consortia.

In relation to BME social enterprises, these achievements may have little or no relevance. For example, the ‘asset lock’ element which is one of the main attractions of the Community Interest Company, may not be useful to BME social enterprises for the simple reasons that, at the current stage of their development, the majority do not have sufficient capital assets to protect. Such a useful legal form may be less useful to them until opportunities have been made available for development of an asset base. Similarly, the successful replication of some business models requires resources that are currently beyond the reach of many BME social enterprises.

Financial independence remains a distant prospect for many BME social enterprises given the barriers in accessing finance as explained. As the Bank of England report – *The Financing of Social Enterprises, 2003* – explains, the social enterprises “particularly the larger, more established organisations do use a range of external financing techniques involving banks and other lenders, such as Community Development Finance Institutions (CDFIs).” Government –backed investment funds like Futurebuilders and Adventure Funds have shown some commitment in funding BME organisations; it appears however that most of the organisations are unable to meet their required criteria.

The Chancellor, Gordon Brown, recently announced plans to make over £18m available over the coming years to help knock down barriers to growth and enable social enterprises to thrive. These dynamic businesses he said “are founded for a social purpose, reinvest their profits in the company or community - and change lives for the better everyday.”

The action plan he said “aims to open the door to thousands more social enterprises - by raising awareness of what they can achieve and investing money to encourage more people to make a difference, either by involvement or investment.”

The plan which builds on the strategy will drive change in four areas:

- Embedding the cultural change that is already underway, especially through inspiring the next generation to start thinking about the social impact of business
- Improving advice and support available to start-up and growing social enterprises
- Tackling the barriers in access to finance that restrict the growth of social enterprises
- Enabling social enterprises to work effectively with government in pursuit of common goals.

The Conservative leader David Cameron has pledged to create a level playing field for social businesses so they can win more local authority and government contracts. Social enterprise is directly involved in three of the points outlined in his mini-manifesto, *Built to Last*. The document sets out various ways to encourage social enterprise, such as reducing bureaucracy and using long-term investment to motivate the entrepreneurial spirit in communities to tackle poverty and deprivation. Mr Cameron's plans also suggest

more social enterprise sector involvement in healthcare, to reduce NHS centralisation and encourage innovation.

The contribution of Local Authorities to social enterprise development is another issue worth debating. A survey conducted by the Local Government Association (LGA, 2001) found that the majority of local authorities do not have a specific social enterprise strategy, but some had a person with specific responsibility for social enterprise. There is a feeling that this situation needs to change if local authorities are to gain the potential benefits that can be offered by social enterprises.

The traditional business world remains largely unconvinced. David Frost, Director General of the British Chambers of Commerce, says: "Social enterprise has a role but it's not key to the UK's future."

The level of interest across the political spectrum is welcome, but it remains to be seen, how far such commitments will go in transforming the fortunes of the BME social enterprise sector.

Chapter 3: Findings

3.1 Introduction

This chapter presents the analysis of the results obtained from the questionnaire and interviews. The results are divided into three main categories:

- General information on respondents
- Income and expenditure
- Growth and development issues.

There are no means of knowing the exact number of questionnaires distributed given the distribution methods used. In all, however 60 questionnaires were returned. This was disappointingly low given the fact that ample time, coupled with reminders via network partners, was given for the targeted organisations to complete them.

Feedback from network organisations indicates the likelihood of general 'questionnaire fatigue' suffered by voluntary and community organisations in the current environment. The low number is however not surprising as BME research history is full of such occurrence. For example, McLeod et al.(2001) achieved about a 20% return rate on their postal return to BME organisations. Chouhan et al. (2004) recorded the same while several local surveys have recorded similar return rates.

However, greater responses through interviews yielded very useful information that combined effectively with the questionnaire to answer key questions posed by the study. Sixty five combined telephone and face-to-face interviews were conducted overall. The table below presents a breakdown of interviewees.

Table 1: Breakdown of interviewees

Organisation/Interviewee	Number
Local Authority	28
CVSs/Local Forums	15
Enterprise Agency	5
BME Social Enterprises	10
Independent Business Advisors	7

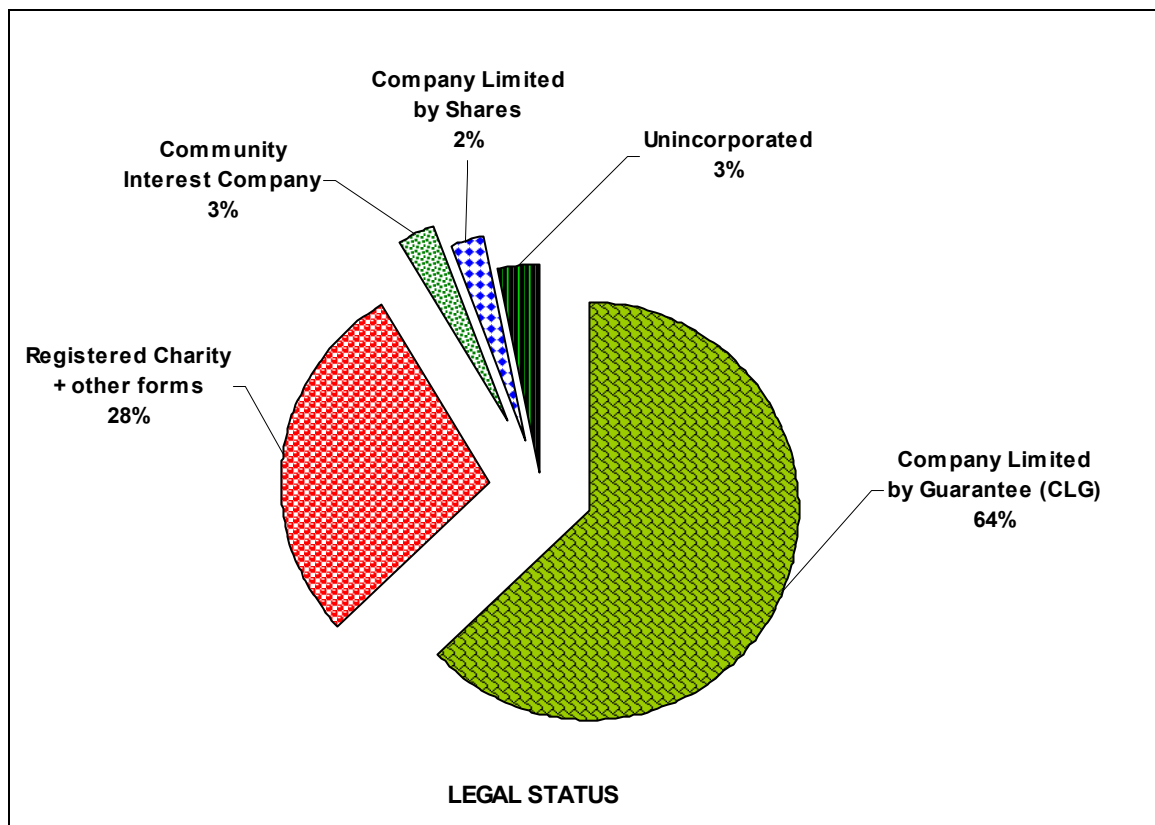
3.2 General Information on Respondents

Legal Status

All respondents stated that they had some form of legal structure. With the exception of the industrial and provident society and partnership legal forms, respondents reported the various legal forms listed in figure 1. The majority (63.1%) classified themselves as Company Limited by Guarantee (CLG). CLGs can not distribute their profits to members; it was therefore not surprising it was the vehicle of choice for most respondents.

A sizeable proportion (28.2%) said they were registered charities but had trading subsidiaries that operate under other legal forms. Interviewees also confirmed the CLG model as the one most BME social enterprises were reasonably comfortable with. 3.0% were CICs (Community Interest Companies), an indication that BME groups are slowly connecting to the recently launched CIC legal form. 2.6% were company limited by shares. The remainder (3.3%) were unincorporated.

Figure 1.



Type of Organisation

Asked to describe whether they were social enterprises, the majority (70.3%) of respondents to the questionnaire classified themselves as BME-led social enterprises. Of those that weren't social enterprises, 27% classified themselves as voluntary organisations currently not pursuing any trading activity. Asked whether they required assistance to set up social enterprises, over 70% indicated they required assistance. 2.7% of respondents were individuals with an interest in social enterprise but not involved in any trading activity.

The number of social enterprise respondents was further boosted by the number of participants at Olmec's two social enterprise events. Over 70% of the total number of 150 participants were BME-led social enterprises, whilst the remainder expressed intentions of starting a social business. This corroborates Olmec's view of a growing BME social business activity across London.

Length of time in existence

72.4% of the social enterprise respondents were start-ups, between 0-18 months, whilst the remaining 27.6% had been in existence for over 18 months. The high number of start-ups may account for the less than significant number of responses received; BME social enterprises may not be plugged into local, sub-regional and regional networks through which the questionnaires were distributed.

Geographical scale of market served

The majority (78.8%) stated they served local markets, whilst 16.1% provided services across London; the remaining 5.1% served clients nationally. As the figures indicate, most BME social businesses are located very close to the point of need. In Croydon for example 80% of the 320,000 (35% of total population) BME population are located in the deprived North West area of the borough. Most of the BME social enterprises in the borough operate from, and largely target their social aims at the deprived members of the community.

Location

Of the 60 social enterprises that responded, two did not specify their geographical location. The remaining 58 were spread across 17 of London's 33 boroughs as represented in the table below.

Table 2: Distribution of Social Enterprise

Borough	No
Brent	2
Camden	1
Croydon	7
Hackney	2
Enfield	4
Haringey	7
Harrow	3
Hillingdon	1
Islington	4
Lambeth	7
Lewisham	1
Merton	2
Southwark	10
Tower Hamlets	1
Waltham Forest	3
Newham	2
Westminster	1

Given the fact that, one of the main objectives of the survey was to determine the geographical spread of BME social enterprise activity, an ideal outcome would have been a higher response rate and a more even spread, this however wasn't achieved for reasons expressed earlier on in the report. Any attempt therefore at extrapolation across London based on these numbers will be unreal and unrepresentative of the BME social enterprise landscape.

The survey as a result dwelt on the perspectives of co-ordinating and support organisations - including Local Authorities - to derive the required outcomes. This approach provided a more reliable representation on top of other relevant information pertaining to the development of BME social businesses.

All but one out of the 28 local authorities interviewed expressed commitment to social enterprise development in their boroughs, as was mentioned in chapter two. However, most of them did not have a specific strategy for social enterprises; neither did they have a specific strategy for reaching out and involving BME social enterprises.

Three -Camden, Croydon and Havering - had a strategy in place whilst Haringey and Enfield had draft strategies that were yet to be implemented. Fifteen had social enterprise development as part of their wider economic development or enterprise strategy. The remainder had no plans, but expressed awareness of social enterprise activity in the borough and had either funded or participated in some local events.

A more interesting representation of social enterprise activity perhaps was the local authority networks or consortia. Four of these were identified as described in the table below.

Table 3: Social Enterprise Networks

Network	Members	Aim(s) of Network
SENSE (Social Enterprise Network for Social Entrepreneurs)	<ul style="list-style-type: none"> ▪ LB Bromley ▪ LB Croydon ▪ LB Kingston-upon-Thames ▪ LB Merton ▪ LB Richmond-upon-Thames ▪ LB Sutton 	<p>To act as an agent to support new and existing social enterprises in South London boroughs</p> <p>To lobby and raise awareness of social enterprise in the voluntary, community and business sectors.</p>
ELSE (East London Social Enterprise)	<ul style="list-style-type: none"> ▪ LB of Havering (Local Economy Support Unit) ▪ LB of Barking & Dagenham ▪ LB Redbridge ▪ LB Tower Hamlets ▪ LB Hackney ▪ LB Newham 	<p>A consortium formed to provide support to new and developing social enterprises across the East London region.</p> <p>It promotes advocacy, best practice and development within the social economy business sector working directly with individuals, groups and organisations to help them realise their business idea.</p>
West London PULSE	<ul style="list-style-type: none"> ▪ LB Brent ▪ LB Ealing ▪ LB Hammersmith & Fulham ▪ LB Harrow ▪ LB Hillingdon ▪ Hounslow 	<p>West London PULSE aims to promote and support social entrepreneurship within the West London boroughs (named).</p>
SEDP (Social Enterprise Development Partnership)	<ul style="list-style-type: none"> ▪ LB Enfield ▪ LB Haringey ▪ LB Waltham Forest 	<p>Work with the voluntary sector and practitioners within the three boroughs to support social enterprises</p>

In terms of their involvement in social enterprise development, the survey findings are represented below.

South London

In its south London constituency, SENSE - of which Croydon Council plays a more active role - currently supports 600 social enterprises of which over 80% are BME led. There appears to be a very strong link between BME social enterprises and faith groups.

A specific case example of a BME-led social business that SENSE supports is PJ Community Services Ltd.

PJ's Community Services Limited has been trading for 14 years. The business -according to SENSE- has 110 employees and deliver services on contract for Local Authority social service departments and others. Surpluses are reinvested to support among other things:

- *Community recording studios for local youth*
- *A community hall supporting youth dance, consultation and expression*
- *Start-up businesses.*

The business is innovative in reaching BME elders and reinvesting profits for the benefit of the youth in the community.

Merton council are in the process of developing a strategy; there seems to be an emerging social enterprise of which 6 are BME-led. The over-representation of BME organisations in recent social enterprise events organised by the council gives some indication of a substantial number of potential BME social enterprises in the borough.

North London

Enfield Council, which has been supportive of social businesses since 1995, (when ERDF money made it possible for start-up grants to be provided to social enterprises), recorded 100 BME led social enterprises, out of the total 150 between 1995 and 2005. Information was not available for 2006 and beyond.

Haringey Council, according to a recent draft strategy has approximately 110 organisations that could be defined as social enterprises; an estimated 60% of this number, the survey realised, are BME led.

Waltham Forest Council has no dedicated social enterprise strategy but has established a social enterprise forum. It has recently funded the development of a social enterprise strategy. The BME Alliance in the borough has 262 members all of whom are potential social enterprises.

Central London

Southwark Council, like most of the Local Authorities interviewed, has its social enterprise plan embedded in their Enterprise Strategy, and funds external organisations to deliver social enterprise advice and support. In terms of BME social enterprises however, a clearer picture was presented by SAVO's (the local CVS) directory of social enterprises that lists 47 social enterprises and around 150 potential social enterprises. Again, the survey arrived at an estimated figure of over 80% BME-led for both categories.

Camden Council has a social enterprise strategy and employs a dedicated staff member to preside over its implementation. It currently works with Social Enterprise London to support 17 BME social enterprises start-ups.

Islington are in the process of developing a strategy. It however runs a social enterprise support programme 'On Target' that supports 10 social enterprises 6 of which are BME-led. It was not possible to secure the perspectives of other co-ordinating and support organisations in the borough but Islington like Southwark and other inner London boroughs has a large number of BME communities and VCOs. The ethnic diversity within these boroughs creates opportunities for a variety of social enterprises. It is therefore most likely to contain a sizeable number of BME social enterprises.

Lambeth has no strategy but mentions social enterprise in its Economic Development Strategy. It maintains a database of 73 social enterprises, 15%-20% of which are BME-led. In contrast, the Voluntary Action Council counts 852 VCOs the majority of which are potential BME social enterprises.

An example of a promising Lambeth-based BME social enterprise is Scotch Bonnet Catering:

Scotch Bonnet Catering is a social enterprise and emerging social firm that provides authentic, high quality African and Caribbean catering services, combined with training and employment opportunities for people with mental health needs and learning difficulties.

*Scotch Bonnet Catering was established by **Southside Partnership** (a South London based charity) in 2003, and has grown out of the extremely popular café at the Fanon Day Centre in Brixton.*

“We realised that we could build upon this success to expand our catering services, while also providing a means for Southside service users to gain vital training, experience and employment opportunities. Through participation in Scotch Bonnet, our trainees can gain valuable skills and experience which opens up new opportunities and greater independence” – said a representative.

Scotch Bonnet is a not-for-profit social firm. This means that any profit made by the business is re-invested into the enterprise, enabling it to provide more training and employment opportunities for people with mental health needs and learning difficulties.

Kensington and Chelsea, Westminster and Wandsworth. It was not possible to secure interviews with these boroughs for various reasons. In respect of Kensington and Chelsea however a recent mapping survey commissioned by Kensington and Chelsea Social Council identified 20 social enterprises. Interviews with practitioners confirmed that over 80% of these are BME-led – mainly from the poorer wards of the borough. The survey concluded that “social enterprise within the borough is poorly recognised or understood.”

East London

Hackney Council has no strategy but funds business support activities -through their Neighbourhood Renewal Fund- to support social enterprises. Information from Hackney CVS however gave an indication of substantial BME social enterprise activity in the borough. The CVS supports 2000 voluntary and community organisations of which 1,600

are BME-led; 40% of this number (BME) had enterprise intentions. The CVS has provided small grants for pre-start and start-up social enterprises in recent years. A new network - HSEN (Hackney Social Enterprise Network) - is in its formative stages.

Barking & Dagenham – a borough in receipt of LEGI (Local Enterprise Growth Initiative) funding – it has no social enterprise strategy but supports social enterprises as part of their enterprise support programme. The programme supports both private and social businesses and has targets for BME involvement; the council were of the view that the programme supported more BME businesses than mainstream businesses. The LEGI initiative has allocated funds for the local CVS to employ a social enterprise support officer.

Havering – the only London borough with a BME population below the national average. The borough has a social enterprise strategy titled – *Enterprising Solutions* – and has taken an active interest in social enterprises with the establishment of the Social Enterprise Support Unit (SESU). Of the 19 social businesses currently being supported by the unit, only one BME-led social enterprise was identified.

Data supplied by the School for Social Entrepreneurs sheds more light on the BME social enterprise activity. The school recently completed a two-year programme in East London that trained 70 unemployed women to set up social enterprises in the area; 59% of beneficiaries were from the BME community. BME participants have formed a substantial proportion of the total participants in the last four programmes that the school has run. The breakdown of learners by borough is represented in the table below.

Table 4: Breakdown of learners by borough

Borough	%
Enfield	4
Tower Hamlets	18
Newham	9
Lambeth	9
Greewich	7
Southwark	5
Croydon	5
Wandsworth	4
Hammersmith & Fulham	4
Others	13

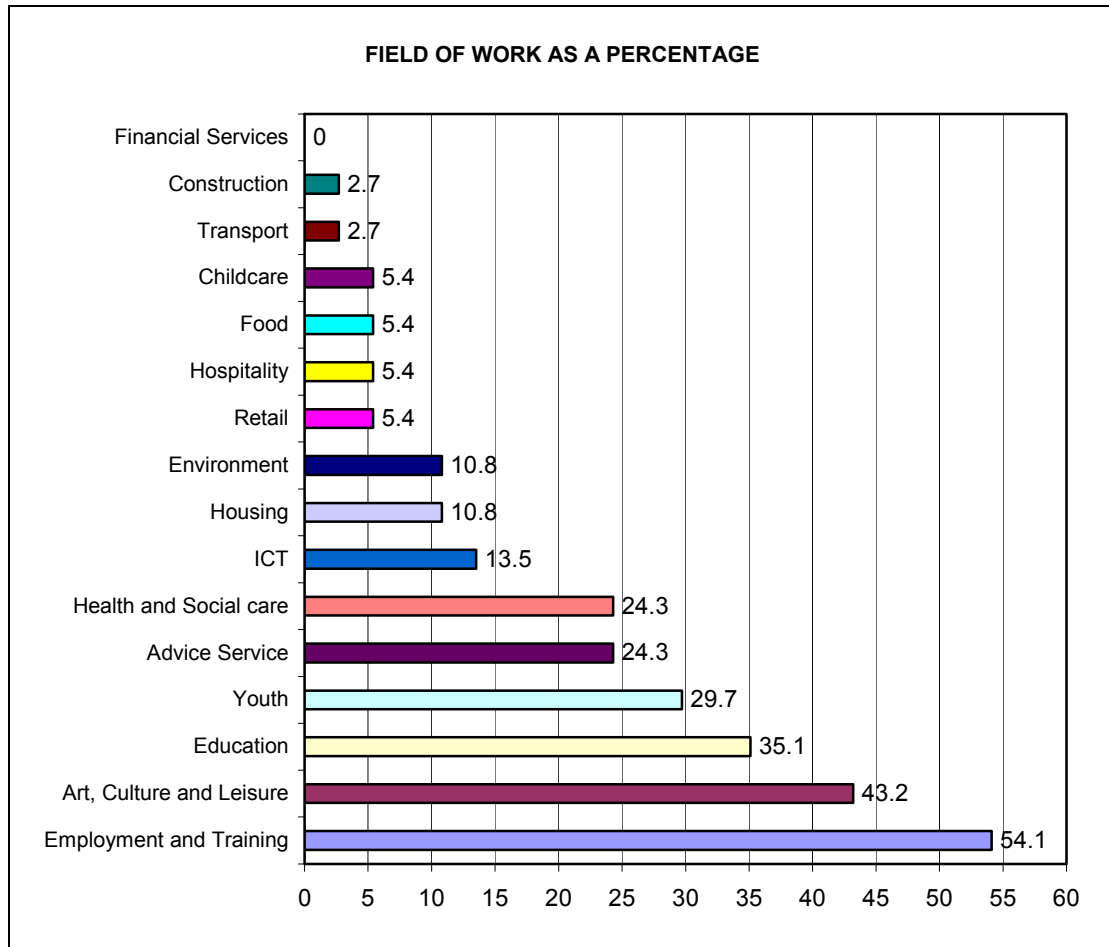
West London

The survey struggled to secure information from some of the key borough councils within the West London PULSE network. Compared with other networks, it appeared West London lacked the vibrancy and energy of some of its sub-regional counterparts in encouraging the growth and development of BME social enterprises. Interviewees from both Harrow and Brent Councils mentioned some form of arrangements with enterprise agencies - Harrow-in-Business and Brent Business Ventures - to provide support for social enterprises.

Field of Work

The main field of work of organisations completing the questionnaire was employment and training which scored 54.1% followed by Arts, Culture and Leisure (43.2%). As is common with multiple choices, most of the respondents identified more than one function. Figure 2 highlights the main fields of work identified within the BME social enterprise sector in London.

Figure 2.

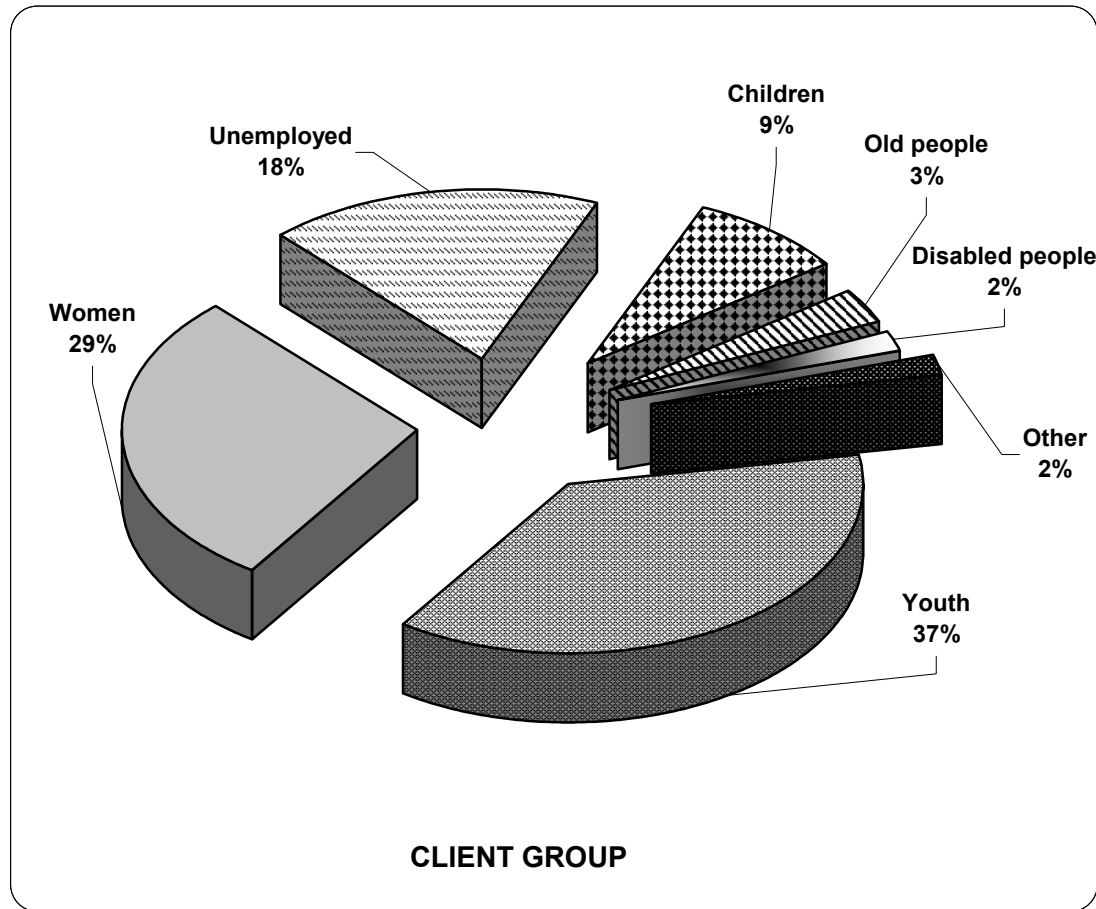


A possible explanation for employment and training being the highest category is the focus of BME social businesses on addressing the high unemployment rates within the BME community. A similar view applies to the arts, culture and leisure sector which has attracted consistently high levels of interest - especially music- from the community.

Client Groups

As was the case with other responses, more than one client group was identified. The main client group was the youth, followed by women and unemployed people. Disabled people as a client group scored lowest (only slightly higher than the undefined group). Figure 3 presents a breakdown.

Figure 3.



Ethnicity of client group

This was difficult to work out from the responses to the question as most of the respondent organisations felt they had a generic customer base. However client groups of African origin topped the list followed by Caribbean, Middle Eastern, South Asian and South East Asians.

This picture however does not represent the breakdown of ethnic minority population in London. The Greater London Authority records indicate that the two largest minority groups are the Indian and Black Caribbean groups.

Staffing

The staffing situation of most BME social enterprises reflects that of the BME voluntary sector. The funding difficulties often associated with BME organisations affect staffing levels to the point where the majority are overstretched. Many rely heavily on volunteers

to deliver services and the few that are able to achieve full staff levels, do so with a mix of full and part-time staff. 77% of respondent organisations had between 0-4 staff followed by 20% that had between 5-9 staff; 2.9% had between 10-19 staff.

In respect of volunteers, 62.9% respondents engaged 0-4 volunteers, with the next highest 17.10% engaging 5-9 volunteers. A significant minority 8.6% engaged 20-49 volunteers. Figures 4&5 present a breakdown of staffing and volunteers.

Figure4.

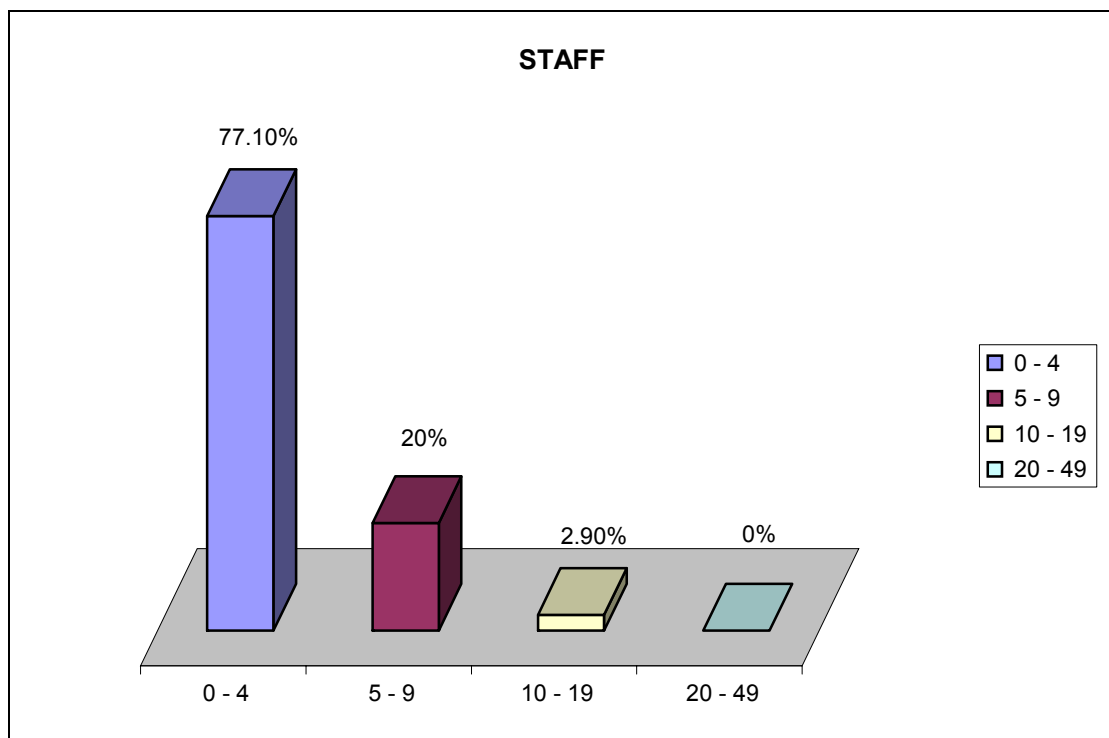
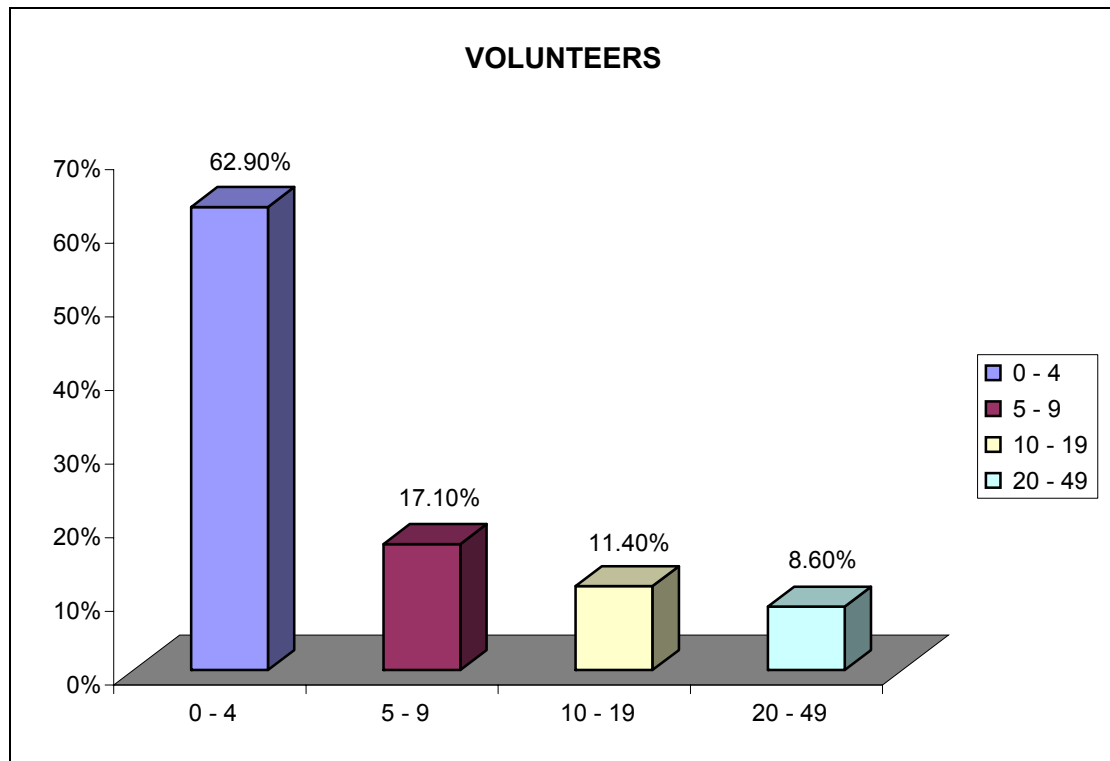


Figure 5.



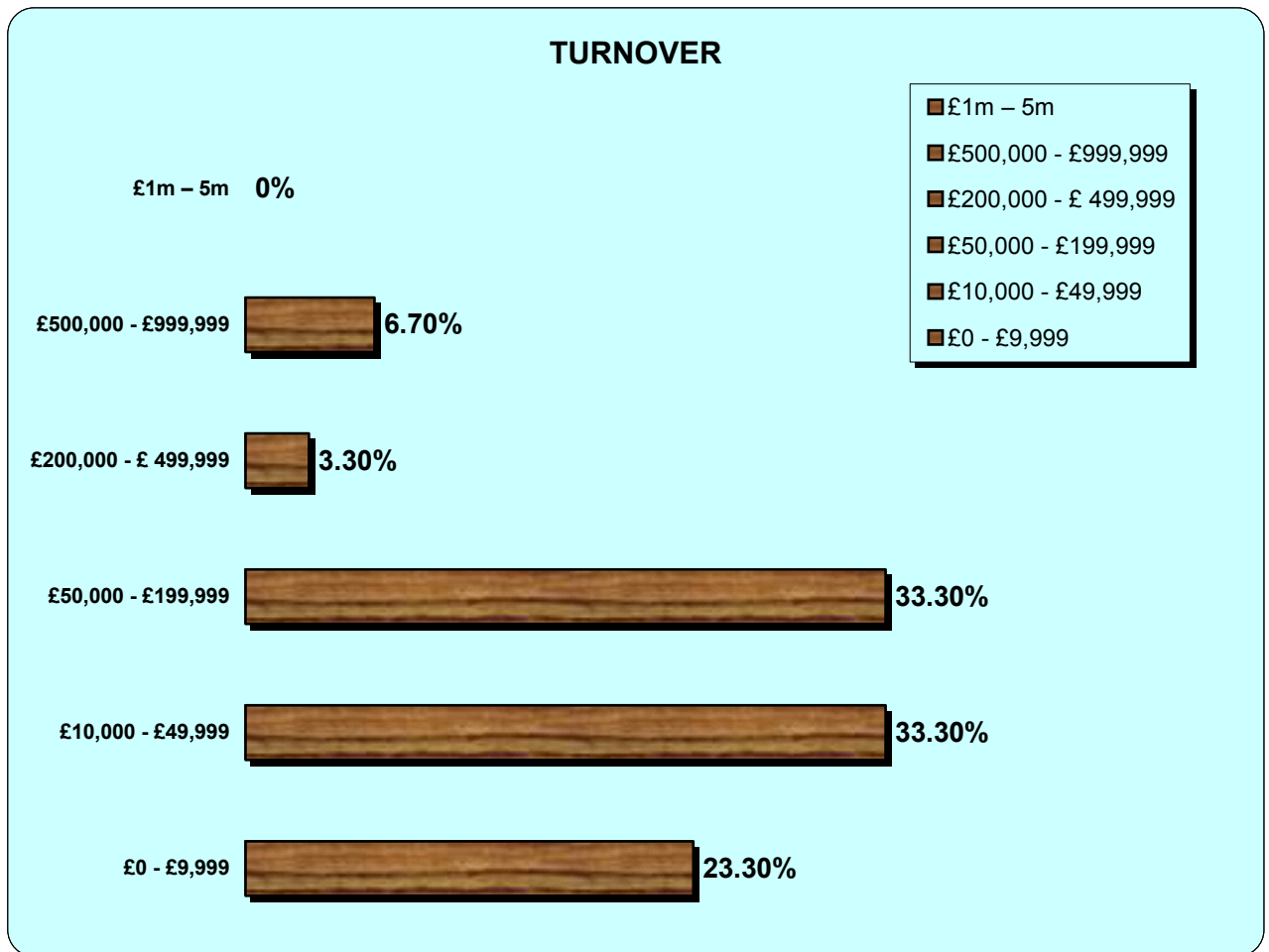
3.3. Income and Expenditure

Significant financial resources coupled with sound financial management are needed to develop and grow social businesses. A key characteristic of a social enterprise is its trading activity. The rationale behind the survey of income and expenditure was to determine the percentage of their income that is generated from trading and how much is generated through grants.

Income level

Of the eight broad income ranges, determined by turnover, 33.3% earned between £10,000 -£49,000, whilst exactly the same number earned between £50,000 - £199,999. None of the respondents earned over £1m. Figure 6 presents a breakdown.

Figure 6.



Too much may be read from such a small number of respondents, it could be inferred however, from the available data that, most BME social enterprises are either very small or small sized, most likely ran by part time and volunteer staff. However the 6.7% that state income between £500,000 - £999,999 gives an indication of a few medium to large BME social enterprises in London.

Sources of income

The majority of respondents (79.1%) income came from grants. The same applied to interview responses, with the exception of Croydon where over 50% of their income came from trading. Respondents felt that their start-up stage of development necessitates grant funding to enable them to build their capacity to the point where they are stable enough to compete effectively in the market.

Also, the fact that BME organisations – both for profit and not-for-profit – have generally found it difficult to access finance contributes to the reliance on grant funders. Many felt that funders and financial institutions treat them unfairly.

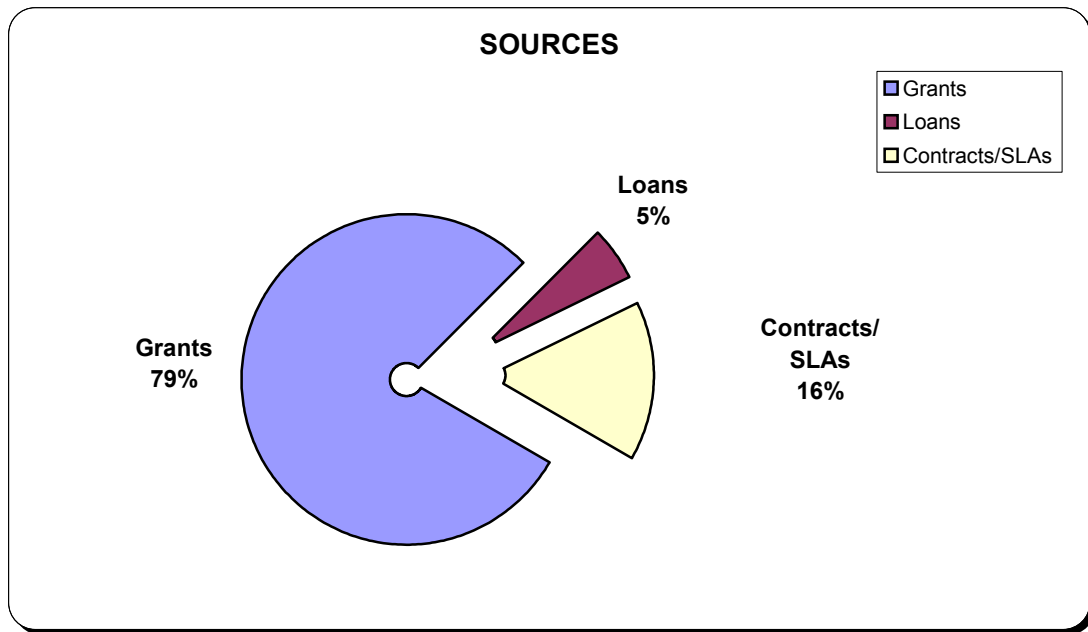
Researchers were told that the decision to establish trading subsidiaries by BME VCOs was often influenced by their aspiration to escape grant dependency. Despite the vital contribution to economic regeneration of disadvantaged neighbourhoods, they are often held back through their inability to access finance. High street banks for example are yet to embrace social enterprises as businesses that trade for profit. The lack of asset base of BME social enterprises do not make them attractive propositions for financial institutions; they tend to perceive BME social enterprises as high risk.

Another issue raised by interviewees was the widespread cultural aversion to borrowing in the BME non-profit sector. It is apparent that the pattern of BME social enterprise development conforms to the non-profit hybrid type described by Linklaters (refer Chapter 2). Many of them have grown from voluntary and community sector settings that consider grant funding as the main source of income to cover their management and delivery costs; rather than loan finance as investment to be turned into social outputs and revenue for sustainability.

Some of the enterprises that subscribed to this view gave the following reasons (as to why they have not used the loan finance route):

- High interest rates
- Low levels of investment readiness
- Lack of collateral
- Risk of losing assets used as collateral.

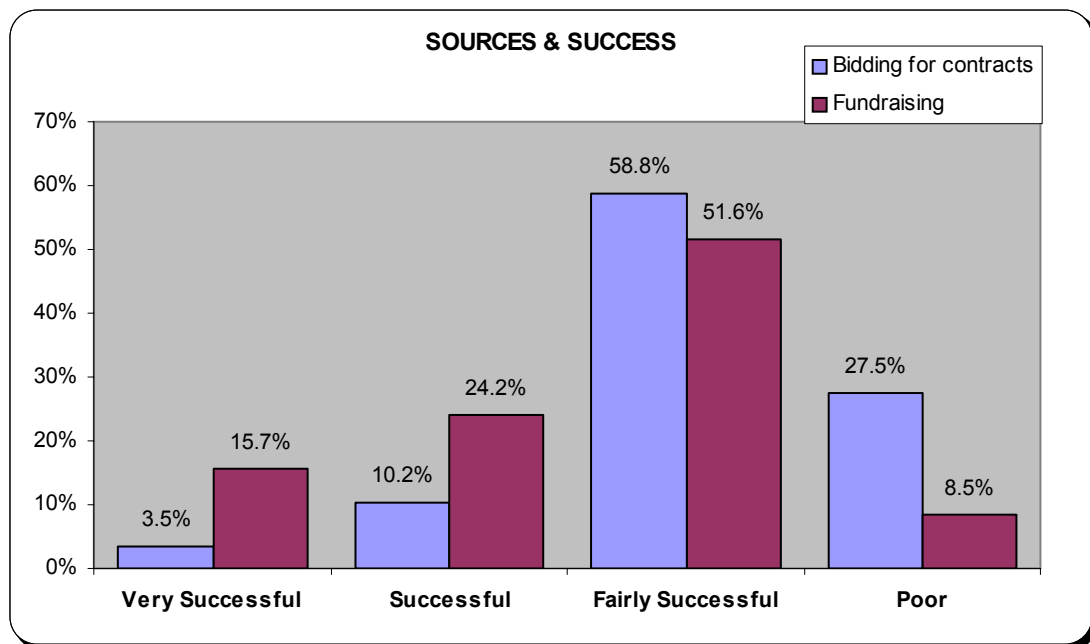
Figure 7.



Income Generation

Asked how they would rate their success in generating income from contracts and fundraising, it appeared that even though, a substantial number of respondents were successful at costing projects and raising funds from grantmakers, they were largely unsuccessful at bidding for contracts.

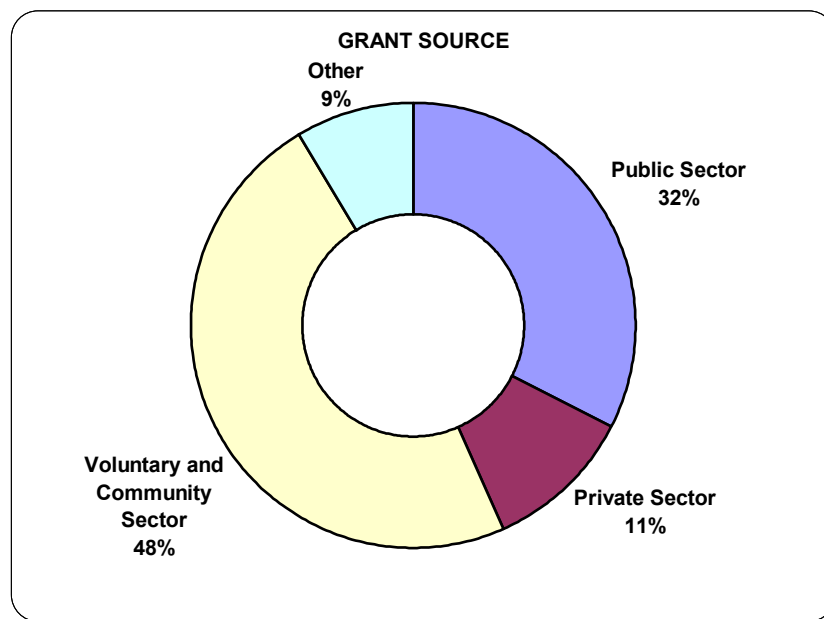
Figure 8.



It is evident that the majority of respondents have not done very well in the area of contracts. It is not possible to determine though whether the low success rate is an indication of their inexperience in the field of bid writing or commissioning agent aversion to issuing contracts to small sized social enterprises.

Some local authority interviewees were of the view that the high number of BME social enterprises in their start-up stages, makes it difficult for them to handle the rigours of the contract culture; “for most of them, contract holding is not a realistic prospect.” Until they are structurally and financially stable, “grant funding may be their only option.”

Figure 9.



Asked whether income from fees cover running cost, 27.6% agreed whilst the majority, 72.4% said no. 78% of respondent's re-invested profits in the business whilst 15.2% passed profits on to developments within their charitable arm. The rest did not respond to this part of the question.

3.4 Growth and Development Needs

This section was meant to ascertain what the support needs of organisations were. It covered key issues that they felt required attention if their organisations were to achieve the desired level of growth and development. It sought information pertaining to: skill gaps, access to finance, and business advice/support needs.

Current skills gaps

85 % of respondents felt there were significant skills gaps in their organisations. This may be explained by the inability of the businesses to access adequate funds to employ or train appropriate staff. As has been mentioned previously, part-time staff and volunteers form the bulk of BME social enterprise workforce. Regardless of how good intentioned they may be some may fall short of the level of skill required to make them efficient and effective in their respective roles. 85.7 % agreed it was an issue whilst 14.3% felt they were okay.

Personnel issues

Personnel issues often form the background of organisational dysfunction. The questionnaire sought to explore issues such as performance problems, personality differences, employee behaviour and motivational problems. Skills, as an issue, were explored separately and therefore weren't looked at under the personnel function. The majority (75%) stated they had no significant issues - a possible outcome of commitment to their social aims and the low staff numbers that lessens the possibility of such issues arising. The remaining 25% had personnel issues that required attention.

Business Plan

All respondents agreed that a business plan was essential to the development of their organisations. 78% of respondents had business plans. The significance of a business plan to the development of BME social enterprises also emerged in interviews with Local Authorities, Enterprise Agencies and individual business advisers. The general consensus was that, even though most BME social enterprises recognise the importance of business planning to their businesses, they are more likely to adopt a back seat approach and rely on specialist agencies or consultants to develop business plans for them without their real involvement in the planning process. As a result they often lose ownership and most of the benefits of having a business plan.

Access to business advice

The majority (85%) had accessed business advice from infrastructure organisations. As to how effective the assistance from these organisations were, only 12% found it very effective in helping them achieve their objectives. Over 80% stressed the lack of consistency in the delivery of support. They also felt support was superficial and failed to respond to the specific needs of BME organisations. This finding confirms the point made in the information review section of this report, relating to inadequate and ineffective support provision to BME social enterprises.

It emerged also that, support for social enterprise is very patchy and uncoordinated. Provision is typified by large numbers of awareness raising events and 'untargeted', superficial provision comprising introductory workshops organised by local interests, and often in collaboration with regional and sub-regional infrastructure organisations. In some

cases, residual voluntary sector capacity building services were being used to support BME social enterprises. This situation has done very little in terms of generating interest and supporting start-ups and the growth and development of existing social enterprises.

Whilst some borough councils like Croydon and Islington have taken the lead by establishing in-house structures and delivery teams that co-ordinate and provide support directly to social businesses, others are happy to have third parties fulfil this role. Apart from the usual Business Link business advice and support programmes, some of the names of external delivery agents that came up in the survey included: London Rebuilding Society, Olmec, Centa Business Services, TGEC, Enterprise Enfield, Selby Centre, Social Enterprise London, Enterprise East, Minority Infrastructure Support, CAN (Community Action Network) and CDSE (Centre for Development & Social Enterprise Ltd).

A point worth noting is the lack of interest shown by some authorities. Their 'hands off' approach has left under-resourced local infrastructure organisations to deal with support issues. One north London local authority representative stated they did not have any economic development function, and does not pursue "interventions of this sort."

Feedback received by Olmec from its events and technical assistance activities indicates strong concerns within the BME social enterprise sector. This is in respect of the wide range of ad hoc capacity building activity and the lack of depth of infrastructure support from intermediary organisations.

Resource constraints, particularly within CVSs have often compelled some of these organisations to limit their provision to no more than a day's seminar or training in a whole year, with no follow-up support. Closely associated with this point is the question as to the role and competence of development staff. Should development staff play the role of social business advisers? Are they equipped to be effective counsellors for individuals and organisations pursuing this hybrid concept?

Eight out of the 10 CVS and BME development staff interviewed felt enterprise agencies could do a better job. A development worker told the researchers he regards any request for social enterprise advice "as a business issue" and signposts them to the relevant

enterprise agency. He did not believe social enterprise advice should sit within a voluntary service council.

But are business advisers up to the task? Independent business advisers agreed that the social aims associated with social businesses has been a difficult issue for advisers with little or no understanding of how the voluntary sector works. The seven interviewed agreed that “some BME social enterprises, particularly those making the transition from the voluntary and community sector, require deeper and long lasting support than conventional businesses.” They also agreed that most practitioners, particularly those delivering output-driven programmes, often do not have the “time, skills, or desire to take on such responsibility.”

One example of a situation where the depth of provision became an issue was the Minority Matters Foundation's (formerly Fullempley) Social Enterprise Brokerage Project. The project aimed at brokering mentoring support from senior managers of large successful companies for BME social enterprises. It followed the success of a similar scheme for African and Caribbean businesses in London. MM Foundation's management were compelled to review and redefine the projects objectives after the first of the 3-year project.

This action became necessary after mentors assigned to the social enterprises expressed their objection at being sucked into a role outside their remit. The level of need from the mentee organisations, it was reported, gradually shifted them from their role of mentors to that of business advisers, which required extensive input. It was realised that, their business support needs went far beyond what the mentors could conveniently offer from the limited time frame. Management as a result, refocused to provide deeper and longer direct business support by experienced development personnel for organisations at the start-up stage.

Lastly, the majority of respondents agreed that the cost of some of the structured programmes tends to be far beyond the ability of most BME organisations to pay. Mainstream organisations with sizeable budgets tend to benefit more from these programmes.

Rate of success

None of the respondents rated their businesses as “very successful”. 47% however felt they had been successful in running their businesses whilst 35.3% and 17.6% felt they were fairly successful and poor respectively.

Barriers to Growth and Development

The table below presents the response to questions pertaining to the essential elements of growth and development of social businesses.

Table 5: Questions & Responses

Please tick a box against the following according to how strong you think they are in respect to barriers to growth and development of your enterprise.	Very Strong	Strong	Fairly strong	Not a barrier
Access to sustainable external funding	60.8%	23.1%	10.5%	5.6%
Irregular cash flows	50.0%	23.3%	20.0%	6.7%
Difficulty in working in partnerships	35.7%	32.1%	21.4%	10.7%
Lack of working capital	30.8%	15.4%	23.1%	30.8%
Inadequate bid writing skills	63.0%	14.8%	22.2%	-
Unsuitable premises	25.9%	18.5%	37.0%	18.5%
Inexperienced staff	52.0%	8.0%	12.0%	28.0%
Lack of specialist business support and advice	63.5%	19.9%	7.2%	9.4%
Difficulty in reaching intended customers	52.0%	8.0%	24.0%	16.0%
Strong competition from other organisations	19.2%	23.1%	38.5%	19.2%
Legal constraints	16.7%	25.0%	33.3%	25.0%
Difficulty in recruiting experienced and qualified board members	24.0%	20.0%	16.0%	40.0%
Weak internal organisational systems	60.2%	24.6%	9.1%	6.1
Lack of information	33.3%	8.3%	33.3%	25.0%
Unsuitable equipment	30.8	19.2%	30.8%	19.2%

All of the above highlight growth and development barriers facing BME social enterprises, but the five most restrictive barriers expressed by respondents were:

- Lack of specialist business support and advice
- Access to sustainable external funding
- Weak internal organisational systems
- Irregular cashflows
- Inadequate bid-writing skills.

Providers and practitioners interviewed felt that BME social enterprises they had supported also faced the following challenges in their bid to grow and develop their social businesses:

- **Difficulty in balancing business viability and social objectives** – most BME social enterprises require a careful balance between financial sustainability and social impact
- **Behaving like a business** – It's difficult to get some social enterprises to think and behave like a business and not a charity. Managers need to change their attitudes and mentality so they think and behave like business people and operate their ventures in a businesslike manner
- **Lack of appropriate skills and knowledge** – a considerable number of social enterprises are managed by individuals who often do not have any business background
- **Being competitive on the market** - lack of competitiveness is one of the most difficult obstacles for the social enterprise to overcome. The quality, presentation, and packaging of the products or services are not always up to standard.

Additional barriers cited include:

- Start-up grants
- Cultural barriers like language and faith related issues
- Inability to identify opportunities
- Understanding of how business is done in the UK (for recent immigrants)
- Lack of focus
- Lack of awareness of regional and sub-regional structures.

In Croydon for example, language comprehension, faith related issues and inadequate business skills, were cited by the Social Enterprise Unit as barriers to growth for BME social enterprises.

Chapter 4: Conclusion and recommendations

4.1 Conclusion

This mapping exercise was driven by two main objectives:

1. To determine the characteristics and geographical spread of existing and potential BME social enterprise across London
2. Investigate their business support needs with a view to developing a business support model for their growth and development.

The diverse viewpoints expressed by respondents and interviewees have unearthed very useful information, not only about the definition of the concept of social enterprises but the characteristics, distribution and the needs of BME social enterprises.

Although this survey did not set out to investigate the commitment of local authorities towards social enterprise development in their respective boroughs, some interesting findings have emerged. By supporting social enterprises who address difficult social issues such as homelessness, social exclusion, poor health, education and poverty, local authorities can facilitate localised social change.

The survey has also highlighted the contribution BME social enterprises make to local economic development despite the resource constraints. Many support unpopular causes and serve some of the most difficult client groups in London. Moving from grant dependency to financial sustainability is a major issue for the sector, especially when most of them are start-ups and require special assistance to grow and develop. They seek greater fulfilment, financial reward, recognition and appreciation. The capacity issues that the survey has raised can not be ignored.

Procurement remains a major issue that needs to be addressed. There isn't fair access to enable BME social enterprises to secure public sector contracts. The few that are able to get through want to be equitably recompensed for their work. This was highlighted in a recent Barclays report "Boom for Minority Businesses", some 61% of minority entrepreneurs believed they received less money for performing the same function as their white counterparts.

This report has confirmed the existence of active BME social enterprises across London. It has also highlighted several areas of need in relation to the BME social enterprise sector.

With the current interest from government setting out a challenging and inspirational picture of what social enterprise of the future should be, the time has never been more ripe for the development of a strong, vibrant and experienced BME social enterprise sector.

Co-ordinating social enterprise support initiatives in such a challenging environment will be a job of remarkable complexity and responsibility, but is essential due to the collateral benefits it would bring to the BME communities and society as a whole.

4.2 Recommendations

What is apparent from this survey is the extent of un-met needs and expectations. In the current climate the BME social enterprise sector needs to establish a platform for its own development. This will require significant funding and commitment from key stakeholders.

There is the need for a sustainable strategic umbrella body that can provide focus, leadership and co-ordination to achieve operational effectiveness within the BME social enterprise sector. This body should have a distinctive identity capable of inspiring BME social enterprises towards a vibrant enterprise culture. It must be strong enough to strengthen the sector's voice in policy debates relating to business development, with the end results directly benefiting its members and client groups.

Olmec and its social partners should build on the BME social enterprise awareness, training and consultation events in recent years to achieve this objective. But there must be a strategic rationale behind proposed actions.

Some practical measures that can be undertaken within the context of the strategic agenda are:

- i. Consultation with central and local government to secure political support that is crucial to the development of the sector. This would among other things, facilitate transparent funding and sub-contracting arrangements between public sector organisations and the BME social enterprise sector. As proposed by the Social Enterprise Coalition “a cultural change in public sector commissioning is needed to ensure that all those involved in procurement understand the link between their work and their public body’s wider policies.”
 - ii. Lobby for strategic grants to facilitate the development of pre-start and start-up BME social enterprises and to mainstream existing businesses.
 - iii. Develop a financial awareness programme for BME social enterprises in conjunction with the CDFA, major banks and regional partners as outlined in the DTI report *Social Enterprise – A strategy for Success*.
 - iv. Proactive engagement with existing national, regional and sub-regional agencies – to facilitate joined-up working.
 - v. Collaborative arrangements with current providers to review existing support models towards pathways that are more responsive to the needs of BME social enterprises. This will also ensure that agencies and organisations charged with turning the fortunes of the sector around have the right skills to do the job.
 - vi. Increase access to information and advice for BME social enterprises, in addition to marketing and publicity to make the sector more appealing to public sector organisations and other stakeholders.
 - vii. Act as a resource to undertake research, and improve communication and links between BME social enterprises.
 - viii. Improve networking, partnering and consortium opportunities to facilitate access to procurement and available funding opportunities.
 - ix. A mentoring programme that can draw on private sector expertise and peer-to-peer support.
-

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Appendix 1

List of Local Authorities Contacted

1. LB of Barking and Dagenham
2. LB of Barnet
3. LB of Bexley
4. LB of Brent
5. LB Bromley
6. LB of Camden
7. City of London
8. LB of Croydon
9. LB of Ealing
10. LB of Enfield
11. LB of Greenwich
12. LB of Hackney
13. LB of Hammersmith and Fulham
14. LB of Haringey
15. LB of Harrow
16. LB of Havering
17. LB of Hillingdon
18. LB of Hounslow
19. LB of Islington
20. LB of Lewisham
21. LB of Merton
22. LB of Newham
23. LB of Redbridge
24. LB of Southwark
25. LB of Sutton
26. LB of Tower Hamlets
27. LB of Waltham Forest
28. Westminster City Council

Appendix 2 Infrastructure Organisations Contacted

1. Camden BME Alliance
2. Waltham Forest BME Alliance
3. Black Neighbourhood Renewal and Regeneration Network
4. Hammersmith & Fulham BME Alliance
5. London Rebuilding Society
6. Wise Owls
7. Enfield Voluntary Action
8. Hackney CVS
9. Voluntary Action Lewisham
10. Lambeth Voluntary Action Council
11. Voluntary Action Waltham Forest
12. LVSTC
13. Ogunte
14. BTEG
15. School for Social Entrepreneurs
16. Minority Infrastructure Support
17. Barking & Dagenham CVS
18. IVAC
19. Deans London
20. Faith in London

Appendix 3**Organisations and Networks Used for Questionnaire Distribution**

Adventure Capital Fund (ACF)	Kensington & Chelsea Social Council
ABANTU for Development	Kingston Chamber of Commerce
ABCUL (London)	Esmee Fairbairn Foundation
Action for Advocacy	Kingston REC
AFFORD	Kingston Voluntary Action
Asian Women Project	Lambeth Cooperative and Social Enterprise Agency
Aston-Manfield	Lambeth VAC
Barking & Dagenham Council for Voluntary Service	Latin American CDP Ltd
Barnet Voluntary Service Council	London Development Agency (LDA)
Bexley Council for Racial Equality	Local Enterprise Growth Initiative (LEGI)
Bexley Voluntary Service Council	London Borough of Barking & Dagenham
Black Londoners Forum	London Borough of Croydon
Black Neighbourhood Renewal Network (BNRRN)	London Borough of Ealing
Blink/1990 Trust	London Borough of Havering
Brent Association for Voluntary Action	London Community Recycling Network
Brixton On-line	London Excellence
Bromley Business Focus	London Housing Federation
Bromley by Bow Centre	London Rebuilding Society
Bromley REC	London Refugee Voice
BTEG	London Thames Gateway Forum
CAG Consultants	London Voluntary Service Council (LVSC)
CAN (Community Action Network)	London Voluntary Sector Training Consortium (LVSTC)
Caritas - Social Action	Lovells
CEMVO	Merton Race Equality Partnership
Central London CVS Network	Merton Voluntary Service Council
Centre for African Development (CfAD)	Migrant and Refugees Communities Forum
City Bridge Trust	MIS (Minority Infrastructure Support)
Connections for Development (CfD)	MODA (Migrant Organisations Development Agency)
Confederation of Indian Organisations (CIO)	Monkey Mosaic Ltd
Community Enterprise Development (Harrow)	National Council for Voluntary Organisations (Sustainable Funding Project)
Community Links	National Information Forum
Community Links Bromley	NCVCCO (National Council of Voluntary Child Care Organisation)
Community Matters	National Council for Voluntary Organisations
Community Organisations Forum (Tower Hamlets)	netCUDA Ltd
Consortium of Lesbian, Gay, and Bi-sexual VCOs	Newham Voluntary Service Council
Croydon Business Venture	North London CVS Partnership
Croydon REP	One London Business Advice Service
Croydon Voluntary Action	O-Regen/Click
Cultural Industries Development Agency (CIDA)	Paddington Development Trust
Development Trusts Association	Portobello Business Centre
Ealing Community and Voluntary Service	Queensbridge Trust
Ealing REC	Race Equality Action for Lewisham
Ealing Voluntary Service Council	Race Equality in Newham
East London Centre	REAP (Refugees in Effective & Active Partnerships)
East London CVS Network	Redbridge Council for Voluntary Service
East London Small Business Centre	Redbridge REC
Elephant Jobs LTD	Richmond Council for Voluntary Service
Elephant Links	ROTA (Race on the Agenda)
Enterprise Enfield	Russel Cook Solicitors, Charity Team
Enfield REC	SAVO (Southwark Action for Voluntary Organisation)

Mapping of London's Minority Ethnic Social Enterprises

Enfield Voluntary Action	Scarman Trust
Ethiopian Development Association	School for Social Entrepreneurs
Ethnic Business Development Corp/Pillar Consortium	Shoreditch Trust
Ethnic Minority Centre	Social Action for Health
Ethnic Minority Enterprise Project Ltd	Social Enterprise Coalition
Evelyn Olfield Unit	Social Enterprise Partnership
FBHO (Federation of Black Housing Organisations)	Social Firms UK
GEMS	South London CVS Partnership
Government Office for London (GOL)	Southwark REC
Greenwich CDA	(STAN) Second Tier Advisor Network
Greenwich CRE	Strategem
Greenwich Enterprise Board	Strategic Ethnic Alliance
Greenwich Local Labour and Business	Street Cred
Greenwich Voluntary Action	Street UK
Hackney Chamber of Commerce	Sutton Centre For Voluntary Service
Hackney Co-operative Developments	Sutton REC
Hackney CVS	Sutton Regeneration Partnership (LB of Sutton)
Hackney Voluntary Action	South East London Community Foundation (SELF)
Housing Association Charitable Trust (HACT)	Southwark Arts Forum (SAF)
Hammersmith & Fulham Voluntary Sector Resource Agency	Southwark Refugee Communities Forum
Haringey Association of Voluntary & Community Organisation (HAVCO)	Tear-Fund
Haringey Business Development Agency	The Gleaner
Haringey EBP Ltd	The Afiya Trust
Haringey REC	The Civic Trust
Harrow Association of Voluntary Service	The Evangelical Alliance
Harrow Council for Racial Equality	The Londonwide Interfaith Refugee Network (IRN)
Harrow in Business	The YCTV Foundation
Havering Association for Voluntary & Community Organisations	TimeBank
HBV Enterprise	TNG Business Support Ltd
Hillingdon Association of Voluntary Service	Tower Hamlets CDA
Hillingdon REC	Unity Trust Bank
Home Office	Urban Forum
Hounslow REC	Urban Partnership Group
Hounslow Voluntary Sector Forum	Your Enterprise Solutions
Hoxton Bibliotech	Voluntary Action Camden
ICOF Ltd	Voluntary Action Lewisham
In Kind Direct	Voluntary Action Waltham Forest
Irish Traveller Movement in Britain	Voluntary Action Westminster
Isle of Dogs - Docklands Settlement No. 2	Voluntary Sector Resource Agency, Hamm& Fulham
Isle of Dogs Community Foundation	Waltham Forest CEN
Islington & Camden Community Integration Project	Wandsworth Voluntary Sector Development Agency
Islington CAB/ MODA Quality Project	West Indian Standing Conference (WISC)
Islington Enterprise Agency	West London Network
Islington Voluntary Action Council (IVAC)	Women Connect
Jesuit Refugee Service	Women's Resource Centre
	Your Enterprise Solutions

Appendix 4 Questionnaire Used for the Research

Olmec has been funded by Government Office for London (GOL), to undertake a mapping exercise on social enterprise activity within the BME community in London.

The study will particularly attempt to identify existing and potential BME social enterprises across London to provide a clearer picture as to the size, geographical spread, type of enterprise activity and the barriers to growth and development facing them. This will allow for effective planning and development of a solid platform for infrastructure support that will strengthen existing BME social enterprises, and from which new ones can spring from.

To achieve this, we are asking BME voluntary and community organisations (including BME social enterprises) and their partners to give their views and opinions through the attached questionnaire. We will follow up a sample of the questionnaires received with one-to one interviews and will present the findings at a meeting to be organised after the exercise.

We would be grateful if you could assist us with this exercise. Your answers will be confidential and will assist Olmec and its partners among other things: inform and give the sector, new insight and perspective on the principles and practice of social enterprise; support BME groups to diversify funding sources; help them develop consistent income streams; and add skills and competencies to BME social enterprises.

In return for your time, your organisation would be included in a contact database that will be created from details of participating organisations. This will be used as a business directory that could benefit your organisation in a number of ways including: exposure that could lead to invitations to tender from relevant organisations/agencies; opportunities for closer collaboration with other BME and mainstream social partners; and opportunities to deliver services across boroughs.

Section 1: ABOUT YOUR ORGANISATION

1. Name of organisation

2. Address of organisation

3. Telephone number

Fax

Email

4. Contact person

5. Position

6. Please describe what your organisation does?

7. What is the legal status of your organisation?

- | | |
|-----------------------------------------------------------|-----------------------------------------------------------|
| <input type="checkbox"/> Unincorporated | <input type="checkbox"/> Company limited by shares |
| <input type="checkbox"/> Company limited by guarantee | <input type="checkbox"/> Industrial and provident society |
| <input type="checkbox"/> Community Interest Company (CIC) | <input type="checkbox"/> Other (Please specify) |
| <input type="checkbox"/> A registered Charity | |

8. Would you describe your organisation as a social enterprise? (Social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners)

- Yes (proceed to section 2) No

9. If you answered No to question 8, do you require assistance to set up a social enterprise?

- Yes No

(please go to question 34 & 35)

SECTION 2: ABOUT YOUR SOCIAL ENTERPRISE

10. Is your social enterprise

- a start- up (0-18 months) developing (18 months and over)

11. What is the geographical scale of the market served by your enterprise?

- Local National
 London-wide

12. If you are based in London in which borough are you located?

13. Main field of work for your organisation?

- | | |
|---------------------------------------------------|--------------------------------------------------|
| <input type="checkbox"/> Health and Social Care | <input type="checkbox"/> Youth |
| <input type="checkbox"/> Childcare | <input type="checkbox"/> Advice Service |
| <input type="checkbox"/> Construction | <input type="checkbox"/> Housing |
| <input type="checkbox"/> ICT | <input type="checkbox"/> Education |
| <input type="checkbox"/> Retail | <input type="checkbox"/> Hospitality |
| <input type="checkbox"/> Transport | <input type="checkbox"/> Financial Services |
| <input type="checkbox"/> Employment and Training | <input type="checkbox"/> Environment |
| <input type="checkbox"/> Food | <input type="checkbox"/> Others (please specify) |
| <input type="checkbox"/> Art, Culture and Leisure | |

14. Who are the main client groups of your services

- | | | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------------|
| <i>Women</i> | <i>Children</i> | <i>Old people</i> | <i>Unemployed</i> | <i>Youth</i> | <i>Disabled people</i> | <i>Others (please specify)</i> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

15. Which of the following describe the ethnicity of your client group?

- | |
|-------------------------------------------|
| <input type="checkbox"/> |
| African <input type="checkbox"/> |
| South Asian <input type="checkbox"/> |
| Middle-Eastern <input type="checkbox"/> |
| Caribbean <input type="checkbox"/> |
| South East Asian <input type="checkbox"/> |
| Eastern European <input type="checkbox"/> |
| Asian <input type="checkbox"/> |
| Turkish <input type="checkbox"/> |
| Other <input type="checkbox"/> |

No of paid staff:

- | | |
|------------------------------|------------------------------|
| <input type="checkbox"/> P/T | <input type="checkbox"/> F/T |
|------------------------------|------------------------------|

No. of volunteers

SECTION 3: YOUR SOCIAL ENTERPRISE INCOME AND EXPENDITURE

16. What is your organisation's annual turnover (last year end). If a start-up, what is the projected figure?

17. What percentage % of the this comes from:

- | | |
|-------------------------------------------------------------|-----------------------------------------------------|
| <input type="checkbox"/> Grants | <input type="checkbox"/> Sale of goods and services |
| <input type="checkbox"/> Loans | <input type="checkbox"/> Investments |
| <input type="checkbox"/> Contracts/Service Level agreements | Other (please specify) |

18. How would you rate your success in the following areas:

(1=very successful, 2=successful, 3=fairly successful, 4=poor)

- a) Bidding for contracts
- b) Costing projects
- c) Fundraising

19. If delivering contracts, which of the following sectors would your commissioning agents fall into?

- Public Sector
- Private Sector
- Voluntary and Community Sector (including social enterprises)
- Others

20. Does your income from fees cover your running cost?

- Yes*
- No*

21. What do you do with profits/surplus generated by your enterprise?

- Re-invest in the business
- Distribute a percentage among shareholders
- pass onto Charitable arm
- Other (please specify)

SECTION 4: YOUR SOCIAL ENTERPRISE-GROWTH AND DEVELOPMENT NEEDS

22. Are there any current skills gaps in your organisation?

- Yes
- No
- Please Comment.....
.....
.....
.....

23. Are there significant personnel issues which need resolving?

- Yes
- No
- Please Comment.....

24. If you've had difficulties raising income (grant, loan etc), why do you think this has been the case?

25. Do you have a business plan?

Yes

No

26. Do you think a business plan is essential for developing your organisation?

Yes

No

27. Have you accessed business advice from business/organisational development organisation?

Yes

No

28. If yes to question 27, how effective has it been for your organisation?

1=very effective

2=effective

3=fairly effective

not effective

29. Please tick a box against the following according to how strong you think they are in respect to barriers to growth and development of your enterprises. 1=very strong, 2=strong, 3=fairly strong, 4=not a barrier)

	1	2	2	4
Access to sustainable external funding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Irregular cash flows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Difficulties in working in partnerships	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lack of working capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inadequate bid writing skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unsuitable premises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inexperience staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lack of specialist business support & advice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Difficulties in reaching intended customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strong competition from other organisations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal constraints	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Difficulties in recruiting experienced and qualified board members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Weak internal organisational systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lack of information(funding, procurement, training etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unsuitable equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 5 YOUR SOCIAL ENTERPRISE - GROWTH AND DEVELOPMENT NEED (Continued)

30. Which of the 3 above are most restrictive to your business?

1st

2nd

3rd

31. Overall, how would you rate the success of your social Enterprise

<i>very successful</i>	<i>successful</i>	<i>fairly successful</i>	<i>poor</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

32. What, in your experience, are the key success factors for your organisation?

33. What else do you need in order to achieve your intended goals?

34. Please tell us anything else or offer suggestions that may help Olmec in this exercise.

35. Would you be willing to be interviewed in the near future to help us explore some of the issues covered in this exercise?

Yes

No



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