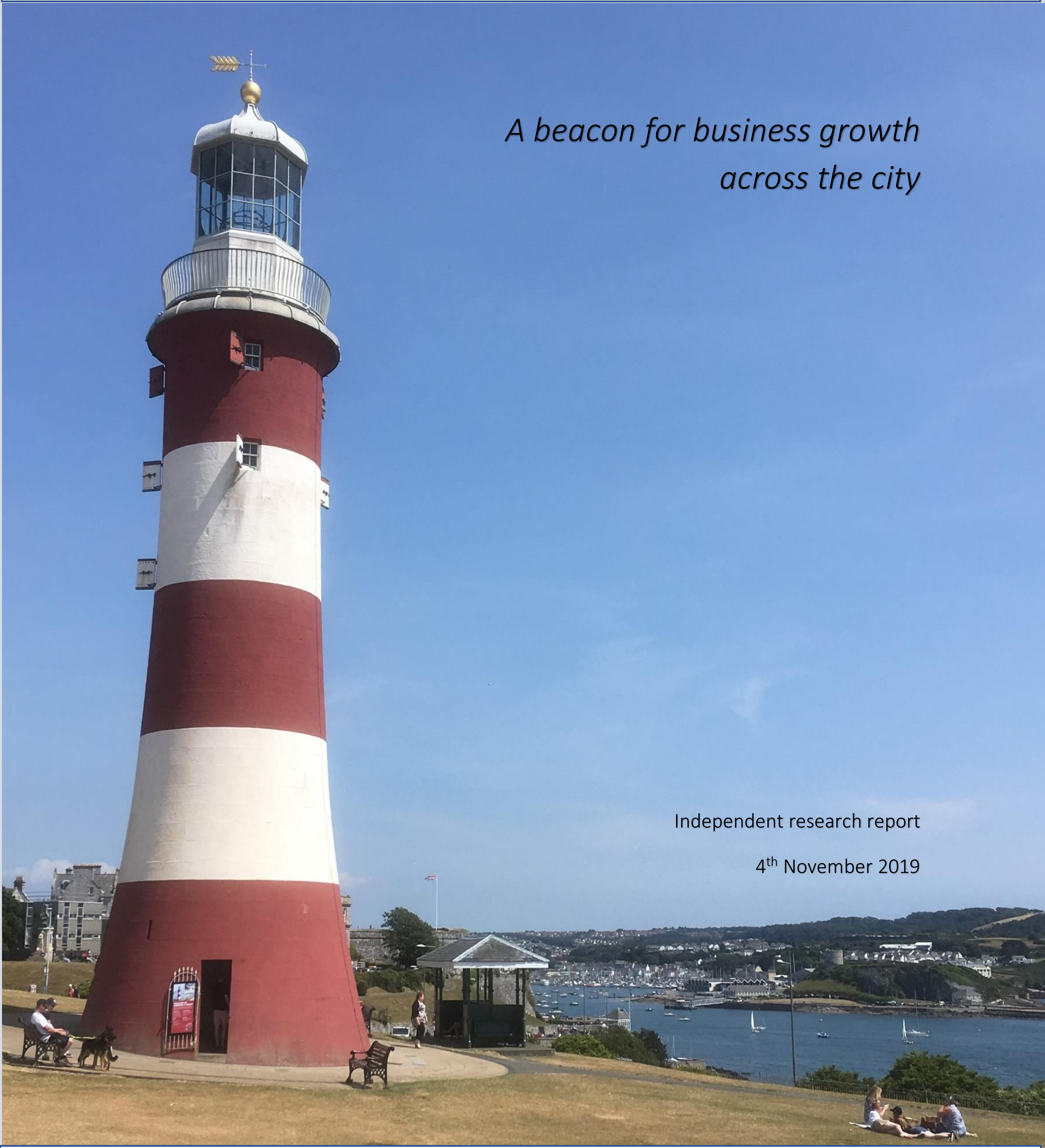
Plymouth's Social Enterprise & Community Business Sector:

The State of the Sector 2019



Transform

Transform Research Consultancy Ltd

Research into Plymouth's Social Enterprise and Community Business Sector: The State of the Sector 2019

Final report prepared for:

Plymouth Social Enterprise Network

&

Power to Change

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CONTENTS

Executive Summary: Key Messages

Social Enterprise UK's 2019 *Capitalism in Crisis* report identifies the *"triple threat of economic stagnation, social division and environmental breakdown"* that we all face. Plymouth's social enterprises & community businesses are at the forefront of confronting these challenges across the city. They are devising local solutions – often in the most deprived neighbourhoods, with the most hard-to-reach clients – and working to make good come out of adversity.

Economic growth

The Growth of the Sector

Since 2015, the sector has grown significantly across Plymouth:

+33%

More social enterprises and community business

+25%

More people are employed in the sector

Ambitions and Plans

Most social enterprises & community businesses are very ambitious:

55%

Plan to grow in the next 12 months

50%

Increased their turnover in the last year

Economic significance

The sector is a major contributor to Plymouth's economic wellbeing:

2 out of 5

Of the largest employers in the city are social enterprises

£560-£580m

The total turnover of the sector

Social impact

Promoting Women

The sector employs more women than men in all roles:

80%

Of employees are women

56%

Leadership team members are women

Positive Aims

Many social enterprises & community businesses have multiple aims, i.e.:

68%

Improving health and wellbeing

58%

Supporting a particular community and/or vulnerable adults/children

Tackling Disadvantage

The sector works to lessen inequality and targets deprived areas:

61%

Pay at least the Real Living Wage

50+

Organisations working in Stonehouse/Devonport

Environmental value

Mission

Most social enterprises & community businesses have a clear mission:

90%

Have a social or environmental mission

40%

Specifically aim to protect the environment through their work

Business barriers

Among organisations that are aiming to protect the environment:

41%

Say grant funding is the main barrier they face in the next 12 months

35%

Say lack of demand/Brexit/economic uncertainty is the main barrier

National Picture

Across the UK, the sector is reducing its environmental impact:

88%

Of social enterprises aim to actively minimise environmental impact

65%

Expect to increase their focus on sustainability next year

Executive Summary: Key Findings

The Scale of the Sector

200 Social Enterprises (SEs) & Community Businesses (CBs) currently operate in the city.

Representing all parts of Plymouth's economy, but clustered in three main areas:

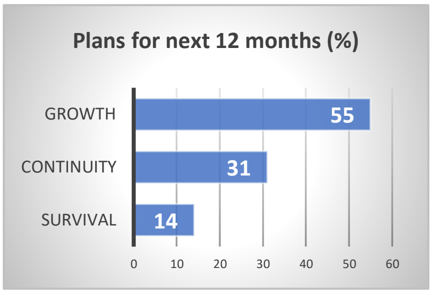
- Culture/leisure (18%)
- Education/training/childcare (24%)
- Health/social care (18%)

9,100 People are employed in the sector

£560-580m Total turnover of the sector

Plans for next 12 months

Over half of the sector are planning for growth and one third for continuity:



SEs & CBs in some sectors are *more* likely to be aiming for growth:

- **Creative/leisure**
- **Education/training**
- **Health/social care**

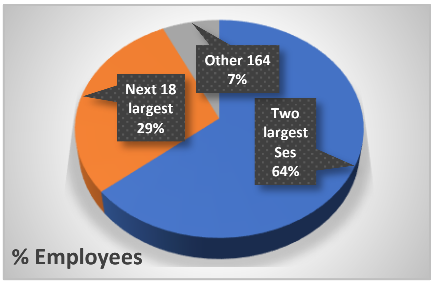
Improving Long-Term Sustainability

4 Types of support would help most of Plymouth's SEs & CBs improve their ***long-term sustainability***:

- *Marketing, branding, PR (92%)*
- *Accessing external finance, such as funding applications (89%)*

- *Making effective use of digital technology (87%)*
- *Measuring social value (87%)*

The Sector is dominated by a few very large organisations



The two largest organisations – ***Plymouth University & Livewell SW*** – account for two thirds of turnover & employees between them.

- **The largest 20 employers account for 93% of employees in the sector, while**
- **80% of social enterprises & community businesses are micros with less than 10 employees**

Delivering across Plymouth

- **Stonehouse and Devonport area**
- **The Barbican/Notte Street/Cattedown**
- **The City Centre**
- **Derriford Science Park**

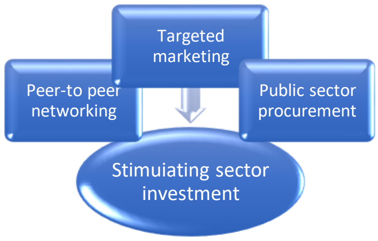
Growth support required

Micro SEs & CBs who are planning to grow have distinct business support needs.

Turnover of < £100k and/or fewer than 10 employees:

- *Accessing external finance*
- *Making effective use of digital technology and entering new markets*
- *People management/staff recruitment*
- *Regulations and tax issues*

Recommendations include the following:



Impact and distribution of power

69% Measure their social outputs and outcomes

94% Offer support to help employee wellbeing, such as…

A wellbeing charter

Flexible working

Staff counselling services

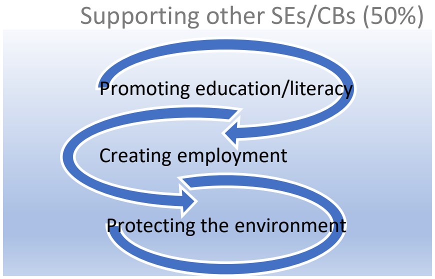
95% Involve employees in decision making to *"a large or some extent"*

77% Involve service users/ beneficiaries to *"a large or some extent"*

Mission and aims

90% have a clear social or environmental mission and many have multiple aims:

Improving health and wellbeing (68%).
Improving a particular community (58%).
Supporting vulnerable adults or children (58%).
Supporting other SEs/CBs (50%)



Governance, Equality & Living Wage

Governance models

- Most are Community Interest Companies (54%) or Companies Limited by Guarantee (16%)

Leadership teams

- 90% have women on their leadership team
- Women hold over half of the positions in these senior leadership teams (56%)

Real Living Wage

- Two thirds pay at least the Living Wage of £9/hour to all staff 18+
- Among larger organisations with turnover of £100,000k+, this figure increases to three quarters

1. Introduction and background

In June 2019 Plymouth Social Enterprise Network (PSEN) commissioned Transform Research to conduct research into the state of the social enterprise and community business sector in the city. The research was required to provide an up-to-date assessment of the economic and social significance of the sector, together with its role in reducing inequality in Plymouth.

PSEN had conducted previous studies of social enterprise in Plymouth in 2012 and in 2015. These research studies were critical in the successful application for Plymouth to be named the first Social Enterprise City in the UK in 2015. Becoming a Social Enterprise City attracted a buzz around social enterprise in the city, resulting in more than £6 million of investment into Plymouth social enterprises over the last five years.

In order to be able to help Plymouth's vibrant social enterprise and community business sector to grow in size and influence, PSEN recognised that it was necessary to demonstrate its size, nature and value to potential supporters. However, the statistics available for Plymouth were out of date. Consequently, it was decided to conduct fresh research to:

- Show the size and nature of the sector as it stands in 2019;
- Demonstrate the role that social enterprises and community businesses play in improving productivity and building inclusive prosperity in Plymouth; and
- Evidence how social enterprises and community businesses in Plymouth are improving the wellbeing of their employees, distributing power more evenly, and helping to reduce inequalities in Plymouth.

1.1 Research aims

Within these broad overarching objectives, the research had a range of specific aims. These were to identify for the city of Plymouth:

- How many social enterprises and community businesses there are;
- The collective turnover, per year, of social enterprises and community businesses;
- How many people are employed in social enterprises and community businesses;
- The business development needs of social enterprises and community businesses; and
- How social enterprises and community businesses are impacting on:
    - Business productivity
    - The wellbeing of their employees
    - The distribution of power and decision-making
    - Inequalities
    - Social and environmental issues.

Further to these specific aims, several additional research areas of interest were also identified that were examined by the study:

- The governance models that social enterprises and community businesses in Plymouth use;
- Whether the sector is growing or shrinking;
- The products and services social enterprises and community businesses provide and what sectors of the economy they work in;
- The demographics of social enterprise and community business leadership teams; and
- How much social enterprises and community businesses pay their workers (i.e. is this at the real Living Wage level?).

1.2 Research methodology

In order to address each of these research aims a mixed quantitative and qualitative research methodology was agreed for the study. This included the following four main stages:

Sector mapping exercise

The objective of this part of the work was to identify the total number of social enterprises and community businesses, their employees, turnover levels, etc. operating in Plymouth. This involved collating and deduplicating all published relevant business and social enterprise lists, such as the PSEN membership list, Charity Commission listings, Social Enterprise Mark Directory, etc. together with liaison with stakeholders and partners. This mapping identified that c.200 social enterprises and community businesses are currently trading in Plymouth.

Primary research: Survey of Social Enterprises and Community Businesses

This involved telephone and online surveys of social enterprises and community businesses to collect the quantitative and qualitative data to address the study aims. A questionnaire was designed for use in both surveys, covering the issues identified in the brief and in consultation with the client. The questionnaire included questions used previously (such as in the UK State of the Sector 2017 and 2019) for comparability *and* "new" questions specifically designed for Plymouth. In total, 88 social enterprises and community businesses participated in the survey (52 by telephone and 36 online), a response rate of 44% giving a representative picture of the sector across the city. (Appendix I contains full details of the survey methodology).

Primary research: Focus groups

Two focus groups were conducted with social enterprises, community businesses and key stakeholders. One group was held near the beginning of the fieldwork and one at the end, with a total of 18 key sector partners and organisations participating in the sessions, some in both of the sessions. The discussions at the first group explored the growth of the sector, in terms of organisations and employees, as well as productivity, while the second group explored the emerging research findings, including the demographics of leadership teams and the key points for action that the study had identified.

Secondary research: Social media, literature and data reviews

The social media review assessed available information for Plymouth from sites such as Trip Advisor, Facebook and other media sources. These were examined for indications of the impact of the sector, as well as anything else of use in terms of the study aims. The literature review covered relevant research to contextualise the findings from this study (such as the UK State of the Sector 2019), together with key indicators and data for Plymouth itself.

1.3 Report outline

This report presents the findings from the research in the following sections:

- Chapter 2: Describes the scale and scope of the sector across the city, including the status of the organisations, sector, length of trading and environmental and social missions;
- Chapter 3: Explores the resources of the sector, in terms of the profile of employees and the leadership teams together with figures for turnover and trading activities;
- Chapter 4: Looks at the ambitions and aspirations of the sector, covering growth intentions for the next 12 months, main business support needs and barriers to development;
- Chapter 5: Explores the social impact of the sector as well as the degree of employee, beneficiary and community involvement in the decision-making process and employee well-being; and
- Chapter 6: Contains concluding comments and recommendations for actions to further the development of the sector in Plymouth.

The appendices contain a bibliography of the literature and social media sites that were reviewed, as well as a copy of the questionnaire used for the survey and the topic guide for the focus groups.

2. Mapping the Social Enterprise and Community Business Sector in Plymouth

This section contains the findings from the research in the city regarding:

- The scale and scope of the sector;
- The legal status of social enterprises and community businesses;
- The length of time that they have been trading; and
- The geographic location of the sector.

Where appropriate, the section makes comparisons with other relevant studies, such as the findings from the two most recent UK State of the Social Enterprise Sector reports for 2017 and 2019, together with NOMIS data on the economic profile and characteristics of businesses in Plymouth.

2.1 The scale and scope of the Sector in the city

This section describes the scale and scope of the sector in Plymouth in terms of:

- The total number of Social Enterprise and Community Businesses currently found to be operating in the city and changes to this number overtime; and
- The sectors of Plymouth's economy in which these Social Enterprises and Community Businesses' principal trading activities are found.

2.1.1 The number of organisations in the sector

The mapping exercise was designed to identify all social enterprises and community businesses that were currently trading in Plymouth. The work to identify these organisations included searches of the Companies House and Charity Commission websites, the PSEN membership list, business directories, Social Enterprise Mark listings, community networks, social media and other relevant lists. PSEN members were also asked if they knew of any other such organisations in the city to add to the map.

This process identified c.200 separate organisations currently operating that could be described as being "social enterprises" or "community businesses." All of these were either based in Plymouth (i.e. they had a registered address and/or office/workplace in the city) or were operating (i.e. they were providing a service) in the city. Some of these organisations were operating from multiple locations in the city. A further c.40 organisations were also identified, but closer investigation found that these had been dissolved, closed, had moved out of the city or were no longer trading as Social Enterprises.

The total of c.200 social enterprises and community businesses currently operating represented a marked increase of one third from the c.150 identified by the 2015 report on the sector in the city. This increase was particularly striking given the number of dissolved and closed organisations that were found and the overall stability of the number of business enterprises across the city in the same time period. (NOMIS indicates that the total number of businesses in Plymouth in 2015 was 5,555, while by 2018 this figure had increased to 5,680 – representing an increase of 2%[1]).

While the overall increase in the number of social enterprises and community businesses, relative to the number of closures, indicates a degree of churn in the sector, it also clearly demonstrates the inherent vitality and overall expansion of the sector in the city. It is worth noting at this point that the UK Social Enterprise State of the Sector 2019 report[2] highlights that this growth accords with that which has been experienced by the sector nationally over the same period:

> *"Social enterprises are growing businesses. Over a decade of research has shown this time and time again. They are optimistic and ambitious and expect to continue this growth in the year ahead … 42% of social enterprises are under 5 years old, which is three times the proportion of SMEs more widely (14%)."*

[1] https://www.nomisweb.co.uk/reports/lmp/la/1946157352/subreports/idbr_time_series/report.aspx

[2] *Capitalism in Crisis: The State of Social Enterprise Survey 2019* p.7, Social Enterprise UK

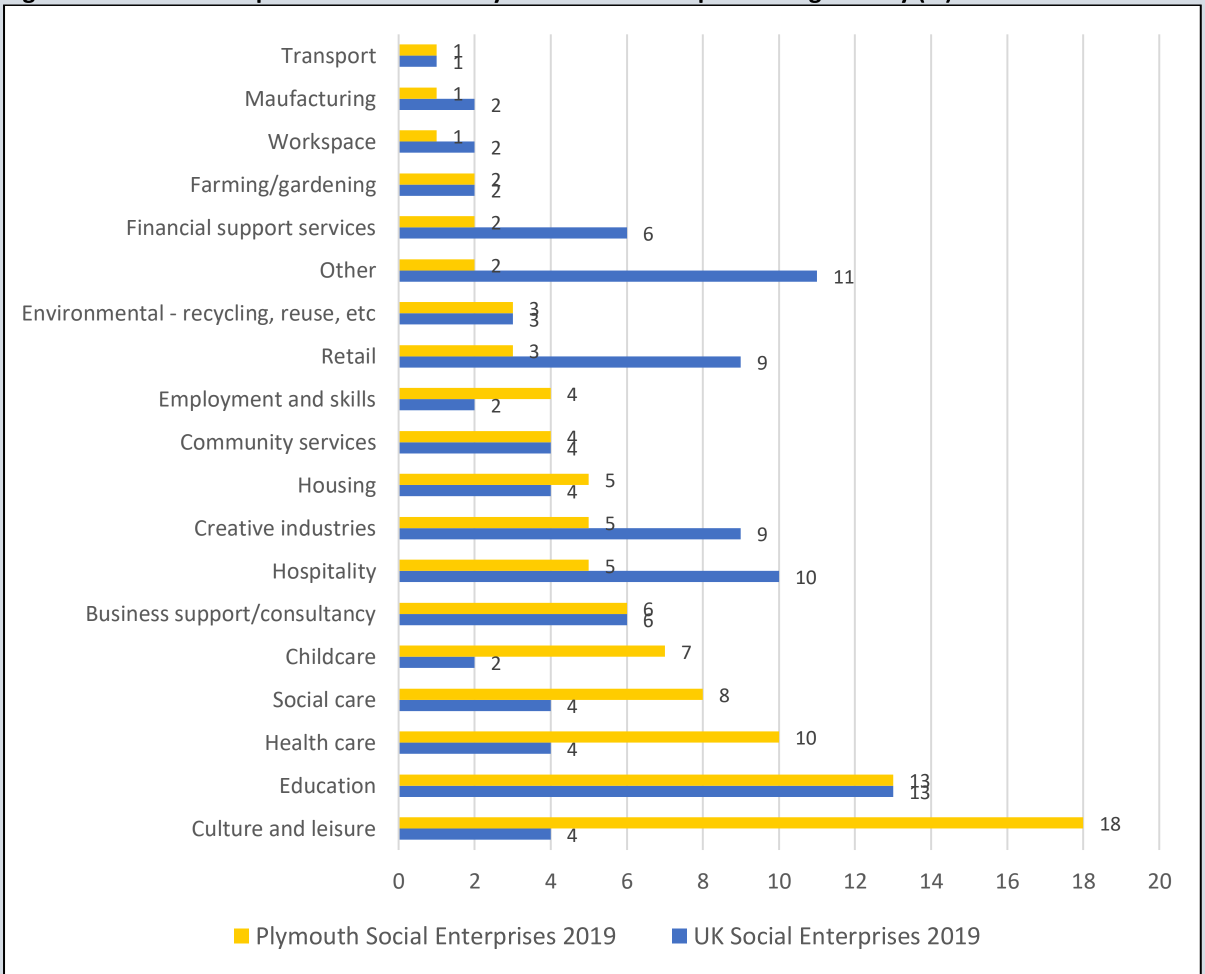
2.1.2 Principal trading sectors

Looking at the principal trading activities of the 200 social enterprises and community businesses, i.e. in what sectors of Plymouth's economy they were trading, the mapping and survey exercises identified some very interesting points. When assessing these points described below however, it is important to bear in mind the following caveats:

- Classifying each social enterprise and community business into a single trading sector for comparison purposes is not straightforward. This is because many of these organisations operate in several areas – they have a sector in which they work while also having a trading arm. For instance, the National Marine Aquarium classifies itself as educational, but in terms of being a significant visitor attraction for the purposes of generating its revenue, it could also be classified as being in the leisure sector; and
- Therefore, when the organisations' own classification was available, either through the survey responses or through the Charity Commission or Companies House websites, these were used. In the remaining cases the organisations were classified based on information from their own websites.

Figure 2.1 below compares the sector profile of Plymouth's social enterprises and community business with those across the UK. The figure shows some marked and interesting differences. Proportionately more of Plymouth's organisations were from the culture & leisure (18%) and health/social care (18%) sectors than found nationally (4% and 8% respectively). In contrast, proportionately fewer were found in the retail (3%) and hospitality (5%) sectors (compared with 9% and 10% respectively). Perhaps somewhat surprisingly, given Plymouth's economy, was the lack of organisations that were providing financial support and related services (2% compared with 6%).

Figure 2.1: Social Enterprises and Community Businesses Principal Trading Activity (%)



Sources: Plymouth Social Enterprise Survey and Mapping 2019/Base: 200 organisations
UK State of the Sector 2019/Base: 1,116 organisations

In terms of the numbers of organisations operating in each of the sectors shown in Figure 2.1 above, it was evident that the “social enterprise ethos/community spirit” has taken very firm root in several key sectors across the city including:

- The **culture and leisure** sector, with around forty organisations (about one fifth of all the c.200 identified organisations in the city) trading in this sector;
- The **health and social care** sectors, with approaching forty organisations (again just under a further fifth of all organisations) being identified as part of these sectors; and
- The wider, combined **education, childcare and employment/training** sectors, which included some of the major employers and generators of turnover in the city.

This deep-rootedness was evident from the range and depth of organisations identified in these sectors – varying from one or two person traders to large, multi-million turnover enterprises:

- **Culture and leisure organisations**
  Among the c.40 culture and leisure organisations, the range of organisations trading included theatres, art membership organisations, photography businesses and dance companies, alongside individual artists, story tellers and puppet performers. Among the leisure organisations the range included sailing businesses, disability football club, rugby membership activities, table tennis organisations, a skate park, roller derby and archery.

- **Health and social care organisations**
  Health and social care organisations were also key proponents of social enterprise and community business, with around 40 organisations trading in these sectors. These included a wide range of organisations varying from individual therapists and mental health consultants to larger organisations providing domiciliary and day care across the city, dental and oral care, respite and befriending, drug and alcohol support and family conciliation services.

- **Education, childcare and training/employment organisations**
  Similarly, around 40 organisations were identified that were classified under the broad education, childcare, training and skills heading. At the “large” end of the scale these included Plymouth University, Plymouth College of Art, Marjon and the University Student Union, while at the other end individual language schools, nurseries, local employability skills trainers/ providers, training for carers and the provision of IAG on available courses were also found.

Lastly, in terms of the sectoral composition of the social enterprise and community business sector in the city it is worth noting the distribution of all Plymouth’s 5,680 businesses shown by NOMIS. This is because the comparison[3] highlights those sectors of the local economy where social enterprise or community business have yet to make a mark, and where future efforts might be directed. The comparison highlights several major sectors where there is a large difference between the distribution of social enterprises and community businesses compared with the distribution of all businesses:

- ***Construction sector***
  There are c.1,000 businesses across the city trading in this sector, accounting for nearly one fifth of all Plymouth’s businesses, yet there are very few recorded social enterprises or community businesses.
- ***Professional, scientific and technical sector***
  Similarly, there are c.775 businesses across the city trading in this sector, accounting for one in seven of Plymouth’s business base, but only comparatively few social enterprises or community businesses.
- ***Retail sector***
  There are c.510 businesses across the city trading in this sector, accounting for nearly one in ten of Plymouth’s businesses, but again very few are social enterprises or community businesses.

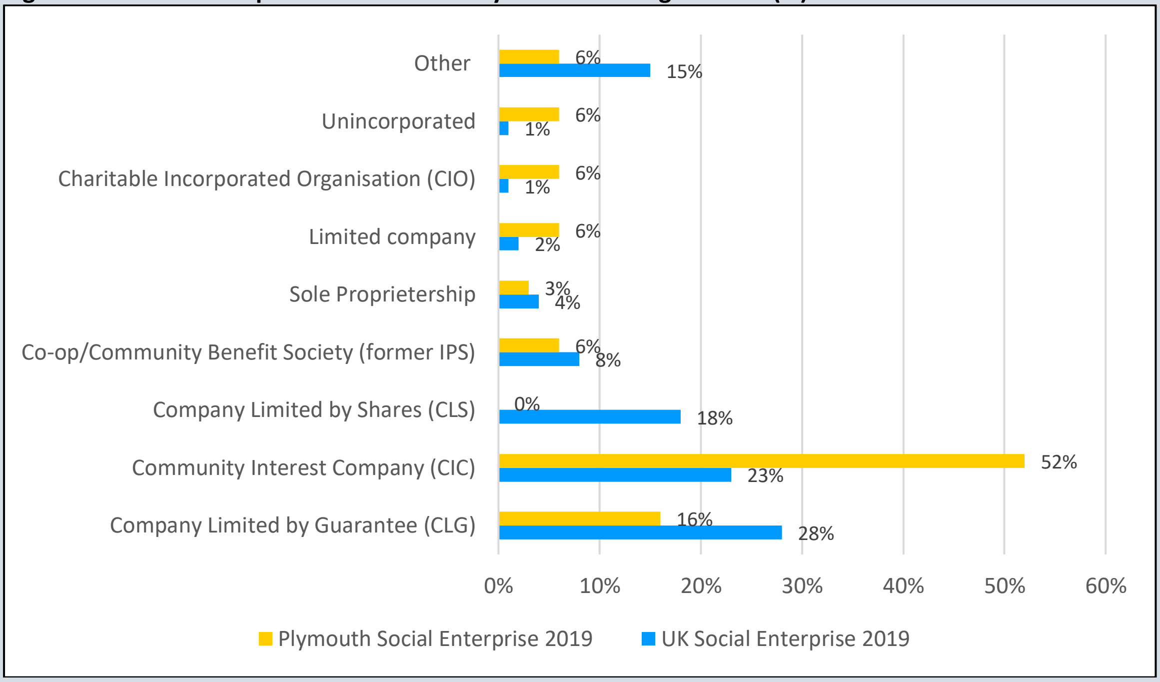
[3] N.B. The comparison is not entirely straightforward as the Standard Industrial Classification (SIC) categories used by NOMIS differ from the Social Enterprise classifications used by SE UK.

2.2 The Legal Status of Plymouth's Social Enterprises and Community Businesses

The survey collected information on the legal status of the social enterprises and community businesses that were operating in the city. This found that among those organisations responding to the survey, there was a marked difference in their status compared to that which had been reported nationally by UK SE 2019.

Figure 2.2 below shows that these differences were most evident in terms of three distinct statuses. Specifically, Plymouth's organisations were found to be much *more* likely to be Community interest Companies, CIC (52% compared with 23% nationally) and *less* likely to be either Companies Limited by Guarantee, CLG (16% compared with 28%) or Companies Limited by Shares, CLS (0% compared with 18%). For the less common statuses, the patterns were broadly similar.

Figure 2.2: Social Enterprises and Community Businesses Legal Status (%)



Sources: Plymouth Social Enterprise Survey 2019/Base: 88 organisations
UK State of the Sector 2019/Base: 1,133 organisations

When considering the differences described above, the historic context and the slightly different methodologies used by the respective studies should be noted, together with the filtering processes used for inclusion in the two pieces of research:

- **Historic trends:** From 2011 to 2019, the national proportion of Social Enterprises that were CICs increased from 10% to 23%, while the proportion of CLGs decreased from 54% to 28%.
- **Different inclusion process:** The UK SE work excluded SEs with less than 25% of their income from trading activities. For Plymouth, this exclusion was removed to ensure that the mapping was comprehensive with new start-ups and those with fluctuating business models included[4].

It may well be that the differences in legal statuses that are highlighted above are partially due to the history (i.e. the continuation of these trends over time), partially due to the different filtering and inclusion process used and partially due to Plymouth being at the forefront of change across the Social Enterprise sector.

[4] Appendix I contains details of the inclusion process and the definition of Social Enterprises that was used.

2.3 The Social and Environmental Missions and Objectives of the Organisations

The survey asked the organisations whether they considered themselves to be social enterprises or community businesses and about the social and environmental missions and objectives of their work. In terms of whether they were social enterprises or community businesses, the replies were that:

- Approaching a half were Social Enterprises (47%);
- Nearly one third were Community Businesses (31%);
- Nearly one in five were ***both*** Social Enterprises and Community Businesses (18%); and
- 3% were neither[5].

This distribution was very similar to that reported nationally by UK SE, which stated that *"31% (of Social Enterprise respondents) describe themselves as a community business."*

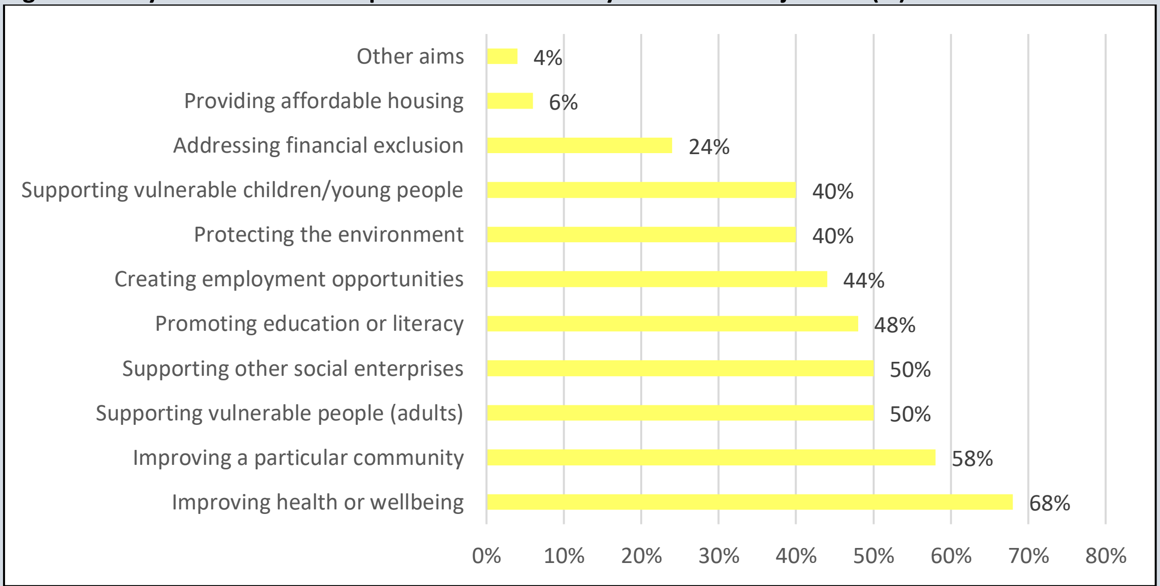
86% of the Plymouth social enterprises and community businesses surveyed said that they had a *"clear social or environmental mission set out in their governing documents."* There were some indications that most of those who said that they did not have such a mission may have misunderstood the question, or may not have had any governing documents at all – most of this group were very small organisations with several being involved in childcare, two in local recycling, two in health and social care and one in promoting healthy eating and educating local people about food.

In terms of specific social or environmental objectives, the four most commonly mentioned aims were:

- Improving health or wellbeing;
- Improving a particular community;
- Supporting vulnerable adults; and
- Supporting other social enterprise/community organisations.

Figure 2.3 below contains the details and shows that at least half of the survey sample of 88 organisations mentioned having these four aims. Further sizeable proportions of the sample said their aims included promoting education or literacy (48%), creating employment opportunities (44%), protecting the environment (40%) and/or supporting vulnerable children/young people (40%).

Figure 2.3: Plymouth Social Enterprises and Community Businesses Objectives (%)



Source: Plymouth Social Enterprise Survey 2019/Base: 88 organisations (multi answers allowed)

[5] The legal statuses of this group of three businesses were: Sole Proprietorship, Charitable Incorporated Organisation (CIO) and Company Limited by Guarantee (CLG).

It was striking that many of the 88 organisations surveyed had multiple aims – that is they mentioned having more than one of the listed objectives. The average number given was over four per organisation, with a range of between one and nine.

In comparison with the national picture, UK SE reported a similar order of "priority" of objectives in 2019, albeit with lower overall proportions for each objective relative to the Plymouth figures:

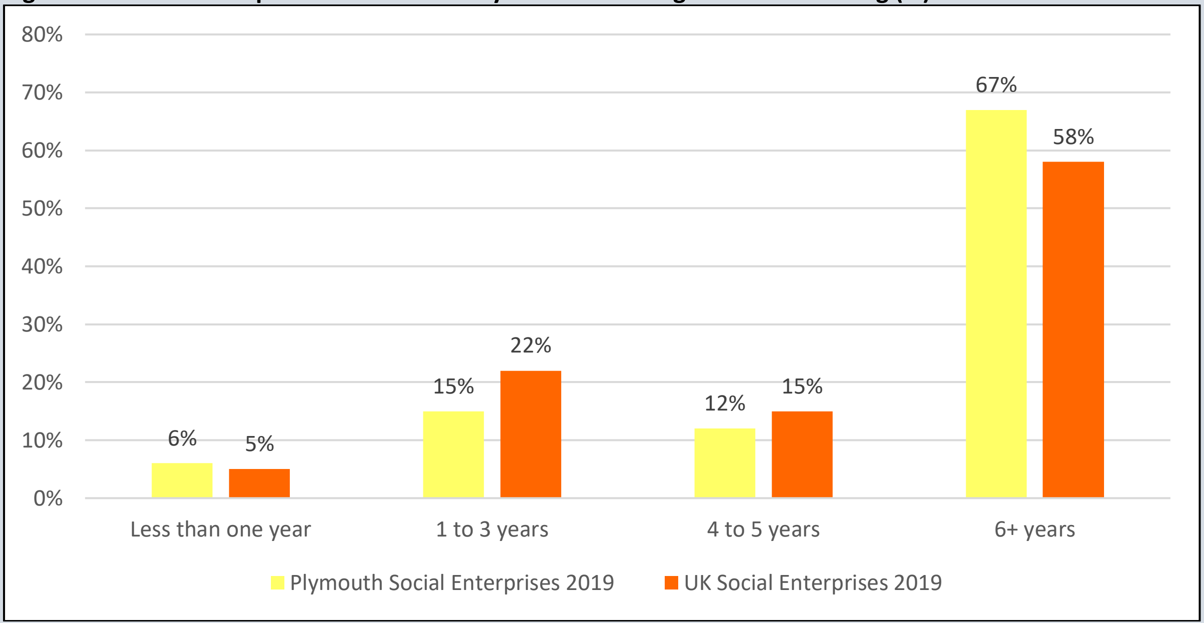
- Improving a particular community (23%);
- Supporting vulnerable people (19%);
- Improving physical health or wellbeing (17%);
- Protecting the environment (17%);
- Creating employment opportunities (16%);
- Improving mental health or wellbeing (15%);
- Supporting other social enterprise/community organisations (13%).
- Addressing financial exclusion (10%);
- Supporting vulnerable young people/children (10%); and
- Providing affordable housing (3%).

It was also noticeable that in comparison with the Plymouth figure, each UK organisation's average number of aims/objectives was markedly lower – at around 2 each compared with over 4 in the city. It was not clear whether this was the result of the manner of survey questioning or a reflection of a "wider focus" for their work among Plymouth's social enterprises and community businesses.

2.4 The Length of Time that Organisations have been Trading

The survey also collected information about the length of time that the social enterprises and community businesses have been trading. The findings showed that, reflecting the pattern reported nationally by SE UK, around two thirds of the Plymouth sample were well-established businesses, having been trading for six or more years (67% compared with 58% nationally). Figure 2.4 below contains the comparative details for each banding and shows that there was a broad degree of correlation between the Plymouth and UK figures.

Figure 2.4: Social Enterprises and Community Businesses Length of Time Trading (%)



Sources: Plymouth Social Enterprise Survey 2019/Base: 88 organisations
UK State of the Sector 2019/Base: 1,133 organisations

In terms of changes over time, and the profile of SEs, the SE UK report summarises the duration of trading patterns shown in Figure 2.4 above as follows:

> *"Previous surveys since 2009 have shown a consistent pattern among social enterprises: a core of well-established, larger social enterprises being joined by a growing proportion of start-ups.*
>
> *These 2019 results show this trend broadly continuing. Start-up rates remain high and slightly higher than 2017. Three in ten organisations surveyed (30%) were established within the last three years, compared to one in four in 2017 (25%)."*

Perhaps the only point to note about these encouraging comments, in relation to the Plymouth findings, is the slightly lower proportion of start-ups under six years old in the city (33% compared with 42% nationally). Of course, this could simply be a reflection of the sample profile rather than an indication of a lower level of start-ups in the city – indeed, the proportion of SEs aged under one year is marginally higher than that reported nationally.

2.5 The Geography of the Organisations in the City

The mapping exercise also identified the postcode sectors in Plymouth of the 200 social enterprises and community businesses in terms of their registered address and/or the office/workplace from which they were trading. This showed that many of them tended to cluster in some specific areas of the city – clearly reflecting the location of certain hotspot "foci" and business centres for the sector – although it also illustrated the spread of the social enterprises across virtually the whole city.

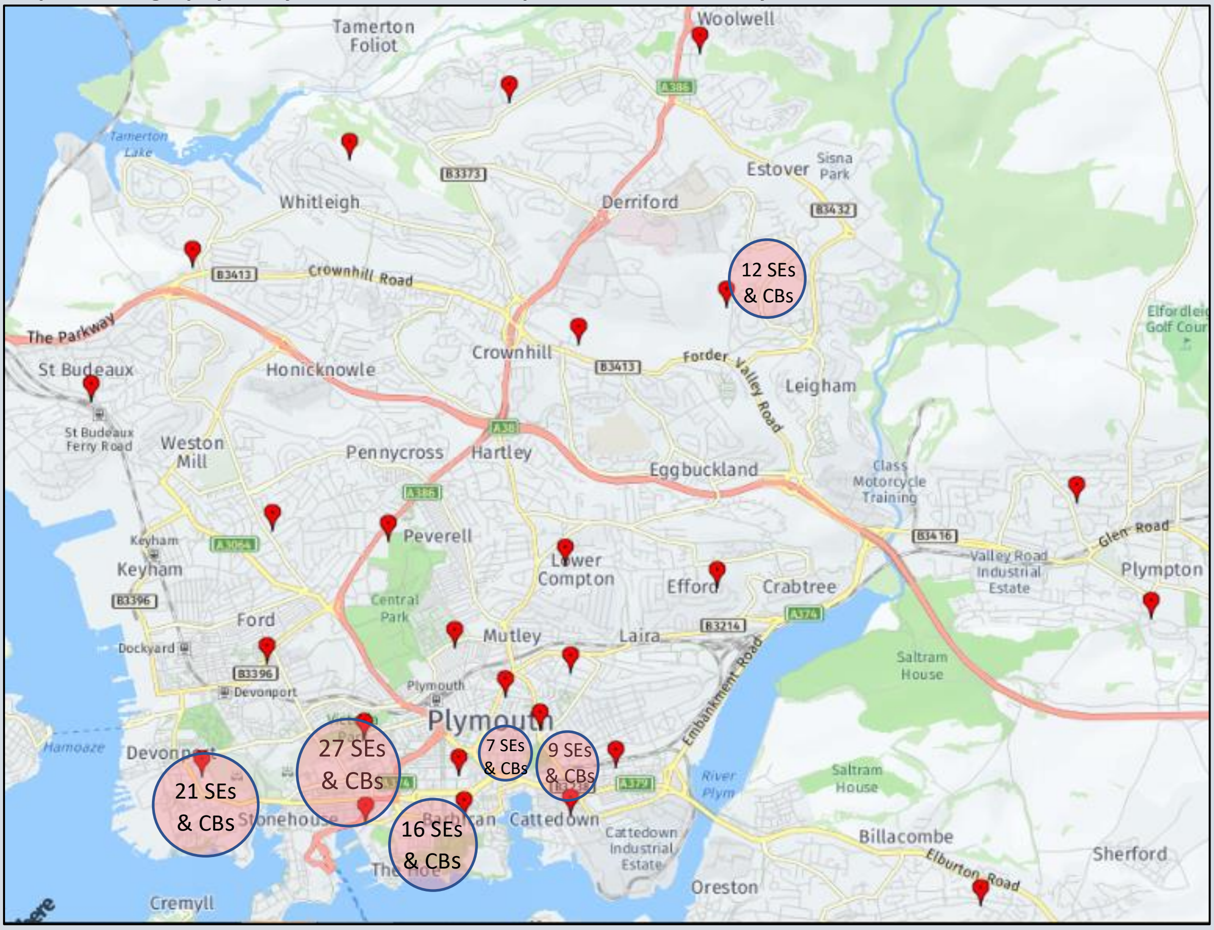
Map 2.1 overleaf contains the details and shows this widespread distribution. It also shows that several main clusters or hotspots were found in the following localities:

- Devonport and Stonehouse area (many in/around the Devonport Guildhall);
- Barbican/Notte Street/City Centre area; and
- Derriford Science Park.

The larger circles on the map show the number of social enterprises and community businesses found in each of the corresponding postcode sectors for these hotspot localities, which account for over half of all the SEs in the city. The remaining small red markers on the map show the postcode sector location of those areas with between 1 and 6 social enterprises and community businesses in each.

Of course, it should be remembered that while the organisations are shown as being based in one location, in reality many of them actually operate across a much wider area. This often includes both their locality and the city as a whole and beyond, as well as serving clients drawn from inside and outside the city. Their office postcode is only used and shown on the map as being an indicative means of assessing their sphere of work and influence.

Map 2.1: Geography of Plymouth's Social Enterprises and Community Businesses



Source: Plymouth Social Enterprise Mapping 2019/Base: 200 organisations

Nationally, the SE UK report 2017 noted that there was a clear link between the location of SEs and areas of greatest deprivation:

> *"The data demonstrates that social enterprises have their greatest concentration in the areas of the greatest deprivation, with 28% of social enterprises working in the most deprived communities in the UK. As has been a common finding in this survey, the more deprived the area, the more likely it is that a social enterprise will be working there."*

The national work also found evidence that, while a much higher proportion of Social Enterprises than SMEs were based in areas of greatest deprivation, this figure had been decreasing overtime. In particular, new start-ups were slightly less likely to be based in the most deprived areas of the country.

The local data for Plymouth shown on the map above also indicates that there is clearly a link with areas of deprivation in the city: most noticeably with the clusters of organisations in Stonehouse and Devonport[6]. However, the presence of large social enterprise organisations often in the city centre and the use of business and science parks by many other organisations in the city has muddied this picture somewhat. As noted above, the fact that many organisations in the sector have an office in one location but serve a much wider community and/or beneficiaries drawn from surrounding areas also makes the situation harder to disentangle fully.

[6] https://www.devonlive.com/news/devon-news/new-figures-show-most-deprived-3364048

Community Businesses: A closer look at these grass roots organisations

At a strategic and policy level there is considerable interest in "Community Businesses" as they offer a local, sustainable approach to economic development. The Power to Change research report *"The Community Business Market in 2018"* stated that:

> *"Community businesses are a vehicle for change, enabling people to collectively make a difference to things that matter to them, in the place that they live. These organisations all share a hybrid business model that sees profits directly benefiting local communities. Community businesses operate in a diverse range of sectors."*

The report highlights the following:

- The estimated number of community businesses in England in 2018 was 7,800;
- These businesses primarily operate as community hubs (1,900) or village halls (700);
- Other key sectors include:
    - Employment, IAG, training & education, business support (900);
    - Health, social care and wellbeing (500);
    - Sports and leisure (500);
    - Libraries (500).

Twenty-five (28%) of the Plymouth organisations participating in the survey described themselves as community businesses. A further fourteen (18%) said they were both community business *and* social enterprises. In the context of the national findings, this section examines the twenty-five distinct community businesses. In terms of profile, they were:

- **Predominantly operating in the education/childcare, social care, culture & leisure and environmental sectors – very similar to the national picture;**
- **Often very well-established businesses – with three quarters of them having been trading for 5 or more years; and**
- **Mainly registered as either Community Interest Companies (CICs) or Companies Limited by Guarantee (CLGs) with a few Unincorporated Organisations.**

Most were micro businesses – having fewer than nine employees – and half had fewer than five staff members. Two thirds of these staff members worked on a part-time basis and most were women. These twenty-five community businesses were highly accountable:

- Twenty-two involving employees to a large or some extent in decision-making;
- Twenty involving their beneficiaries to a large or some extent in decision-making; and
- Seventeen involving the community to a large or some extent in decision-making.

Overall, the twenty-five community businesses faced a similar main barrier to their development over the next 12 months as faced by social enterprises – namely obtaining grant funding – although they also seemed more likely to have issues with their premises/property/office/venue:

- **Over half saying their main barrier was obtaining funding/securing finance;**
- **A quarter mentioning the availability/cost of their premises; and**
- **A few citing cashflow, cutbacks to spending and lack of demand/economic uncertainty.**

Around two thirds of the community businesses both paid the Real Living Wage and measured their social outputs/outcomes. Over half were planning to grow in the next 12 months and a third to continue as they were. Nearly all said that they had a social or environmental mission.

3. The Resources of the Social Enterprise and Community Business Sector in Plymouth

This chapter presents the research findings regarding the resources of social enterprises and community business organisations in Plymouth. This includes the employment status of those working in the sector and demographic characteristics of those who run the organisations. Information on the economic value of the organisations, in terms of turnover levels, changes in turnover and the amount of income raised by their trading activities is also given:

- The employment profile of the people working in the sector;
- The demographic profile of the leadership teams of the organisations;
- Turnover and changes to turnover in the last year; and
- The proportion of turnover that is derived from trading activities.

Again, where it is appropriate, comparisons are made with other relevant studies, such as the national UK SE study 2019 and NOMIS data for employees.

3.1 The People working in the Sector

The research examined employment in the sector from several perspectives:

- Firstly, via the mapping exercise and the survey which produced a figure for the total number of paid employees in the city working for social enterprise or community businesses; and
- Secondly, via the survey alone which aimed to provide an understanding of the characteristics of these employees in terms of full/part-time working and gender.

3.1.1 The number of people working for Plymouth's Social Enterprises and Community Businesses

The survey asked each participating organisation about the number of paid staff that were currently working in their organisation. In order to produce a complete picture of employee numbers for all 200 organisations in Plymouth, the survey data was supplemented by that from the mapping exercise. The mapping identified publicly available information from sources such as the Companies House and Charity Commission websites, business directories, businesses' own websites and social media on the number of employees working at each organisation.

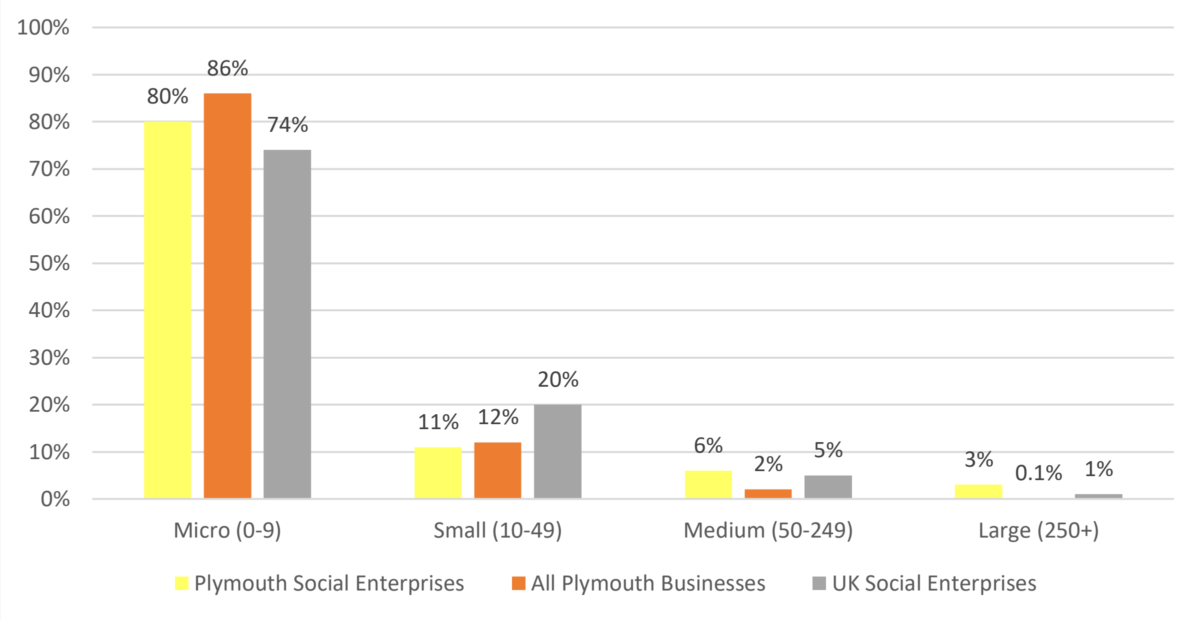
This process identified a total of c.9,100 employees at the 200 social enterprises and community businesses in the city. This represents a sizeable increase of around a quarter from the c.7,000–7,300 employees (+ c.1,800) identified by the 2015 Plymouth Social Enterprise Directory. (Most of the increase is accounted for by a marked increase in employees at one of the largest employers combined with the addition of several "new" large social enterprises to the sector since 2015).

The majority of the c.9,100 employees identified were found to be working for a small number of large employers in the city – with the two largest organisations accounting for nearly two thirds of all the employees (over 5,750 between them or c.63%). Indeed, the ten largest employers accounted for nearly nine out of ten of all SE employees (7,824 or c.86%) in the city. The ten largest employers were:

- Plymouth University
- Livewell SouthWest
- Plymouth Community Homes
- Plymouth College of Art
- St Luke's Hospice Care
- CaterED
- Theatre Royal Plymouth
- Plymouth Marine Laboratory
- Marjon
- Pluss

The significance of these major employers in the sector can be seen in Figures 3.1 and 3.2 below. Figure 3.1 compares the size of Plymouth's 200 social enterprises and community businesses with Plymouth's whole business base of 5,680. This illustrates that the sector has proportionately *fewer* micros with between 0 and 9 employees (80% compared with 86% overall) and proportionately *more* medium and large employers with more than 50 employees (9% compared with less than 3% overall).

Figure 3.1: Plymouth Social Enterprises and Community Businesses' Numbers of Employees (%)

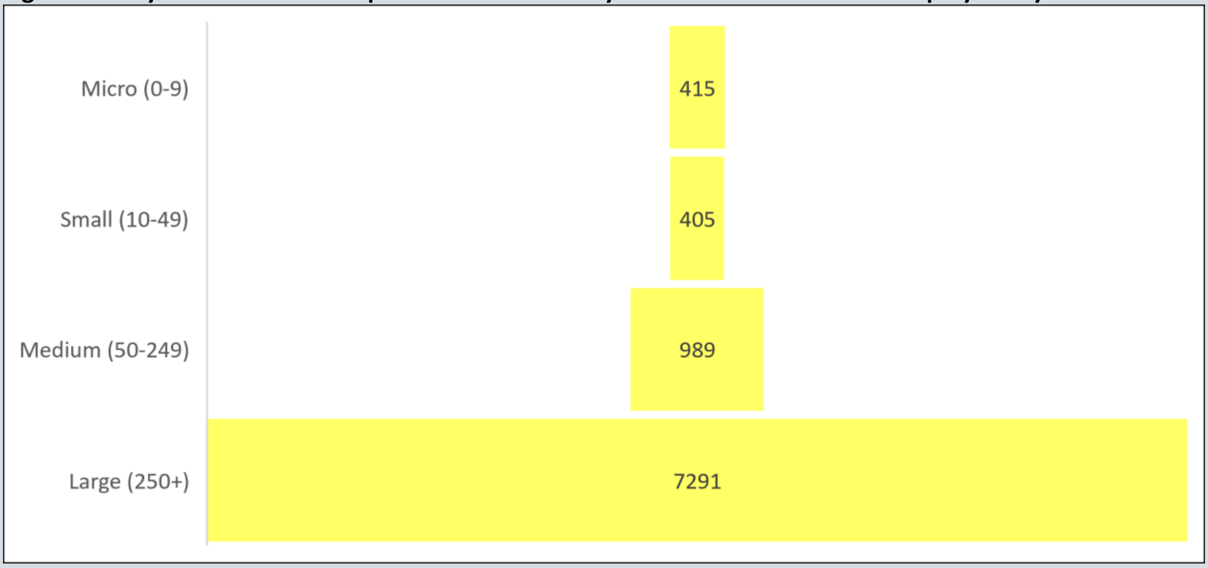


Sources: Plymouth Social Enterprise Survey and Mapping 2019 (Base: 200 organisations)/NOMIS Plymouth UA (Base: 5,680 businesses)

It is interesting to note that the size banding of Plymouth's social enterprises and community businesses, shown above, also differs from that found across the UK. This difference however is in terms of the proportions of organisations found in the micro (74% for the UK compared with 80% for Plymouth) and small (20% for the UK compared with 11% for Plymouth) business size categories.

Figure 3.2 below presents the data for Plymouth's 200 social enterprises and community businesses in terms of the number of the total 9,100 employees that work in organisations of each size band. This clearly shows the great significance in employment terms of those very large employers with more than 250 employees each – accounting for over 7,200 employees.

Figure 3.2: Plymouth Social Enterprises and Community Businesses: Numbers of Employees by Business Sizes

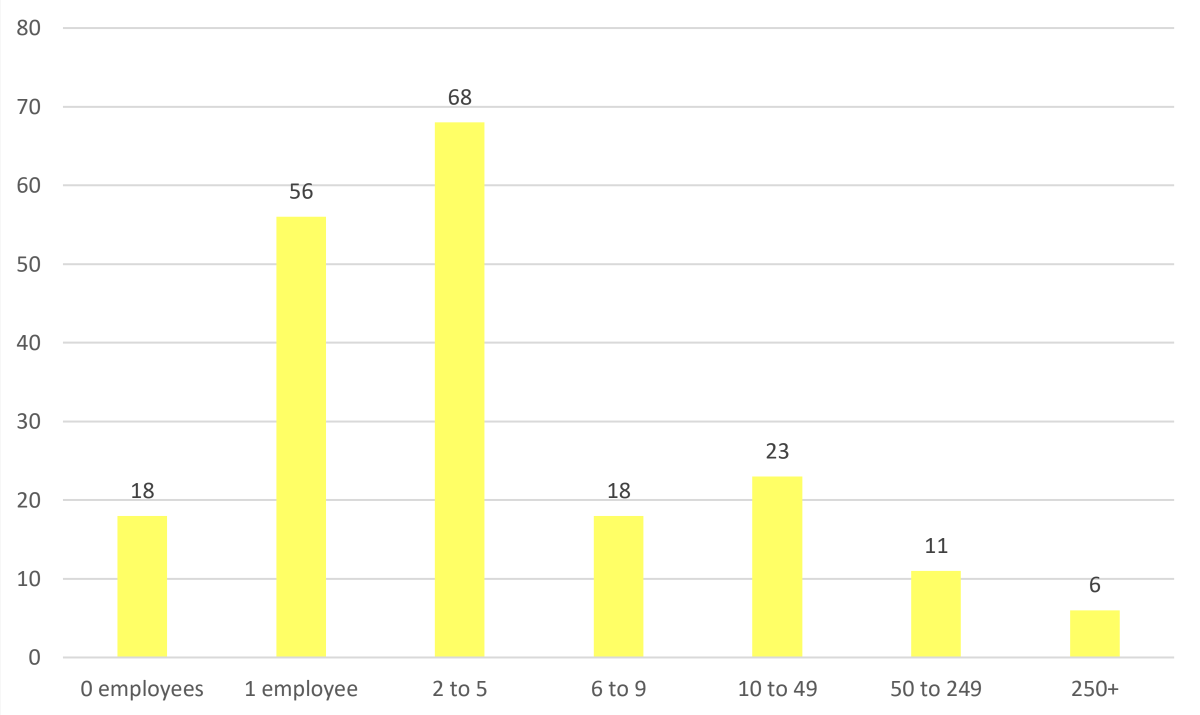


Sources: Plymouth Social Enterprise Survey and Mapping 2019/Base: 200 organisations

While the bulk of employment is provided by the large employers that are highlighted above, it is equally important to highlight that the vast majority of Plymouth's social enterprises and community businesses are micro businesses. Figure 3.3 below illustrates this and shows the distribution of organisations across the various employee size bands. The figure shows the distribution of the c.160 (80%) of Plymouth's social enterprises and community businesses that are micros:

- 18 have no employees (9% of all c.200 SEs);
- 56 have only one employee (28%);
- 68 have between 2 and 5 employees (34%); and
- 18 have 6 to 9 employees (9%).

Figure 3.3: Plymouth Social Enterprises and Community Businesses: Number of Organisations by Business Size



Source: Plymouth Social Enterprise Survey and Mapping 2019 (Base: 200 organisations)

Indeed, the median number of employees across the sector as a whole is two and this is very important to bear in mind when assessing the findings in the following chapters, particularly those relating to the organisations' future support needs and recommendations for actions to assist their sustainability and development longer term.

In this respect it is also worth reiterating that there are proportionately fewer Plymouth social enterprises and community businesses in the "small" business category (10-49 employees), comparative to the UK SE sector as a whole. Helping the growth of the many micro SEs that operate in the city (160 separate organisations in total employing c.415 staff) to develop into larger employers would therefore seem like an obvious priority for future policy.

To help inform this process, the following chapters highlight the often distinct and specific needs of this group of micros, in terms of their structure, processes, means of operating, barriers to growth, development needs and their ambitions for the future.

3.1.2 The profile of people working for Plymouth's Social Enterprises and Community Businesses

The survey asked each responding organisation about the employment profile of the paid staff currently working in their organisation in Plymouth, in terms of those working full-time (working 30 or more hours per week) and part-time (less than 30 hours) together with their gender. This found that just over two thirds of the workforce employed in the sector in Plymouth by the surveyed organisations were working full-time (68%) and the remainder part-time (32%).

In terms of gender, eight out of ten of the social enterprise and community business workers employed in Plymouth by the surveyed organisations were female (80%), with one in five being male (20%). Among this workforce, three quarters of full-time workers were female (76%), while approaching nine out of ten part-time workers were female (87%). These figures were broadly comparable with those reported nationally by SE UK, which noted that over three quarters of the employees of Social Enterprises across the country were female.

Similarly in line with the findings reported nationally by SE UK, the survey found that the entire workforce of 12% of social enterprises and community businesses operating in Plymouth was female (compared with 13% nationally) and that for 56% of social enterprises and community businesses operating in Plymouth more than half of the workforce was female (compared with 42% nationally).

3.2 The Leadership Teams

The survey explored the demographics of the leadership teams of Plymouth's social enterprises and community businesses. The organisations were asked about the make-up and profile of their leadership team (including Directors, Senior Management team, Board members and Trustees/Partners) in terms of age and gender categories. 70 of the organisations that responded to the survey provided these details about their leadership teams.

Nationally, the SE UK report 2019 has recently found that:

> *"The leadership team of a social enterprise is, on average, six people. 86% of leadership teams include women. In terms of the leader themselves, 40% are women and 60% men, in line with previous findings. This remains significantly ahead of both mainstream SMEs (17%) and big business (6% of FTSE 100) …. Again, social enterprise is proving itself the natural home of the female entrepreneur. In terms of age, just 1% of social enterprise leaders are under 24, and only 13% are over 65. The vast majority are aged either between 25 and 44 (27%) or 45 and 64 (50%)."*

The average size of the leadership teams in Plymouth was found to be six people, in line with the national figure reported above. However, reflecting the different sizes of the organisations in the sector across the city there was some variation in the figures reported – ranging from 1 up to 32, with a median figure of just two. In terms of gender and age:

Gender: Women held just over half of the positions in the leadership teams of Plymouth's social enterprises and community businesses – accounting for 56% of the team members compared with 44% being men. 90% of the organisations responding to the survey have women on their leadership team.

Age: reflecting the national picture, the leadership teams were predominantly made up of people who were aged between 40 and 60: just 15% being under 30, 19% between 30 and 40, 28% between 40 and 50, 24% between 50 and 60 and 13% aged 60 plus. Interestingly the female leadership team members were, on average markedly younger than their male counterparts – with 70% being under 50 compared with 53% of the men.

3.3 Organisational Turnover

In order to gain an understanding of the value of the sector to Plymouth's economy, data was collated on the turnover of the social enterprises and community businesses. This was compiled by means of both the mapping exercise and the survey, in order to provide as comprehensive a picture as possible. The data collected covered the levels of turnover for the most recent financial year. The survey also asked the organisations whether there had been any changes in turnover since the previous year.

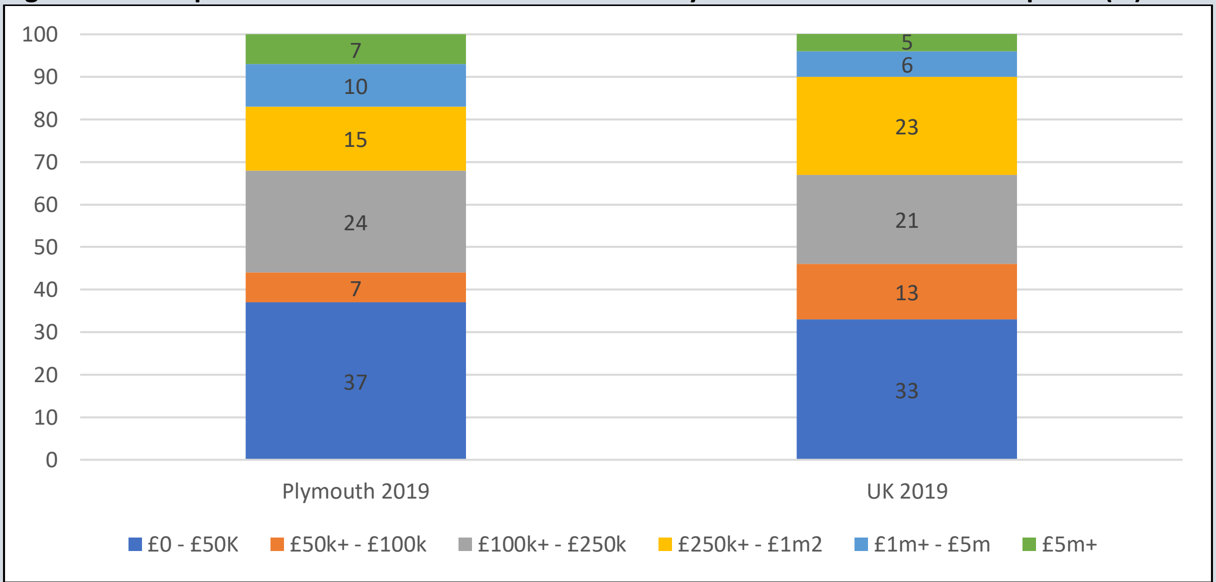
In terms of total turnover for the sector in the city, the data that was collated showed that:

- The 200 organisations have a combined turnover of between £560m and £580m in total;
- The two largest organisations account for £370m (c.66%) of this total;
- The ten largest organisations account for more than £530m (c.95%) of the total; and
- These ten organisations are clustered in the education and health/social care sectors

The latest available estimates for Plymouth's economy as a whole indicate that the city has a total economic output of £5.2 billion and has 128,000 people in employment[7]. On this basis it is evident that the social enterprise and community business sector is far more vital to the city's economic wellbeing than the raw figure of 200 organisations indicates. The size and significance of some of the large organisations means that the sector as a whole provides a major component of employment in the city and is also one of the largest sectoral contributors to economic output though turnover.

As well as producing the total turnover figure for the sector as a whole, the data collated allows us to analyse the organisations in terms of banded turnover categories. Figure 3.3 below contains the findings for the city and compares them with those for social enterprises across the UK.

Figure 3.3: Comparative banded levels of turnover for Plymouth and UK Social Enterprises (%)



Sources: Plymouth Social Enterprise Survey and Mapping 2019/Base: 200 organisations/ UK SE State of the Sector Report 2019

Reflecting the findings for the numbers of employees, the figure shows that over a third of Plymouth social enterprises and community businesses have turnover of less than £50k (37%), while one in six have turnover of more than £1 million (17%). Around a quarter have a turnover of between £100k and £250k (24%) and one in six of between £250k and £1 m (15%). Allowing for the time difference, the Plymouth and UK profiles are broadly consistent, albeit with the following main differences:

[7] https://www.visitplymouth.co.uk/invest/why-plymouth/growing-economy and https://www.nomisweb.co.uk/reports/lmp/la/1946157352/report.aspx?town=plymouth#tabempunemp

- The Plymouth profile having a greater proportion of both micros (with turnover of less than £50,000) and very large organisations (with turnover of more than £1 million) than found nationally (37% compared with 33% and 17% compared with 11% respectively); and
- The UK profile having a greater proportion of small and middle-sized organisations (with turnover of over £50,000 up to £1 million) than found in Plymouth (57% compared with 46%).

As is to be expected, the SE UK report highlights that the level of a Social Enterprise's turnover is closely associated with organisational age. The report states that nationally:

> *"45% of those under £50,000 turnover are under three years old, while two-thirds of those with a turnover of £1million or more are over 11 years old… There is a clear link between the age of an organisation and its median turnover – the median turnover of start-ups (up to three years) is £30,000, whilst the median turnover of established social enterprises over 11 years old is £340,000."*

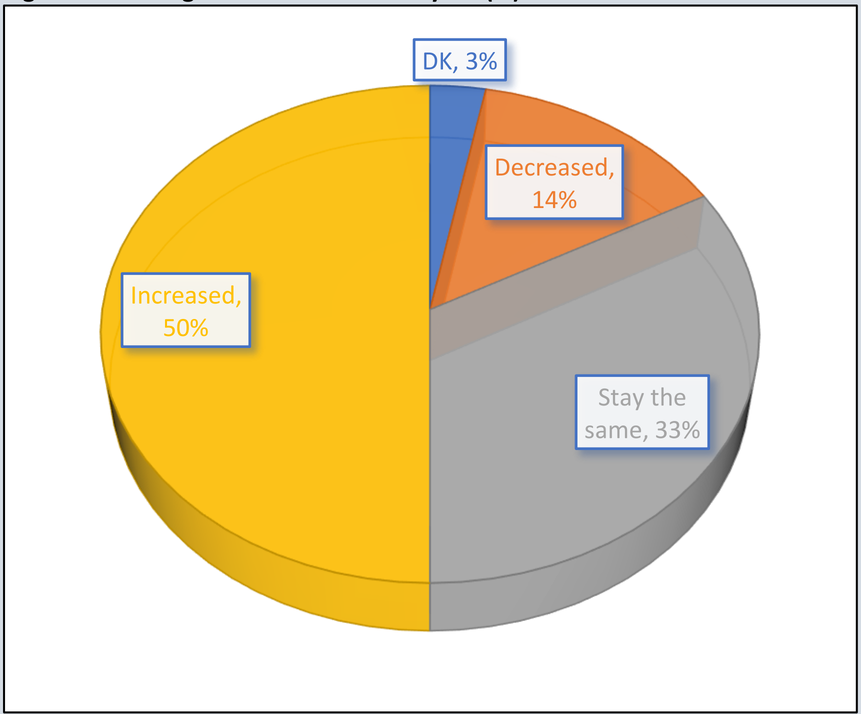
This pattern of length of trading being closely associated with the organisation's level of turnover was mirrored by the survey findings from the Plymouth social enterprises and community businesses:

- 86% of the Plymouth organisations under three years old having turnover of less than £50,000 (with the median figure being £22,500); and
- All of those with turnover of £1 million or more being at least three years old and 88% of them being over five years old.

Changes to turnover since last financial year

The survey found that half of the social enterprises and community businesses reported that there had been an increase in their turnover since the previous financial year (50%). A third said that their turnover had stayed the same (33%), while 14% said it had decreased.

Figure 3.4: Changes to turnover in last year (%)



Source: Plymouth Social Enterprise Survey 2019/Base: 88 organisations

It is worth noting the characteristics of the 14% of organisations who said that their turnover had *decreased* in the last year:

- Nearly all of them had been trading for 5 or more years;
- All but two were planning for growth or continuity in the next 12 months;
- The main barriers they faced nearly always included obtaining (grant) funding; and
- Most generated more than 75% of their income from trading.

3.4 The proportion of turnover derived from trading

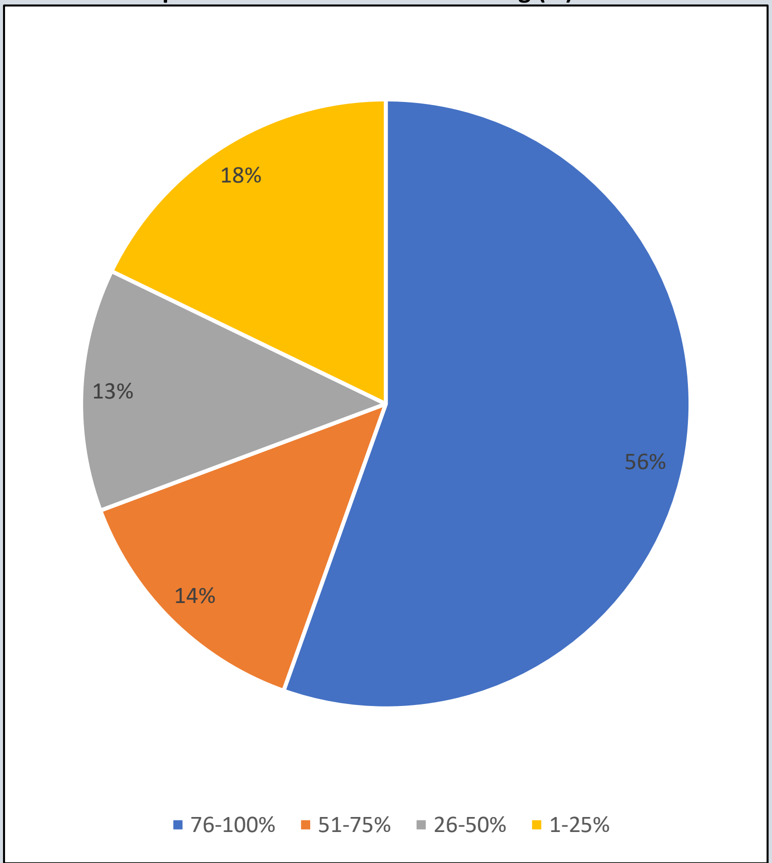
The survey asked the social enterprises and community businesses about the proportion of their turnover that came from trading activities (i.e. selling goods or services), rather than from grants or donations for example. The UK SE report 2019 stated that nationally:

> *"77% of respondents (Social Enterprises) earn between 76% and 100% of their income through trade – a slightly higher figure than last time (2017). 15% earned between 51% and 75%, while 8% earn between 26% and 50%. This indicates an increasing trend towards social enterprises earning their income through trade and… the financial sustainability of the sector."*

Figure 3.5 below illustrates the comparative findings for Plymouth's social enterprises and community businesses and shows that, because of the different criteria used for inclusion in the research[8], a markedly lower proportion of the organisations responding to the survey earned between 76% and 100% of their income from trading (56% compared with 77%). Around a quarter earned between 25% and 75% of their income from trading (27% compared with 23%).

These figures indicate a higher level of use of other sources of finance, such as grants and donations than found nationally. This was borne out by the findings that are reported in section 4.2 below about the types of support that Plymouth's social enterprises and community businesses said they required to improve their long-term sustainability – with accessing external finance, such as funding applications being mentioned by nearly 90% of them.

Figure 3.5: Plymouth's Social Enterprises and Community Businesses Proportion of Turnover from Trading (%)



The characteristics of the 18% of organisations saying that between 1% and 25% of their turnover came from trading:

- A diverse mixture of either very large organisations delivering health or social care services on behalf of the NHS and/or other care providers or very small businesses operating with specific funding sources, running trading activities alongside these core functions; and
- Their main barriers to development in the next 12 months tended to be funding issues such as *"renewal of NHS contract"*, *"obtaining contracts from health and mental health organisations such as the NHS, social services, LiveWell, …social prescribing"* and *"lack of stability from sector core funding organisation (Arts Council England)"*.

Source: Plymouth Social Enterprise Survey 2019/Base: 70 organisations providing turnover and answering question

[8] Appendix I details how organisations with less than 25% of their income from trading are included in the Plymouth research, but were excluded from the UK research.

4. The Ambitions and Aspirations of the Sector in Plymouth

This section contains the findings of the survey in terms of the ambitions and aspirations of Plymouth's social enterprises and community businesses over the next 12 months and the main barriers to their development. This includes:

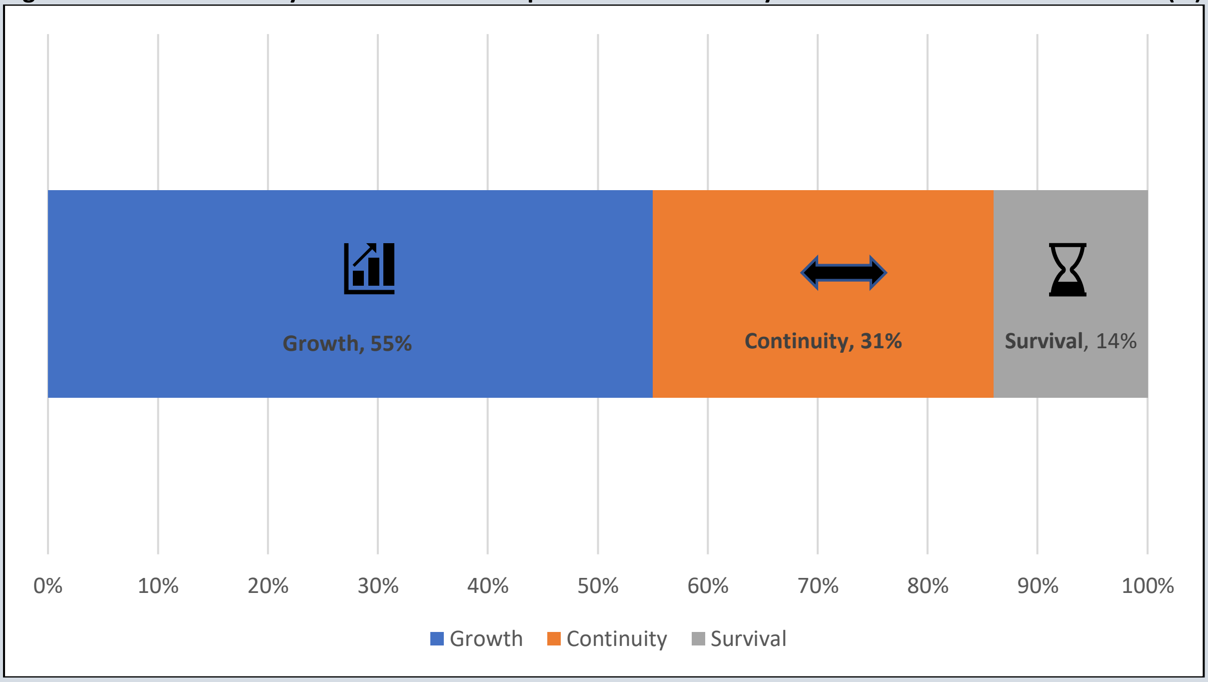
- Their growth ambitions for the next 12 months;
- The types of support required for helping with their long-term sustainability; and
- The main barriers to development in the next 12 months.

4.1 Plans for the next 12 months

It is widely recognised that business confidence is a key indicator of both the robustness and vitality of the economy as a whole and also the individual sectors within it. There have been many recent reports of the impact of the uncertainty over Brexit on UK businesses' growth prospects and their ability to plan for the longer term[9].

Consequently, the survey collected data on the ambitions of the social enterprises and community businesses for the next 12 months, in terms of whether they were planning for growth, survival or continuity. This found that more than half (55%) had plans for growth, while about a third were aiming for continuity (31%). The remaining 14% were aiming for survival as shown in Figure 4.1 below.

Figure 4.1: The Plans of Plymouth's Social Enterprises and Community Businesses for the next 12 months (%)



Source: Plymouth Social Enterprise Survey 2019/Base: 88 Social Enterprise and Community Business organisations

It is interesting to compare this level of confidence with that found nationally and in the local LEP area. The UK SE survey from 2017 reported: *"58% of social enterprises are anticipating an increase in turnover in the next 12 months… 26% expect their turnover to stay the same, and only 8% are predicting a decrease."* Similarly, the local Social Enterprise sector survey from 2016 reported: *"57% of social enterprises in the Heart of the South West LEP area are expecting turnover to increase (in the next year), with just 7% expecting a decrease."* (29% were expecting them to stay the same).

[9] https://www.bbc.co.uk/news/business-49549149 and https://www.cbi.org.uk/the-business-view/

Clearly on the surface the proportions reported by these earlier surveys are almost identical to that found in Plymouth. What is interesting is that both the UK and local LEP surveys took place over two years ago and in the intervening period the degree of economic uncertainty has increased markedly alongside a corresponding decrease in business confidence. It might therefore have been expected that the proportion of Plymouth's social enterprises and community businesses anticipating growth would be noticeably lower.

Indeed, Trading Economics reports that the level of business confidence among UK SMEs and businesses generally is currently at an all-time low and has been falling for some time[10]:

> *"The CBI Business Optimism Indicator for the UK plunged 19 points to -32 in the third quarter of 2019, the lowest reading since the third quarter of 2016, due to ongoing Brexit uncertainty. Also, investment spending plans weakened again while optimism about export prospects for the year ahead worsened. Domestic and export orders declined at their fastest pace since the financial crisis and overall order books were below "normal" to the greatest extent since 2010".*

In this wider economic context of widespread uncertainty and lack of business optimism, the continued positive attitude and entrepreneurial spirit being shown by so many of Plymouth's social enterprises and community business in planning for growth in the next 12 months is very striking. This is an obvious reflection of the deeply felt enthusiasm and aspirations of those working across the sector in the city.

Further analysis of the survey data indicates that there was some evidence that the likelihood of a social enterprise or community business in Plymouth planning for growth, survival or continuity over the next 12 months was linked to their trading sector and to a lesser extent their turnover. However, the overall sample size of 88 means that these findings should be treated with some caution. The key differences that were noted in terms of sector were:

- Social enterprises and community businesses planning for *growth* were more likely to be in the education, creative industries or health care sectors;
- Social enterprises and community businesses planning for *continuity* were more likely to be in the social care sector; and
- Social enterprises and community businesses planning for *survival* were more likely to be in the environmental sector.

In terms of business turnover, the key differences found related to social enterprises and community businesses with a turnover of less than £100,000 per year. This group were – reflecting the facts that many of them were both comparatively "new" businesses and often in a less secure financial position relative to those with larger turnovers – more likely to be planning for *either* growth or survival. They were correspondingly much less likely to be considering continuity. Organisations with turnovers of more than £100,000 pa were not surprisingly much more likely to be planning for continuity.

Survival

As well as being predominantly small organisations – in terms of turnover and employees – the 14% of social enterprises and community businesses who said they were aiming for survival also faced similar issues. Not surprisingly, all of them mentioned having financial concerns, be it in obtaining sufficient grant funding or attracting enough demand to earn enough to survive. Further concerns expressed by this group included time pressures, cashflow issues, lack of awareness of Social Enterprise among the public and a lack of demand/economic uncertainty associated with Brexit.

[10] https://tradingeconomics.com/united-kingdom/business-confidence

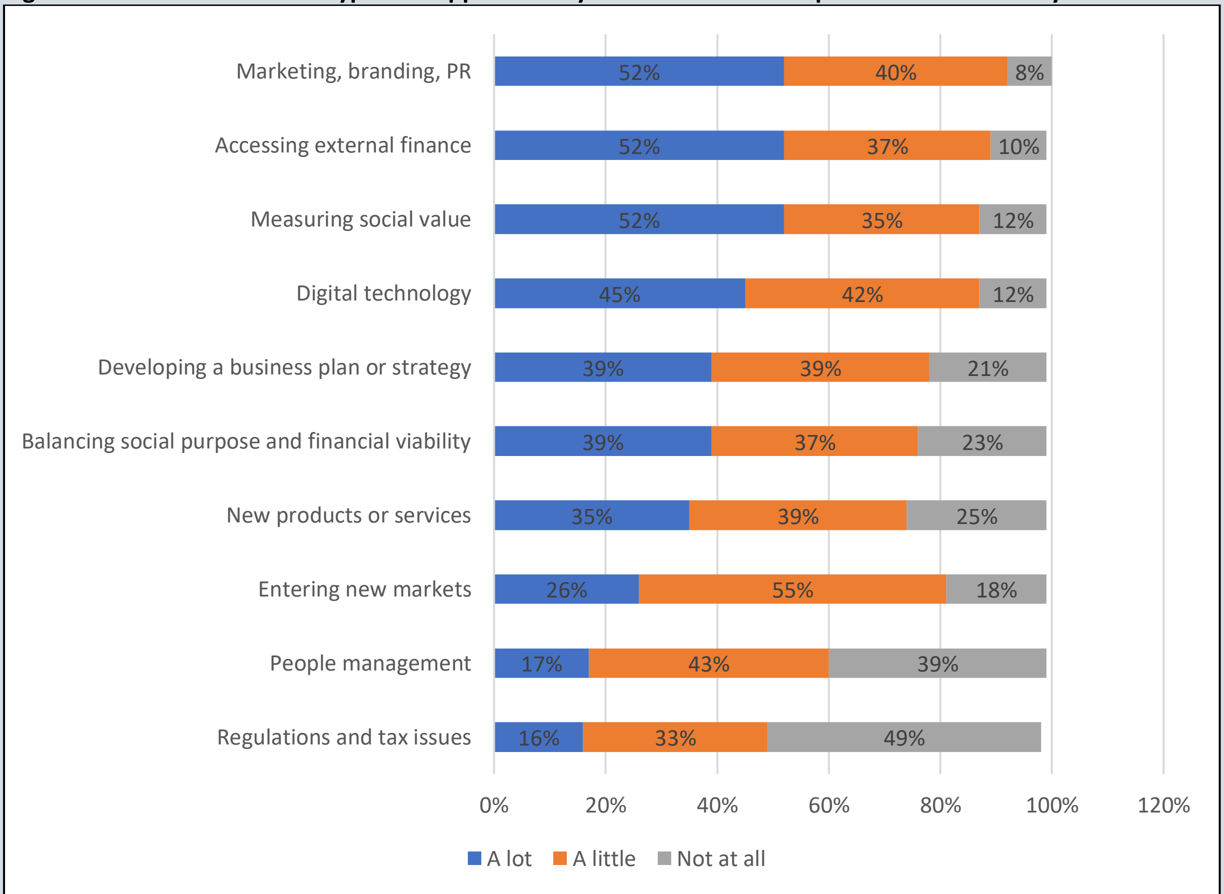
4.2 The types of support required to improve long-term sustainability

The social enterprises and community businesses were asked about the extent to which they would benefit from different types of business support, in terms of improving their long-term sustainability. Figure 4.2 summarises their replies and shows that four types of support stood out – each being cited by around nine out of ten organisations as having the potential to help them a lot or a little:

- Marketing, branding and PR (92%);
- Accessing external finance, such as funding applications (89%);
- Measuring social value (87%); and
- Making effective use of Digital Technology (87%).

It is worth noting that, not surprisingly, this order of priority to an extent reflects the backgrounds and history of many social enterprises and community businesses – often having established themselves by "selling" the delivery of a necessary service or cause to a funding source, commonly with under resourced (digital) support. In contrast, the more "traditional" SME business development support needs such as devising new products, assistance with entering new markets or developing business plans and/or strategies were given comparatively lower orders of priority (though see below for caveats to this overall finding).

Figure 4.2: Benefit of various types of support for Plymouth's Social Enterprises and Community Businesses



Source: Plymouth Social Enterprise Survey 2019/Base: 88 Social Enterprise and Community Business organisations

Figure 4.2 shows that people management and regulations and tax issues were given markedly lower orders of priority in terms of the benefit of support than any of the other listed forms of support. Around two fifths of social enterprises and community businesses said that they would not benefit at all from support in these areas.

Although the findings on the benefits of the various types of support over the next 12 months presented a clear picture at the overall organisation level, there were some marked variations in the benefits for organisations of different size and with different plans. In particular, micros with turnovers under £100,000 were much *more* likely than larger organisations with turnover over £100,000 to report that support in the following areas would be of benefit to them a lot or a little:

- Developing a business plan or strategy (91% compared with 66% respectively);
- Regulations and tax issues (76% compared with 31%); and
- Balancing social purpose and financial viability (88% compared with 63%).

As noted earlier, these variations also correlate with length of trading – as turnover and length of trading were found to be closely interlinked.

Most interestingly there were also some marked variations between social enterprises and community businesses in terms of their plans for the next 12 months:

Social Enterprises and Community Businesses planning for Survival

Reflecting the findings in section 4.1 above about financial concerns, organisations who said they were aiming for survival were much *more* likely to report than those planning for growth or continuity that support in the following areas would be of benefit to them a lot or a little:

- Developing a business plan or strategy (91% compared with 76% respectively);
- Marketing, branding and PR (100% compared with 89%);
- Accessing external finance (91% saying they would benefit a lot compared with 45%; and
- Balancing social purpose and financial viability (73% would benefit a lot compared with 33%).

Social Enterprises and Community Businesses planning for Growth

In contrast, organisations who were planning for growth were much *more* likely than those planning for survival or continuity to say support in the following areas would be of benefit to them either a lot or a little:

- Making effective use of digital technology (91% compared with 78% respectively);
- Regulations and tax issues (57% compared with 40%);
- Entering new markets (83% compared with 70%); and
- People management (65% compared with 50%).

4.3 The main barrier to the achievement of plans for the next 12 months

When they were asked about the main barrier to their plans, be they growth, continuity or survival in the next 12 months, the replies indicated that accessing finance, principally though obtaining grant funding was the key issue in most instances. Nearly two fifths of social enterprises and community businesses said either obtaining funding (34%) or debt/equity finance (4%) was the main barrier for them. This finding is common to all surveys of SMEs, albeit the sources of finance for SMEs are different – in the form of banks, investors, private equity, etc. Nationally, the UK SE 2019 survey reported that:

> "*Access to finance is still the principal, most significant barrier to sustainability and growth cited by respondents, for the fifth survey in a row: if we combine obtaining grant funding and obtaining debt or equity finance, it is at 43% (similar to 2017, though a rise from 39% in 2015).*"

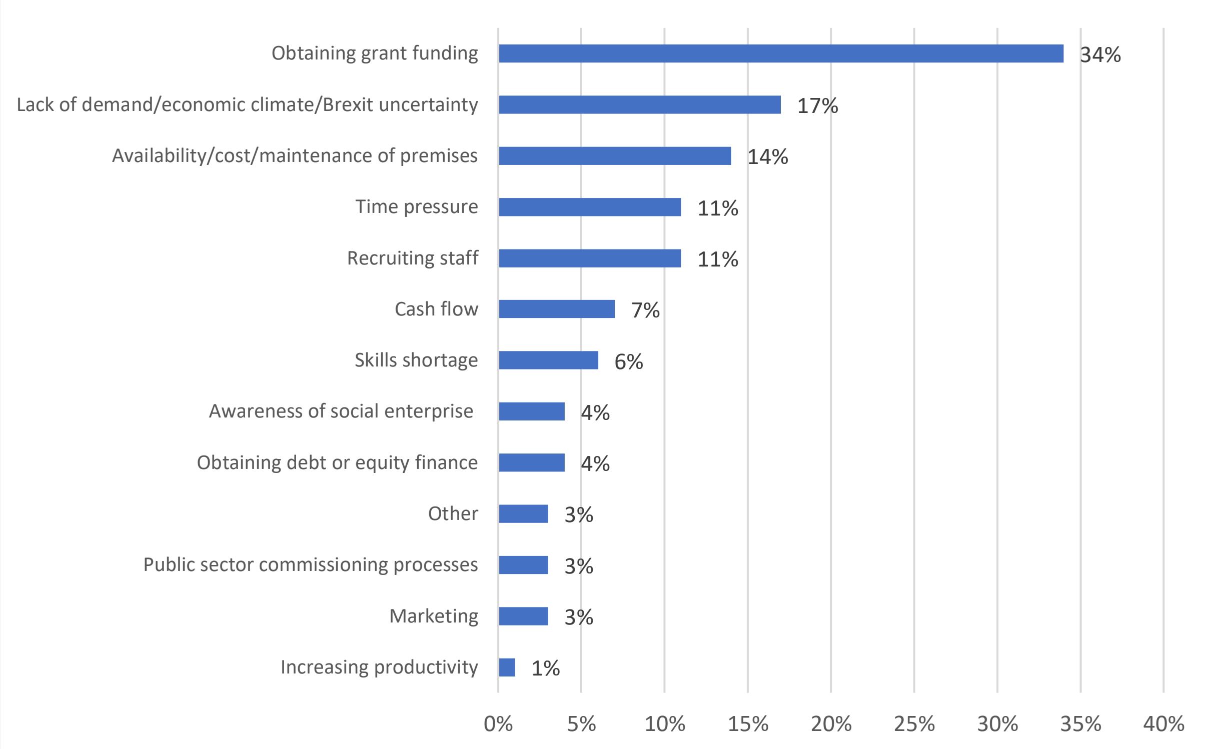
Some of the quotes made by the Plymouth social enterprises and community businesses illustrate the range of financial challenges they are facing and the support requirements to help meet them:

> *"We need access to local authorities finance for community sector and access to general finance through the banks"*
> *"Funding - I have problems doing online financial investment for digital platforms."*
> *"Generating enough for earnings and income, while at the same time bringing in a certain amount for the core funding – it's hard to make enough to cover those and that's why we need funding for the core function."*
> *"It's always finance with us."*
> *"Lack of stability of core funding from the sector supporting organisation (Arts Council England) and/or from other trusts and foundations."*
> *"Our buildings require a huge amount of work which due to the terms of lease are our responsibility and (will) cost a lot"*
> *"Reduced funding, demonstrating impact and managing our building stock"*
> *"Financial support from health and mental health organisations such as NHS, social services and LiveWell through e.g., social prescribing."*
> *"Short term funding opportunities"*
> *"Toughest thing for us is balancing the staff against the contracts, from a finance perspective we have to balance the books, its hard we cannot just take someone on like that."*
> *"We need a commercial, financial and sales role within the team."*

Figure 4.3 below shows that the most significant other barriers, after accessing finance, were lack of demand for products or services (17%), issues associated with premises (14%), staffing concerns (17%) including both recruitment and skills availability combined) together with cash flow and time pressures. These findings were also very similar to those reported for by SE UK in 2019 and 2017:

> *"Recruiting staff is also becoming more of an issue: 14% is the highest proportion ever in this survey; along with the shortage of skills for one in ten, this may indicate a growing talent challenge for social enterprises on the horizon… Cash flow and time pressures continue to increase year-on-year, reflecting the challenging operating environment."*

Figure 4.3: Main Barriers to Development of Plymouth's Social Enterprises and Community Businesses (%)



Source: Plymouth Social Enterprise Survey 2019/Base: 88 Social Enterprise and Community Business organisations (multi answers allowed)

In terms of variations between the barriers faced by different types of SEs, marked differences were again found for Plymouth's micros with a turnover of less than £100,000 per year. Nearly half of this group said obtaining grant funding was a main barrier (48%) to their development, compared with just one in five of those with turnovers of more than £100,000 pa (20%).

Similarly, there were also differences found in relation to the organisations' plans for the next year:

Social Enterprises and Community Businesses planning for Survival

Those who were aiming for survival were *more* likely than to report that their barriers were:

- Time pressures (27% compared with 10% respectively); and
- Skills shortage (12% compared with 2%).

Social Enterprises and Community Businesses planning for Growth

In contrast, those who were aiming for growth were *more* likely to report their barriers were:

- Obtaining grant funding (42% compared with 25% respectively);
- Availability/cost of premises (18% compared with 3%); and
- Cash flow (15% compared with 3%).

5. Social Impact related issues

This section explores a range of issues related to the social impact of the social enterprise and community business sector in the city including:

- Whether and how the organisations measure their social outputs/outcomes;
- Accountability: The degree of employee, beneficiary and community involvement in the organisations' decision-making process;
- Employee well-being;
- Payment of the Real Living Wage; and
- Community Businesses: A closer look at these grass roots organisations.

(It should be noted that, in line with the UK SE Survey of Social Enterprises 2019, this research did not attempt to aggregate or quantify the total social impact had by Social Enterprises, as this is a very significant additional undertaking requiring large input from the SEs themselves as well as their beneficiaries. Both of the surveys did ask the responding organisations to indicate to what extent they measure their social impact, as well as asking about a range of other social impact related measures.)

5.1 Measuring social outputs and outcomes

Over two thirds of the social enterprise and community businesses (69%) completing the survey said they measured their social outputs/outcomes. This overall figure varied slightly between different sized organisations, with larger organisations being more likely to measure:

- 81% of organisations with 10+ employees saying they measured social outputs, compared with 66% of those with fewer than 10 employees; and
- 83% of organisations with turnover in excess of £100,000 saying they measured social outputs, compared with 57% of those with turnover of £100,000 or below.

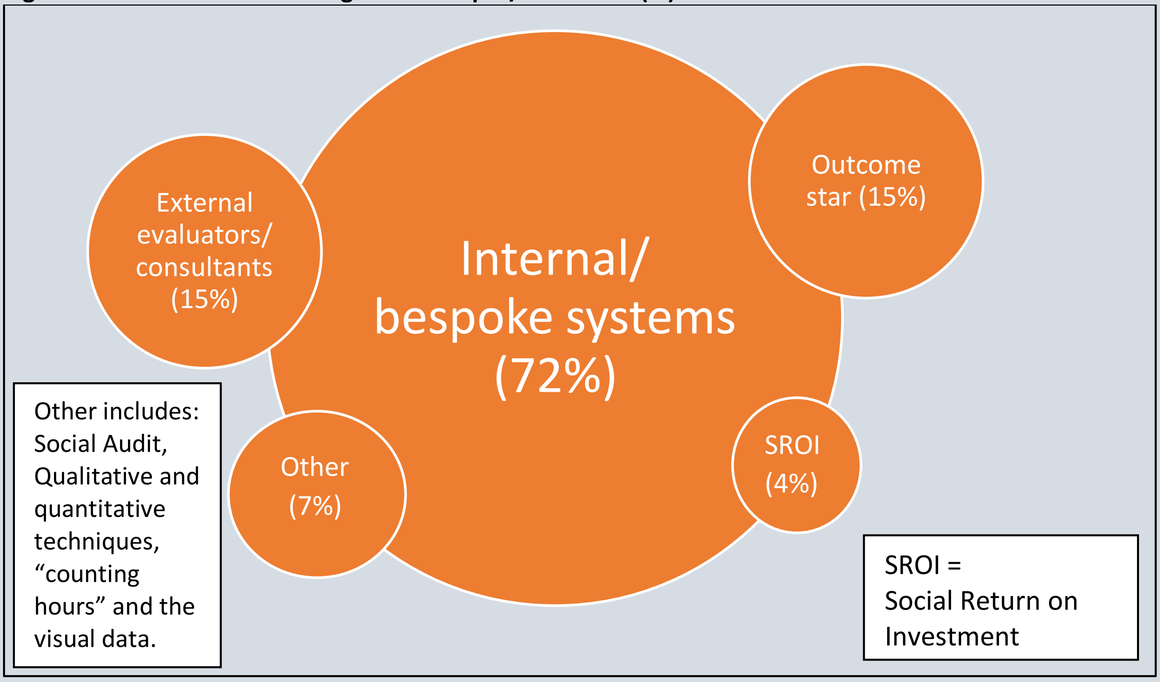
The figure of nearly seven out of ten of Plymouth's social enterprise and community businesses measuring their social outputs/outcomes was slightly lower than that reported nationally by SE UK in 2017 (77%. (N.B. A figure was not reported for 2019)). However, this minor variation is almost certainly the result of the fact that there are proportionately slightly more small organisations with fewer than 10 employees in Plymouth than are found nationally.

The 69% of Plymouth's social enterprise and community businesses who did measure their outputs/outcomes used a variety of means and methods to do so, with some having more than one technique at their disposal. Figure 5.1 overleaf illustrates this showing that the most commonly used means was an internal/bespoke system to do so (72% of those measuring their social impact).

As would be expected the use of external evaluators/consultants (15%) or Outcome Star (15%) was much lower overall, though was again predominantly associated with larger organisations, with virtually all of those using either of these methods having either a turnover of more than £100,000 or more than 10 employees.

Very small proportions of the organisations surveyed said that they used Social Return on Investment or other methods, such as social audit, etc. Figure 5.1 provides the details and further examples of the other methods that were reported as having been used.

Figure 5.1: Means of Measuring Social Output/Outcomes (%)



Source: Plymouth Social Enterprise Survey 2019/Base: 62 organisations measuring Social Value (multi answers allowed)

5.2 Accountability: Involvement in the decision-making process

The social enterprise and community businesses were asked about their accountability in terms of the degree of employee, beneficiary and community involvement in their decision-making processes. Their replies indicated that there was high degree of accountability, with around 70% involving their employees, beneficiaries and local communities in the decision-making process, albeit each to a different extent.

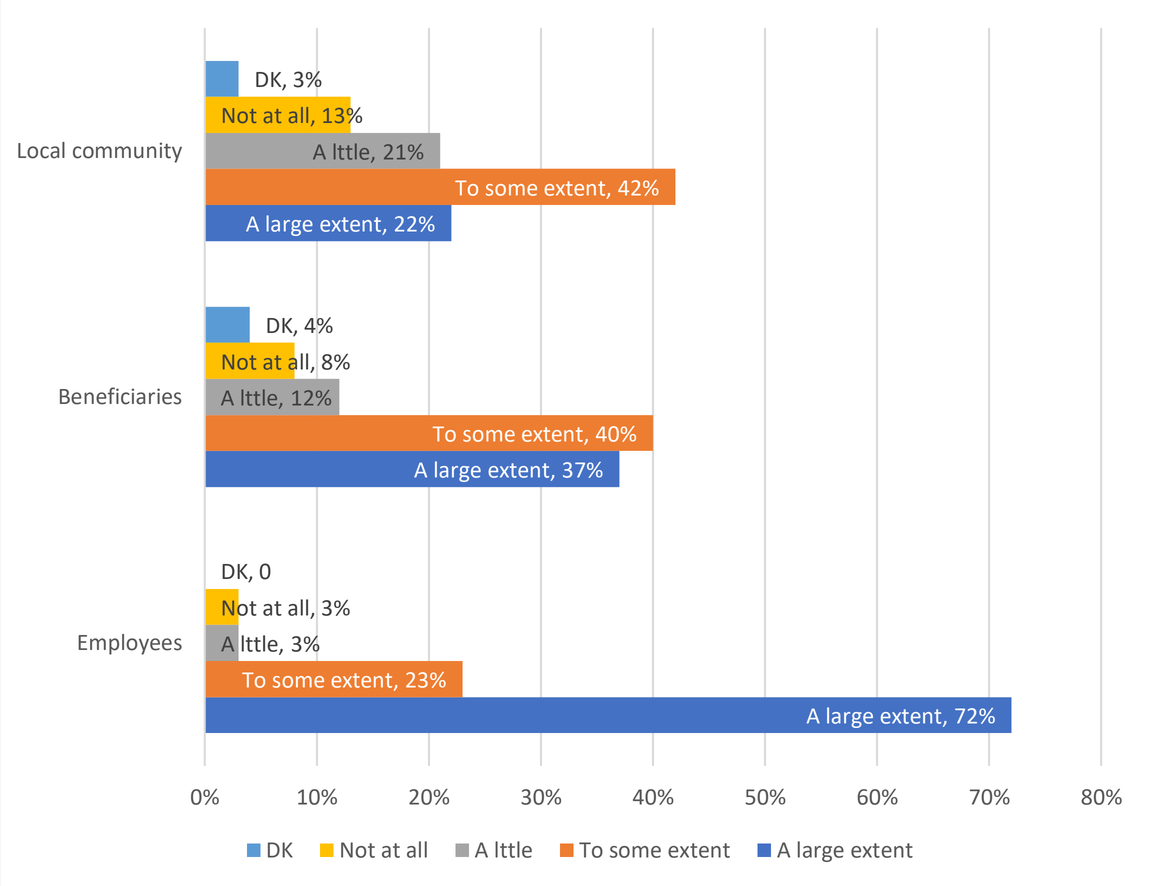
As was to be expected, employees had the greatest level of involvement, with 95% of the organisations saying that their employees were involved in decision-making either to “a large extent” or to “some extent”. Beneficiaries and service users were slightly less involved, with 77% saying that they were involved to “a large extent” or to “some extent.” For the local community, 64% said that the community was involved to “a large extent” or to “some extent”

It was very interesting to note that these findings followed exactly the same pattern and were almost the same as those recently found by SE UK nationally. This reported that:

> *“Two-thirds of social enterprises report that their beneficiaries are actively involved in decision-making, slightly down year on year (74% in 2013; 73% in 2015; 71% in 2017 and 67% in 2019). While around three-fifths (58%) report that their community is actively involved in decision-making... the majority of social enterprises (86%) report that, to at least some extent, their staff are actively involved in decision-making.”*

Figure 5.2 overleaf contains the details for each of the employee, beneficiary/service user and local community categories, broken down to show the degree of their involvement.

Figure 5.2: Degree of involvement in the organisation's decision-making process (%)



Source: Plymouth Social Enterprise Survey 2019/Base: 88 Social Enterprise and Community Businesses

5.3 Employee Well-Being

The survey asked about the promotion of employee well-being within the organisations, in terms of the services and benefits that were being offered to their staff. This found that over nine out of ten of Plymouth's social enterprises and community businesses (92%) were offering support to help with employee well-being, with only 8% not providing anything.

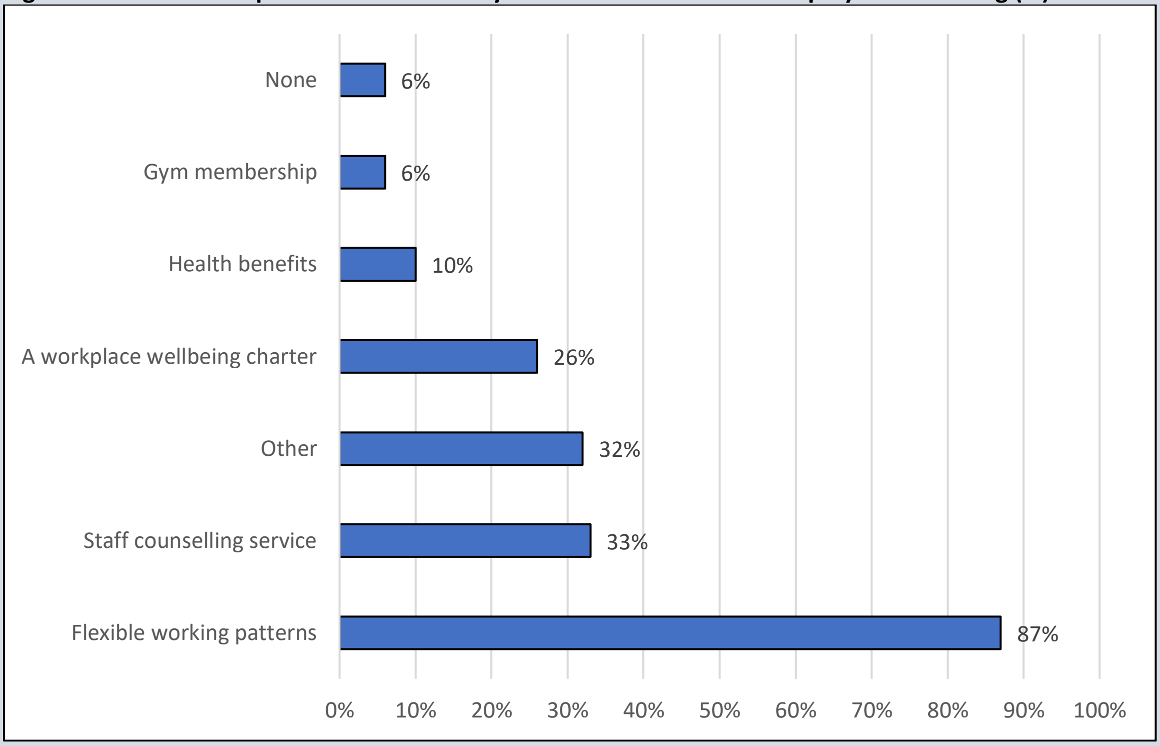
Figure 5.3 below shows that the most commonly offered service was flexible working patterns (87%), followed by staff counselling services (33%) and a workplace wellbeing charter (26%). Smaller proportions were offering gym membership (6%) and/or health benefits (55).

Not surprisingly, the provision of these various benefits was again closely related to organisation turnover, with the larger organisations having more capacity to be able to offer each of them to their staff. Organisations with turnover in excess of £100,000 were markedly more likely to offer each of the categories of support than those with turnover of £100,000 or below:

- Flexible working patterns (98% compared with 72%);
- Staff counselling services (47% compared with 15%);
- A workplace wellbeing charter (36% compared with 12%);
- Health benefits (18% compared with 0%); or
- Gym membership (11% compared with 0%).

Indeed all (100%) of the organisations with turnover in excess of £100,000 offered at least two of these benefits, with a third (33%) offering three or more of them, while 15% of those with turnover of less than £100,000 were not able to offer any.

Figure 5.3: Social Enterprises and Community Businesses Provision of Employee Well-being (%)



Source: Plymouth Social Enterprise Survey 2019/Base: 88 Social Enterprise and Community Business organisations

As the figure shows, nearly a third of the organisations also provided "other" benefits to staff and it is worth listing these to demonstrate the range and the positive manner in which they were offered;

> *"We provide support on a needs and when basis".*
> *"Peer mentoring and support and signposting to relevant services as required"*
> *"Cycle scheme"*
> *"(We offer a) Number of financial things to help them out, it is a deprived neighbourhood and we do help our staff whenever possible"*
> *"A lovely culture and positive attitude!"*
> *"Discounts/free loans from the Library of Things"*
> *"If counselling is needed, we would get it"*
> *"Free vegetables!"*
> *"Free tickets and benefits in the shop and café"*
> *"The fact we picked the organisation to be like this is because it is a worker op-op and it gives workers a sense of ownership"*
> *"We have a 4 day week, the 5th day being undirected staff time."*
> *"We do lots of CPD. We do lots of stuff we may all go to events we attend"*
> *"Subsidised meals"*
> *"We receive tea, cake and meet lovely people"*
> *"Regular staff well-being day and events"*
> *"Informal lunch walking groups and that sort of thing, we are a nice team"*
> *"We take care of each i.e. one member of staff has been made homeless and another member of staff has temporarily put them up"*
> *"(The Director) would help any staff member in any circumstances if he could."*

5.4 Payment of the Real Living Wage

The survey asked the organisations whether their staff aged 18 plus were paid at least the Real Living Wage of £9/hour. Just under two thirds (61%) said that they did pay the Real Living Wage, although nearly a third said that they did not (30%) and nearly one in ten did not know if this was the case (9%). The comparable findings from the UK SE report was that: *"Three-quarters (76%) of respondents said that they were a Living Wage employer, in line with the Living Wage Foundation standards…a similar proportion to 2017 (78%)… although it is worth noting that a relatively high number did not know whether they paid the living wage or not."*

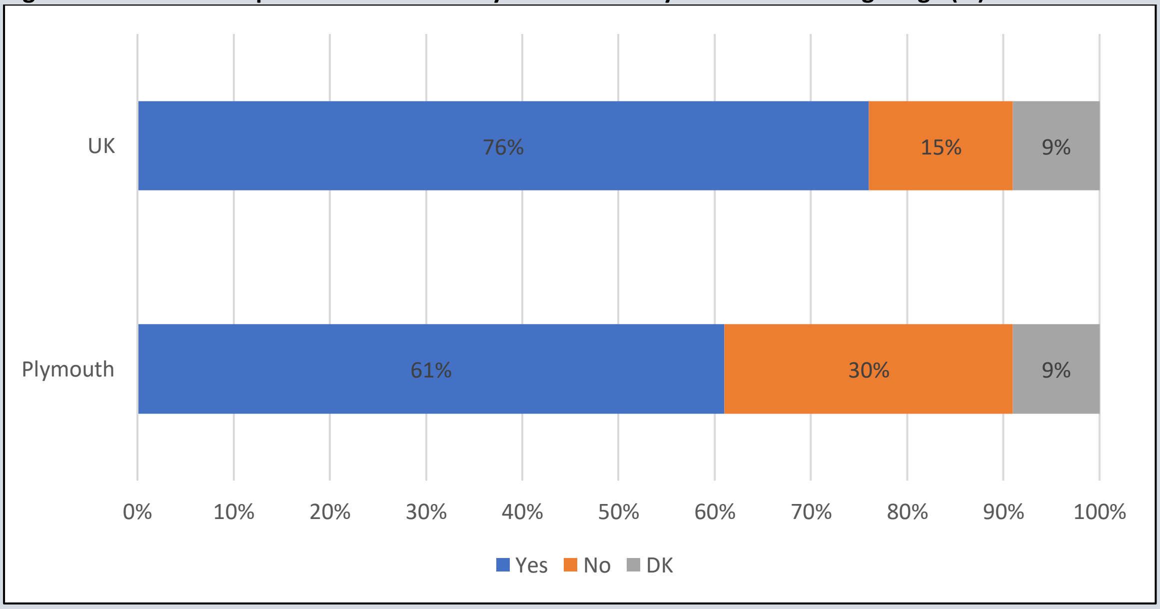
While on the surface there appears to be a discrepancy between these figures, it is important to note the marked disparity between average hourly wages in the city and those paid nationally:

- The average hourly earnings for Plymouth full-time workers are £12.55 compared with the national average of £14.88 (i.e. it is £2.33 lower);
- The average hourly earnings for female Plymouth full-time workers are £12.80 compared with the national average of £13.99 (i.e. it is £1.19 lower);
- The average hourly earnings for male Plymouth full-time workers are £12.50 compared with the national average of £15.44 (i.e. it is £2.94 lower); and
- The clustering of many of Plymouth's Social Enterprises in comparatively lower paid sectors, such as social care, culture, training and the comparative lack of Social Enterprises in the higher paid sectors such as professional, technical and associate.

In addition to these general economic points it must also be highlighted that findings were again closely correlated to organisation turnover, with the larger organisations being much more likely to pay the Real Living Wage all staff aged 18 plus. Among Plymouth social enterprises and community businesses with a turnover in excess of £100,000, three quarters (78%) – exactly the same as the national proportion - paid the Real Living Wage compared with less than half of those with turnover of £100,000 or below (45%).

These factors all combine to indicate that the lower overall proportion of social enterprises and community businesses in Plymouth that pay their staff aged 18 plus at least the Real Living Wage, compared with the national proportion, is more likely to be a reflection of the prevailing lower wages rates found across the city, the higher proportion of micros, with turnover below £100,000 and the sectors in which they operate, rather than an issue with the "fairness" of the organisations per se.

Figure 3.2: Social Enterprises and Community Businesses Payment of the Living Wage (%)



Sources: Plymouth Social Enterprise Survey 2019/Base: 88 organisations
UK State of the Sector 2019/Base: 1,133 organisations

6. Concluding comments and recommendations

This chapter contains concluding comments and recommendations for actions to further the development of the social enterprise and community business sector in Plymouth. Included among the comments section are summaries of the key research findings relating to:

- The number of social enterprises and community businesses in the city;
- The value of these organisations to Plymouth's economy in terms of turnover & employment;
- Their main business development needs over the next 12 months; and
- The positive impact they have on a wide range of social and environmental issues.

The comments section also discusses the study findings in terms of the sectors of the economy in which they operate; the involvement of beneficiaries and local communities in their decision-making process, the demographics of their leadership teams; and payment of the real Living Wage.

The report concludes by putting forward recommendations intended to both further the sustainability of individual businesses and to address the main barriers to the development of the sector as a whole that were identified by the research. These recommendations are based on the needs of the sector in Plymouth and, where appropriate, drawn from those in the UK State of the Sector report 2019.

6.1 Concluding Comments

The commentary in the following section highlights some of the key research findings and considers the current state of the sector in Plymouth under the following four main headings:

- An assessment of the growth of the sector in the city;
- The positive social impact the sector brings to local communities and beneficiaries;
- The benefits of the sector to its employees; and
- The development needs of the sector for improving its long-term sustainability.

6.1.1 An Assessment of Whether the Sector is Growing in Plymouth

This sub-section focuses primarily on the economic growth of the sector, in terms of the number of social enterprises and community businesses, their employees and turnover in the city. Later sub-sections also note the sociological (i.e. impact on target beneficiaries and local communities) and psychological (i.e. public awareness of and support for the aims and missions of social enterprise and community businesses) aspects of growth where they are relevant to the matters being considered.

Considering first the number of organisations in the sector, the mapping exercise identified c.200 separate organisations currently operating in Plymouth that can be classified as either "social enterprises" or "community businesses." This number represented a substantial increase of around one third from the c.150 identified by the 2015 Directory of the sector in the city.

As noted, this increase was particularly striking given that c.35-40 dissolved and closed organisations were also found and the total number of SME businesses across the city had remained relatively stable over the same time period, increasing by just over 2% (from 5,555 to 5,680).

Plymouth's Social Enterprise & Community Businesses:
Key growth indicators

	2015	**2019**
No. of organisations in Plymouth	c.150	**c.200**
No. of employees in Plymouth	c.7.3k	**c.9.1k**
Income to Plymouth's Economy	c.£500m-£520m	**c.£560m-£580m**

It was apparent that the overall increase in the number of social enterprises and community businesses, relative to the number of closures, indicates a high level of start-up and churn in the sector. Indeed, for the overall size of the sector to have increased by c.50 organisations between 2015 and 2019, in the same period that at least 35 have closed down, suggests that c.85+ new social enterprises and community businesses must have been formed in this period. This figure was borne out by the survey which found that 33% of the sample said they had been trading for less than 5 years.

Looking at the number of employees working in social enterprises and community businesses in the city, the mapping also identified that there had been a very marked increase since 2015 – of around one quarter – from c.7,000-7,300 to c.9,100 employees. This growth in employment in the sector was primarily the result of three main factors:

- A substantial increase in the number of jobs at one of the major social enterprises in the city (taking on c.1,100 more employees over this time period);
- The addition of several significant organisations to the social enterprise and community business "roster", including one with c.250 employees; and
- A proportionately smaller growth in employment among the c.150 "old" organisations plus the people employed by the c.50 "new" social enterprises and community businesses.

While this level of growth in the number of organisations and employees has been very impressive, and indicate an overall strong period of development for the sector in the city as a whole between 2015 and 2019, there are two important caveats to bear in mind:

- ***Limited turnover growth***
  Proportionately, the growth of turnover across the sector in the period since 2015 has been noticeably smaller – of the order of c.10% (from c.£500-£520m to c.£560-£580m) – than either the percentage increases in jobs or organisations over the same period. This is because many of the jobs that have been created have been in lower paid sectors and the continued impacts of austerity mean that many organisations are operating with reduced funding*, relative to what they are delivering*. Indeed, 14% of the organisations responding to the survey said that their turnover had decreased in the last year.

- ***Plateau in 2017-18?***
  There was some evidence that the number of social enterprises and community businesses in the city may actually have peaked in 2017-18 at a higher-level – at around 210-220 organisations – and to have since fallen back to c.200. This concern was based on the closure dates of the dissolved organisations, many of whom had ceased trading in the last 18 months and the fact that the overall SME business base in Plymouth decreased from 5,770 to 5,680 between 2017 and 2018 (2019 figures are not yet available), as well as decreasing nationally[11].

To summarise, the growth in the numbers of social enterprises and community businesses, as well as their employees in Plymouth since 2015 is clearly a very positive finding and is a testimony to the resilience and fortitude of the organisations. However, this growth has been hampered by on-going funding issues and the prevailing tough economic climate with the resulting rate of business failures being quite high. Further research is required to understand the detailed reasons for the failures and to identify the lessons for other organisations to avoid the same fate.

Furthermore, it was apparent that the "depth" of the growth in relation to turnover has been quite thin and that there was some evidence of an actual decline in the total number of organisations in the sector in the last year or so. Future support for the sector needs to bear this mind – focusing on both those organisations with aspirations to grow *and* those struggling to survive.

[11] https://www.nomisweb.co.uk/reports/lmp/la/1946157352/subreports/idbr_time_series/report.aspx

6.1.2 The Social Impact of the Sector on Local Communities and Beneficiaries

It is very important to highlight that this period of overall expansion and change for the sector – with its associated high aspirations for further growth among many organisations contrasting with planning for survival among other organisations – has not dimmed the enthusiasm of the sector overall to create positive benefits for their local communities and beneficiaries.

The research found that nearly nine out of ten social enterprises and community businesses in Plymouth had a *"clear social or environmental mission set out in their governing documents."*

This strong sense of purpose was reflected in their aims and objectives, of which the top three all concerned improving the lives of others, either in generic terms (such as health and wellbeing), geographic terms (such as a local community) or in terms of target beneficiaries (such as vulnerable adults). Indeed, at least half of the organisations had each of these aims and, on average, they all had four such aims and objectives – double the national average of two per organisation.

Plymouth's Social Enterprise & Community Businesses: **Social impact**

	2019
Clear social or environmental mission set out in governing documents	**86%**
Three main aims	
• Improving health or wellbeing	**68%**
• Improving a particular community	**58%**
• Supporting vulnerable adults	**50%**

The social value and impact of these aims and objectives were further demonstrated by the sectors of Plymouth's economy in which the social enterprises and community businesses were operating. Nearly half of the organisations in the sector were providing services and/or trading in areas which have traditionally been primarily provided by the public sector:

- ***Education, training, skills, employment and childcare (24%); and***
- ***Health/social care and housing (23%)***

Many of the other social enterprises and community businesses in the city were operating in the culture, creative, leisure and environmental sectors where it was equally evident that their strong sense of social purpose was generating positive impacts for local communities and beneficiaries alike.

Furthermore, Plymouth's social enterprises and community businesses are often to be found operating in the most disadvantaged areas of the city with the hardest to reach people/client groups. While the research did not attempt to quantify or assess the level of this impact, as that would have been a very extensive research exercise in itself, the study did identify that:

- Over 50 of Plymouth's social enterprises and community businesses were either based in or operating in the most disadvantaged areas of the city, including Stonehouse and Devonport;
- Seven out of ten (69%) social enterprises and community businesses in the city were measuring their social outputs/outcomes using a variety of means and methods; and
- The most commonly used method was an internal/bespoke system (72% of those measuring social impact), followed by external evaluators/consultants (15%) or Outcome Star (15%).

Plymouth's Social Enterprise & Community Businesses: **Accountability**

• Beneficiaries/service users	**77%**
• Local community	**64%**

Moreover, these organisations were very accountable to their beneficiaries and local communities – three quarters saying beneficiaries and service users were involved to "a large extent" or to "some extent" in their decision-making processes. For the local community, two thirds said that their community was involved to "a large extent" or to "some extent" in the process.

It should also be highlighted that the leadership and workforce of Plymouth's social enterprises and community businesses is female dominated:

Leadership teams
Women hold over half of the positions in the leadership teams of Plymouth's social enterprises and community businesses – accounting for 56% of the team members. 90% of the organisations responding to the survey have women on their leadership team.

Workforce
Eight out of ten of the social enterprise and community business workers employed in Plymouth are women (80%). Three quarters of full-time workers are women (76%), as are nearly nine out of ten part-time workers (87%).

The national SE UK research reinforces these various findings about to the social impact of the sector, as it reports that nationally social enterprises are:

WORKING WHERE IT IS NEEDED MOST:
22% of social enterprises are based in the most deprived communities in the UK. 31% of social enterprises are operating at a neighbourhood or local level.

DELIVERING PUBLIC SERVICES AT SCALE:
The public sector is the main source of income for 19% of all social enterprises; it is the main source for 65% of social enterprises over £1 million turnover.

FEMALE ENTREPRENEURSHIP:
40% of social enterprises are led by women. Over half of social enterprises (51%) have a majority female workforce.

MORE INNOVATIVE THAN THE PRIVATE SECTOR:
The number of social enterprises introducing a new product or service in 2019 was 56%. Among SMEs it was 36%.

COMMUNITY INVOLVEMENT:
58% of Social Enterprises involve their wider community in their decision-making processes and 13% are BAME led with 35% having BAME directors.

TRADING FOR THE PLANET:
65% of social enterprises expect the focus on sustainable and environmentally friendly processes within their organisation to increase in the next two to three years.

In all, these findings demonstrate that much of the social enterprise and community business sector in Plymouth is delivering essential services, often to vulnerable and isolated groups of beneficiaries. While this delivery focusses on the most disadvantaged areas and hard to reach groups, it also reaches out to cover the city as a whole, providing an invaluable social benefit.

Local communities and the beneficiaries themselves are invariably involved in the decision-making processes around how the organisations operate, and this improves both the services being delivered as well as empowering the groups involved. Indeed, the sense of purpose and the aims and ambitions for growth that are to be found among the social enterprises and community businesses in the city needs to be acknowledged and strongly supported in what is an otherwise very difficult and challenging economic climate. The research identified several key means by which recognition of the social value of the work of the sector could be acknowledged:

- Greater public sector recognition, through improved funding and commissioning processes, favouring social enterprises and community businesses by acknowledgement of the enhanced social and environmental value and benefit of their work; and
- Increased general public awareness of the impact of social enterprises and community businesses and their value in improving local communities, by means of targeted PR and marketing work complimenting the existing promotional work for the sector across the city.

6.1.3 The Benefits of the Sector to its Employees

The research found that Plymouth's social enterprises and community businesses were also having a positive impact on their employees, providing a wide range of support. This was manifest in various different ways, though the most obvious was the finding that over nine out of ten (92%) were offering some form of support to help with employee well-being, with only 8% not providing anything.

Plymouth's Social Enterprise
& Community Businesses:
Employee wellbeing & involvement

	2019
Offering support to help with employee wellbeing	**92%**
Three main types of support	
• Flexible working patterns	**87%**
• Staff counselling	**33%**
• Workplace wellbeing charter	**26%**
Employees involved in decision-making to a "large or some" extent	**95%**

The most commonly offered forms of support were flexible working patterns, staff counselling services and a workplace wellbeing charter. Smaller numbers offered things such as gym membership or health benefits.

Aside from flexible working, the provision of the other wellbeing benefits was closely related to organisation size, with larger organisations having more capacity to offer them to staff. Those with turnover over £100,000 were markedly more likely to offer all types of support than those with turnover of £100,000 or below.

Overall, 95% said their employees were involved in decision-making for the organisation. Some of the comments made by the organisations indicate the range of other diverse means of support that were provided:

> *"Peer mentoring and support and signposting to relevant services as required"*
> *"(We offer a) Number of financial things to help them out, it is a deprived neighbourhood and we do help our staff whenever possible"*
> *"A lovely culture and positive attitude!"*
> *"Free vegetables and cycle scheme!"*
> *"Free tickets and benefits in the shop and café"*
> *"The fact we picked the organisation to be like this is because it is a worker op-op and it gives workers a sense of ownership."*

Just under two thirds (61%) of Plymouth's social enterprises and community businesses said their staff aged 18 plus were paid at least the Living Wage of £9/hour.

Some suggestions for means by which these findings for Plymouth could be made use of include:

- Promotion of the benefits to employees of working for social enterprises and community businesses in recruitment and advertising work; and
- Working with the social enterprises and community businesses in the city to help increase uptake of the Living Wage.

The national SE UK research for 2019 both reinforces these findings for Plymouth on the benefits of the sector for employees and provides a different perspective on some of the key issues:

LOCAL EMPLOYERS:
Over eight out of ten (85%) social enterprises recruit over half of their staff locally; for two thirds (68%) this is their entire workforce.
CREATING OPPORTUNITIES IN TOUGH TIMES:
73% said they work with individuals facing disadvantage, while 42% reported that their organisation seeks to employ them.
A FAIR PAYING FIELD:
Three-quarters (76%) of respondents said that they were a Living Wage employer. The average salary of a social enterprise Chief Executive is £43,362.

6.1.4 The Future Development Needs of Social Enterprises & Community Businesses

The research found a high level of entrepreneurial spirit and plans for growth among Plymouth's social enterprises and community businesses – with over half of them (55%) planning for growth in the next 12 months. Given the economic uncertainty associated with Brexit, combined with the city's historically low business start-up and success rate, this was a very powerful finding and again a testament to the economic vitality and aspirations of the sector.

In order to help ensure these aspirations can be realised and for the city to benefit from them, some very clear barriers to growth were identified which should be addressed, alongside various business development needs for which Plymouth's social enterprises and community businesses need support.

Plymouth's Social Enterprises & Community Businesses:
Plans for next 12 months

Growth	55%
Continuity	31%
Survival	14%

The most commonly mentioned single barrier to growth was found to be accessing finance, principally though obtaining funding (34%) or debt/equity finance (4%). This finding is common to all SMEs, albeit the sources of finance for SMEs vary – i.e. banks, investors, private equity, etc. Further barriers to growth were found to be a lack of demand/economic climate/Brexit uncertainty; the cost/availability/ maintenance of premises; time pressures; recruiting staff; cash flow; and skills shortage.

Plymouth's Social Enterprises & Community Businesses:
Key business support needs

- **Marketing, branding and PR** (92%)
- **Accessing external finance, such as grant funding** (89%)
- **Making effective use of digital technology** (87%)
- **Measuring social value** (87%)

Overall, four types of business support were mentioned by around nine out of ten social enterprises and community businesses as having the potential to help them improve long term sustainability either a lot or a little in the next 12 months. These are shown in the accompanying figure.

In addition to these four key support needs, which were common among organisations across the sector, various other needs were also highlighted, depending upon the plans and size of the organisations.

Organisations who were aiming for growth were *more* likely to say support would be of benefit in:

- Entering new markets (83% compared with 70%);
- People management (65% compared with 50%); and
- Regulations and tax issues (57% compared with 40%).

While those aiming for survival in the next 12 months were *more* likely to need support:

- Developing a business plan or strategy (91% compared with 76% respectively); and
- Balancing social purpose and financial viability (73% would benefit a lot compared with 33%).

As noted, 55% of organisations in the sector were planning for growth, 14% were aiming for survival, while one third were looking at continuity – indicating the range of needs and hopes to be found in the city. In this context it is evident that the sector as a whole requires a variety of support measures that can be tailored to meet the diverse needs of organisations facing contrasting circumstances.

Of course, it is acknowledged that many of the items highlighted above are already available through the Enhance Social Enterprise business support programme[12]. It should be considered whether any additional areas of support should also be offered, based on the above and also whether community businesses are covered by the existing eligibility criteria for the programme.

[12] https://www.devon.gov.uk/economy/business-support/enhance-social-enterprise/

It is also worth noting that national and local research among small and micro businesses has found that the key to the successful delivery of any such support is invariably flexibility[13] – enabling the provision of tailored support offering selective choice based on individual needs. In order to successfully engage with any target group businesses (social enterprise or otherwise), support needs to be marketed on a local basis (preferably within trading sector and peer-to-peer), emphasising local exemplars and clearly demonstrating potential "*quick win*s".

Furthermore, it is important to acknowledge that a key barrier inhibiting many micro businesses from taking up business support (aside from lack of desire to grow or survive) is invariably a practical one, i.e. a lack of time, a lack of cover (as they are one or two person organisations), the distance to travel, the cost of attendance, etc. These practical concerns should be borne in mind in the delivery of support for the sector as they were mentioned during the research as inhibiting take-up of support in the city.

6.2 Recommendations

The recommendations put forward in this section have two principal aims:

- To help focus available business support to improve the long-term sustainability and growth of individual social enterprises and community businesses in Plymouth; and
- To help with the development of the sector as a whole across the city, in terms of raising awareness and knowledge of the sector's aspirations and needs.

Much of the national research on the uptake and use of business support indicates that a key factor in its likely use and success is the owners/directors' mindset and attitude towards growth. As noted, many private sector SMEs do not have the same disposition towards growth as many social enterprises and community businesses do (with over half in Plymouth planning for growth in the next 12 months compared with a quarter of SMEs). This is self-evidently a very positive finding in terms of the likely take up and value of any business support packages for the sector.

Nonetheless, despite this enthusiasm for growth, the research found that there are many challenges and barriers to be tackled if the sector is to grow sustainably long-term. These challenges include both the internal capacity and capability to grow within organisations, as well as the external environment, including the markets in which they operate and public perception and awareness of the difference that social enterprises and community businesses can make.

A recent local review of business support activities for micro businesses[14] identified that the following core elements are central to the successful uptake and delivery of support that resulted in growth that could be maintained over a longer period of time. It is helpful to preface the recommendations made overleaf for social enterprises and community businesses with these more generic points:

- **The development of key client and 1-2-1 advisor relationships**
  The success of many business support programmes is usually attributed to the business advisors who work with the micro businesses – in terms of the knowledge, commitment, specialist skills and the strong working relationships they had succeeded in developing with the businesses. This relationship was often identified as *the* key component of increasing uptake of and successful outcomes from growth/productivity related support. For packages involving social enterprises, specialist sector knowledge was an equally essential element.

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[13] *A New Design: Making Local Support Work for Business* (Federation of Small Businesses, 2015) and *Research to Understand the Barriers to Take Up and Use of Business Support* (Middlesex University/DBIS, 2012)

[14] *Analysis of the Barriers to Business Engagement and Productivity for Engaging Devon's Micro Business: Evaluation and Literature Review* (Devon County Council, 2019)

- **Sustained engagement over a period of time**
  Closely related to the need for 1-2-1 business advisors to establish strong relationships was the importance of maintaining this engagement over a lengthy period of time, if results were to be achieved in terms of improvement in business processes and efficiencies. Short term interventions were highlighted as invariably being unsuccessful in leading to growth.

- **Holistic and partnership-based approaches**
  Furthermore, while 1-2-1 business advisors were key to a successful support "offer", it was also clear that they needed to be part of a holistic "package", that joined together the relevant partners that were required to meet all the different aspects of businesses' growth needs. In this respect, social enterprise networking and peer-to-peer support would clearly be key.

- **Encouraging the wider uptake and SMART use of Digital Technology**
  The use of digital technology as a productivity driver among micros was found to be behind that of larger organisations. This was due to many factors including capacity, sector profiles (and their comparative use of technologies), connectivity and the age/aspirations of owners. Support dovetailing effective digital use with micros' needs successfully tackled these issues.

Lastly, it is worth noting that numerous national studies have found that the most significant increases in productivity, in term of impact on the wider economy, result from a surprisingly small and select number of businesses – invariably those who were most growth-inclined in the first instance. This could lead to a dilemma over whether a support programme should focus on the needs of the *"few"*, who account for the most growth, in terms of jobs, GVA, etc. or on a wider programme designed to cater for all needs. The recommendations made below include suggestions to cover the needs of both those "most likely" to grow and for the benefits of the wider sector as a whole.

Based on both the findings of the research among Plymouth's social enterprises & community businesses, together with the complimentary proposals made in the national UK SE report 2019, the recommendations identified for the city were:

- **Stimulating investment**
  Both locally and nationally the key barrier to growth for social enterprises & community businesses was identified as being access to finance. The UK SE report 2019 states: *"Social enterprises need access to capital in order to grow. Unfortunately, up to now, most of this capital has been in forms which are only relevant for a few forms of social enterprises. Blended capital, venture or "risk" capital and hire purchase finance is not readily available – yet these are the forms of finance that the sector needs in order to meet demand. Moreover, finance is currently targeted at only a handful of areas and potential growth markets… Investment needs to change in order to reflect the reality of social enterprise."* This challenge should be taken up in Plymouth, using its status "the first social enterprise city" to identify and work with potential investors to overcome the barriers to financing growth in the sector, in particular focussing on the economic value of the social and environmental benefits accruing from its work in the most disadvantaged areas.

- **Public sector procurement**
  The stimulation of investment for the sector should be tied in with negotiations with major public sector commissioners in the city aiming to ensure that minimum proportions of their expenditure are reserved for local social enterprises and/or community businesses – an extension of the *buy local* drive. The UK State of the sector report states: "*(government) spending should be used to deliver greater real social and environmental benefits to the country as a whole"* and government funding and programmes should be much more attuned to a social mission. Again, given Plymouth's unique status, the achievement of this goal should be given priority to help improve the sustainability of the sector.

- **PR and marketing campaign to further promote Social Enterprises & Community Businesses in Plymouth**
  The sector has made great steps across the city, with particular strengths in depth in core trading areas, such as culture and education, as well as in local communities. However, it was evident that there were sectors of the economy in which there were currently few social enterprises or community businesses and sizeable portions of the population that were still largely unaware of the purpose or presence of the sector. In order to address these challenges and to further the development of the social enterprise and community business sector as a whole, a PR and marketing promotion targeting low presence sectors, i.e. construction, retail, professional, technical etc. together with a public awareness campaign should be considered.

- **The further development of peer-to-peer support and networking groups for social enterprises and community businesses in Plymouth**
  The national and local research into business engagement with growth and productivity support identified that peer-to-peer contact was an essential component both in persuading micro businesses of the value of such support as well as ensuring uptake. It is therefore suggested that more peer-to-peer support groups and networking should be further promoted in the city for the provision of both more generalised business support across the sector, as well as for specialist assistance, between existing and new social enterprises and community businesses. It was evident that some of these networks already exist and that they may need assistance with further development.

- **Focused and additional business support for growth-orientated Social Enterprises & Community Businesses in Plymouth**
  In order to produce the maximum results from business support (in terms of creating jobs, boosting productivity and hence social impact), it is suggested that consideration should be given to both focussing and supplementing the current Enhance offer, by offering the following additional support to growth focussed micros with under £100,000 turnover and/or less than 10 employees:
  - PR, marketing and branding;
  - Recruiting (and) managing employee(s);
  - Regulations and tax issues; and
  - Accessing new markets.

  It should be considered whether the support should/could have a sectoral focus within the sector as well – with evidence that organisations trading in education, creative and health care were more likely to be pursuing growth plans than those trading in other areas.

- **Increasing the size of the available talent pool for social enterprises and community businesses in Plymouth**
  The SE UK report states that: “*The evidence shows that people, particularly young people, want to work in socially responsible businesses. A social purpose at work leads to a higher level of engagement and higher levels of productivity. Unfortunately, people are often not told of the opportunities that exist in the social enterprise sector and social enterprises do not do enough to spread the word. Sometimes, social enterprises do not do enough to connect their staff to their social purpose and fail to instil in them the benefits of working for a social enterprise. All of this has led to talent becoming a bigger issue for social enterprises, particularly larger employers.”* As noted above, many of the growth orientated social enterprises in the city highlighted that recruiting (new) employees was a key barrier to growth for them. Consequently, it is recommended that further work is done with schools, colleges and universities in the city to ensure that young people entering the workforce are aware of the opportunities to work in social enterprise – building on previous programmes such as RIO’s successful Social Enterprise Schools project and the Knowledge Transfer project.

- **Further research among survival-orientated and closed Social Enterprises & Community Businesses in Plymouth**
  This study identified a considerable number of closed, dissolved or dormant social enterprises and community businesses, together with 14% of the surveyed organisations who were aiming for survival in the next 12 months. In the context of the on-going global economic uncertainty and national concerns over Brexit, it seems prudent to suggest that more is done to explore the reasons for the closures and the factors leading to "survival" or not. Is it because there is a lack of support (are there particular areas in which help is needed – finances, lack of business planning, market research?) or are there other factors – over optimism, the state of the economy, etc. Answers to these questions would also help inform and focus future business support packages, specifically for those aimed at assisting businesses that identified as needing survival support.

The SE UK report 2019 concludes with the statement that:

> *"Social enterprise is the future of business... Social enterprises are greener, more innovative and less divisive than traditional forms of business. Social enterprises operate in every sector and every part of the country. The conclusion that we should reach from this is clear. We need more social enterprises and a greater proportion of business activity trading for a purpose."*

This statement is equally true for Plymouth where it is, arguably, even more important that both social enterprises and community businesses are enabled to thrive.

Appendix I – Survey methodology: conduct, sample profile, survey accuracy and definition

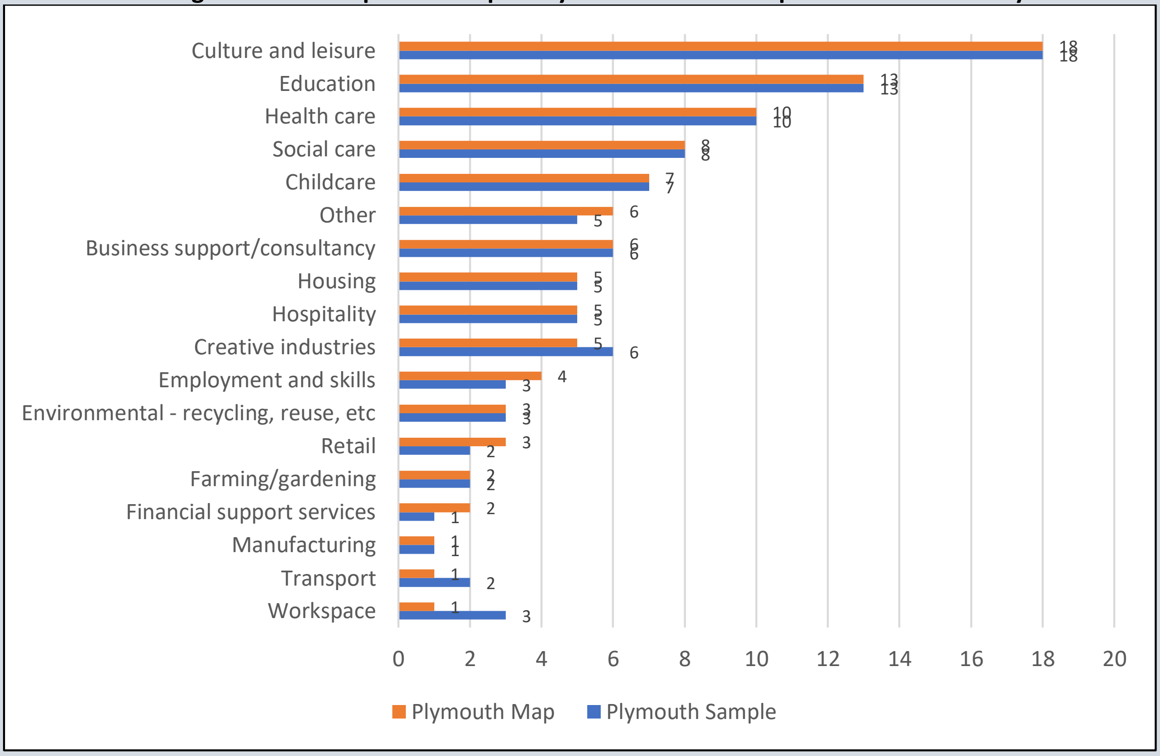
Survey conduct

The telephone and online surveys of Plymouth's social enterprises and community businesses were conducted in August and September 2019. The 88 completed responses represented a response rate of 44% of the c.200 identified social enterprises and community businesses in the city. 52 of the completed survey responses were conducted by means of telephone interviews with the senior manager/owner at each organisation. The remaining 36 were completed online.

Sample profile

The results of the survey are representative of the social enterprises and community business sector as a whole in Plymouth. Chart A.1 shows the trading sector of the 88 social enterprises and community businesses who participated in the survey compared with the profile of all the city's 200 social enterprises and community businesses identified by the research mapping exercise. The chart shows there were only very minor disparities between the sample and the map.

Chart A.1: Trading Sector of Sample and Map of Plymouth Social Enterprises and Community Businesses (%)



Sources: Plymouth Social Enterprise Map 2019/Base: 200 organisations and Plymouth Survey 2019/Base: 88 organisations

Survey accuracy

The 88 surveyed organisations represent 44% of the identified population of 200 and for an answer of 50% this provides a survey accuracy of +/-7.8% at the 95% confidence level. For an answer of 95% the interval decreases to +/-3.4%. More confidence levels are shown in the chart below:

Chart A.2: Accuracy of survey findings (margins of error at 95% confidence level)

Total Social Enterprises and Community Businesses identified: 200	
Sample size	88
5% or 95% response	+ or – 3.4%
10% or 90% response	+ or – 4.7%
20% or 80% response	+ or – 6.2%
30% or 70% response	+ or – 7.1%
40% or 60% response	+ or – 7.6%
50% response	+ or – 7.8%

Social Enterprise definition

The Social Enterprise Mark have published *What is Social Enterprise?*[15] This states that there is no single legal definition of a "social enterprise". It continues that a social enterprise can be defined as a **business** that ploughs its profits back into a **strong social or environmental mission** – i.e. trading to create benefits for people and planet.

The UK Government have adopted a similar definition:

> *"Businesses 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 shareholders and owners."*

The UK State of the Sector report 2019 states:

> *"Social enterprises are businesses that trade in order to tackle the challenges we face in society. They make their money selling goods and services in markets using their business and their profits to improve society and protect the planet..."*

The UK SE research only includes organisations as being "in scope" for the study, if they:

> *"Defined their organisation as a social enterprise (i.e. that they agreed that their business has 'primarily social objectives whose surpluses are principally reinvested for that purpose in the business or community, rather than being driven by the need to maximise profit for shareholders and owners'); and generated 25% or more of their income from trading activities"*

This research study adopted a broadly similar approach to defining social enterprise as that taken by Social Enterprise Mark CIC, the UK government and the UK SE report above, in that to be included organisations had to have primarily social and/or environmental purposes whose surpluses were reinvested for that purpose.

However, this study took a slightly different approach to the UK SE report in terms of the proportion of income that needed to be generated by trading: as it also included organisations with *less* than 25% of their income from trading activities. The rationale for this decision was that the 25% cut-off figure would exclude some of the organisations who were most in need of business support, and on whom much of the research interest and aims centred, such as:

- Former charities who were in the process of becoming social enterprises by building up their income from trading to replace their donations, grant funding sources, etc.;
- New start social enterprises who were still growing their market share and were currently mainly operating on bank loans, start-up grants, etc; and
- Community businesses, whose primary income was from donations or in-kind and who were also working to increase their income from trading to become self-sustaining.

Consequently, it is important to note this difference when comparing the results from the national research with that from the Plymouth study.

[15] https://www.socialenterprisemark.org.uk/what-is-social-enterprise/:

Appendix II – Survey questionnaire

Plymouth Social Enterprise Network – State of the Sector Research

Telephone/Online Questionnaire

Section 1. Introduction and background to organisation

INTERVIEWER STRESS THE FOLLOWING, AS NECESSARY;

- The survey collects information about the nature, scale, economic value and income of the Social Enterprise and community business sector in Plymouth. It also assesses the needs of the sector across the city.
- We would like to talk to the senior person responsible for the (name of) organisation.
- The interview will take no more than 15 minutes to complete.
- All answers given will be completely confidential and used to produce combined statistics.
- Your participation is important because we need to get a complete picture of social enterprises in Plymouth.
- Participation is entirely voluntary, but we do hope that you will help.
- Queries can be directed to Gareth Hart/Jess Holliland at Plymouth Social Enterprise Network on 01752 213690

Willing to participate: Yes/no

ASK ALL

Q1.1 I would like to start with a few general questions about this organisation first. In which sector is (…INSERT NAME OF ORGANISATION…**)'s principal (trading) activity?**

INTERVIEWER: CODE ONE ONLY

Retail	Business support/consultancy
Education	Creative industries
Employment and skills	Health care
Social care	Culture and leisure
Environmental	Financial support and services
Hospitality	Housing
Childcare	Workspace
Something else (PLEASE STATE__________)	

ASK ALL

Q1.2 And what is the legal status of (…INSERT NAME OF ORGANISATION…**)?**

INTERVIEWER: CODE ONE ONLY

Company Limited by Guarantee (CLG)	Community Interest Company (CIC)
Company Limited by Shares (CLS)	Industrial and Provident Society (co-operative)
Sole proprietorship	Limited Company
Charitable Incorporated Organisation (CIO)	Unincorporated organisation (not for private profit)
Limited Liability Partnership	Other (PLEASE SPECIFY_______)

ASK ALL

Q1.3 Can I just check, does (…INSERT NAME OF ORGANISATION…**) regard itself as a Social Enterprise or a community business?**

Yes – Social Enterprise
Yes – Community business
No – neither

ASK ALL

Q1.4 Does (…INSERT NAME OF ORGANISATION…**) have a clear social or environmental mission set out in its governing documents?** INTERVIEWER: CODE ALL THAT APPLY

Creating employment opportunities
Promoting education and literacy
Protecting the environment
Providing affordable housing
Improving a particular community
Other (PLEASE SPECIFY________)
Improving health and well being
Supporting vulnerable people
Supporting vulnerable children/young people
Supporting other social enterprises/organisations
Addressing financial exclusion
No specific social or environmental purpose

ASK ALL

Q1.5 And for how many years has (…INSERT NAME OF ORGANISATION…**) been trading?**

Less than one
1 – 2 years
3 – 5 years
6 or more

Section 2. Organisation sustainability and ambitions

ASK ALL

Q2.1 In terms of the long-term sustainability of (…INSERT NAME OF ORGANISATION…**), to what extent would the organisation benefit from support in each of the following areas?**
INTERVIEWER: READ OUT EACH CATEGORY AND CODE FOR EACH**…Is that not at all, a little or a lot?**

	Not at all	A little	A lot
a) Developing and implementing a business plan and strategy?			
b) Developing and introducing new products or services?			
c) Decisions on regulation and tax issues?			
d) Making effective use of available digital technology?			
e) Entering new markets?			
f) Marketing, branding and PR?			
g) People management?			
h) Accessing external finance (e.g. funding applications)?			
i) Measuring social value?			
j) Balancing social purpose and financial viability?			

ASK ALL

Q2.2 Which of these phrases best describes the (…INSERT NAME OF ORGANISATION…**),'s ambitions for the next 12 months?**

Growth/Survival/Continuity

ASK ALL

Q2.3 What are the main barriers to (growth/survival/continuity) faced by (…INSERT NAME OF ORGANISATION…**) in the next 12 months?**
INTERVIEWER DO NOT READ OUT/CODE UP TO THREE ONLY

Lack of demand/economic climate/Brexit uncertainty
Obtaining grant funding
Obtaining debt or equity finance
Recruiting staff
Availability/cost of premises
Cash flow
Time pressures
Skills shortage
Awareness of social enterprise among the general public
Prohibitive public sector commissioning/procurement processes
Something else (PLEASE STATE___________)

Section 3. Organisation resources: staff, leadership team and turnover

ASK ALL

Q3.1 Turning to the numbers of staff who are employed by (…INSERT NAME OF ORGANISATION…**) in Plymouth. How many paid staff are employed in each of the following categories in the city of Plymouth…** INTERVIEWER: READ OUT EACH STAFF CATEGORY (TOTAL, MEN AND WOMEN) AND WRITE IN EXACT NUMBER OF EACH… (N.B. INCLUDE PERMANENT, FULL *AND* PART-TIME STAFF – DO *NOT* INCLUDE SUBCONTRACTED, TEMPORARY STAFF, VOLUNTEERS *OR* VACANCIES)

	Full time (30 hours or more a week)?	Part time (less than 30 hours a week)?
a) Male		
b) Female		
Totals		

ASK ALL

Q3.2 Thinking of the demographics of (…INSERT NAME OF ORGANISATION…**)'s *leadership team*. How many of the leadership team (including Directors, Senior Management team, Board members and Trustees/Partners) are in each of the following categories…**

	Under 30 years	30-40 years	40-50 years	50-60 years	60+ years
a) Male					
b) Female					
Totals					

ASK ALL

Q3.3 I would now like to ask about finances. What is (…INSERT NAME OF ORGANISATION…**)'s annual financial turnover (Including sales, grants, donations, etc)?**

INTERVIEWER: WRITE IN (ESTIMATED) TURNOVER: £

ASK ALL

Q3.4 (Approximately) What proportion of this turnover comes from trading activities (i.e. selling goods or services)?

INTERVIEWER WRITE IN %:

ASK ALL

Q3.5 Compared to last year, has (…INSERT NAME OF ORGANISATION…**)'s annual turnover this year…**

INTERVIEWER: READ OUT AND CODE FIRST TO APPLY

…increased, decreased or stayed the same?

ASK IF 1+ AT Q3.1

Q3.6 In order to help us assess the value of the Social Enterprise sector to Plymouth's economy, it would be very helpful to know if all (…INSERT NAME OF ORGANISATION…**)'s staff aged 18 plus are paid at least the living wage of £9/hour**?

Yes/No/DK

Section 4. Organisation outputs/outcomes

ASK ALL

Q4.1 Does (…INSERT NAME OF ORGANISATION…**) measure its social outputs/outcomes?**

Yes/No

ASK IF YES AT 4.1

Q4.2 What social outputs/outcomes are measured?

INTERVIEWER WRITE IN**:**

ASK IF YES AT 4.1

Q4.3 How are these social outputs/outcomes measured?

INTERVIEWER: CODE ALL THAT APPLY

Social audit
Outcome star
Social return on investment (SROI)
Independent evaluators/consultants
We do it ourselves/own system (PLEASE SPECIFY_____________)

Section 5. Organisation decision making and employee well-being

ASK ALL

Q5.1 For each of the following groups, can you say how actively they are involved in decision-making for (…INSERT NAME OF ORGANISATION…**)? …Is that not at all, a little, to some extent or to a large extent?**

	Not at all	A little	To some extent	A large extent
a) Staff members				
b) Beneficiaries/service users				
c) Local community				

ASK ALL

Q5.2 Does (…INSERT NAME OF ORGANISATION…**) offer any of the following to promote employee well-being in the workplace?**

INTERVIEWER: CODE ALL THAT APPLY

Flexible working patterns
Staff counselling services
A workplace wellbeing Charter
Health benefits
Gym membership
Something else (PLEASE SPECIFY_____________)
No – nothing

Section 6. Thanks

ASK ALL

Q6.1 Thank you for taking part in the study. Everything you have said will be treated in the strictest confidence and will only be used to help Plymouth SEN further the interests of the Social enterprise sector in the city. Would you be happy to be re-contacted by or on behalf of PSEN in the future for similar research?

Yes/No/DK

INTERVIEWER: **THANK AGAIN AND CLOSE**

Appendix III – Bibliography and Data Sources

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Appendix IV – Social Media Review

This appendix contains the findings of an assessment of comments and reviews made on social media by the general public about the ***impact*** of social enterprises and community businesses in Plymouth. The work identified that Trip Advisor and Facebook were the two principal sources of reviews about impact. In addition to these two principal sources, a summary appraisal was also conducted of Twitter, LinkedIn, Instagram, Pinterest and YouTube.

Trip Advisor

Only comparatively limited numbers of comments were found on Trip Advisor about the impact of Plymouth's social enterprises and community businesses. This in itself is not surprising as Trip Advisor primarily functions as a review service for *"hotels and restaurants, accommodation bookings and other travel-related content."* Only a small proportion of the city's social enterprises and community businesses operate in the travel-related or hospitality sector.

Nonetheless, the reviews that were identified were overall very positive about the services and products being supplied by these businesses. The reviews that specifically mentioned the community or social enterprise nature of the businesses are shown below:

> *"Very much a café for the community, (the) team are friendly and pour themselves into the cafe and its mission. They look after everyone with a smile on their face, food and coffee are all good, and very reasonably priced."*
>
> *"Brilliant community initiative. The cafe is an absolute delight. Excellent home-made food served in a warm and friendly atmosphere... Art and craft work from the community is displayed and available for purchase. Local groups use the cafe as a base."*
>
> *"I meet members of the local time bank and community here all the time. There are craft groups, book clubs, social groups, exhibition spaces and local craftivist sellers all in one compact and bijoux space. If you want to be somewhere where everyone is interested in you, your conversation, activity and happenings, then this is the perfect place. Anyone holidaying or passing through is going to find a really big welcome. I love the buy it forward scheme. It means that everyone, regardless of income, is welcome here. It's a place where people can engage with the community and suggest community events and activities."*
>
> *"Community cafe run by mum daughter and volunteers. So inspirational and friendly. Also they sell arts & crafts by local residents, brilliant drama and dance performances + film nights."*
>
> *"Really good prices and fantastic that they are doing so much to help the local community. Businesses like these should be supported to no end!"*
>
> *"Run by lovely people with the needs of the community at heart. You get a warm fuzzy feeling inside not just from the food but also from the fact that you're giving your money to great people who are following their heart by running a business with passion, all the while supporting the local community at the same time. What's not to love?"*
>
> *"Vegantastic! I found the staff extremely welcoming and friendly the food was plant based so very healthy and planet friendly I will be returning… it has character and part of its remit is to bring healthy affordable food to a disadvantaged part of Plymouth based on my experience I can only see it going from strength to strength."*
>
> *"The food is amazing, the community spirit is strong and the staff are wonderful. I am hoping to help these guys out with some volunteer work as they have some upcoming plans to help out the local community with their incredible vegan food."*
>
> *"Good beer in this architectural prize pub & social enterprise if you like open & honest with no TV & great staff give this hidden gem in Ebrington St a go. Will come again."*
>
> *"There is always something happening, I think it's some sort of community arts pub, all I know is it has a good feel to it. Staff are always friendly, varied choice of beers."*

> *"I love the idea of a community run social enterprise pub. I will be visiting again."*
> *"What a great community café. Having passed this cafe many times I decided I should give it a go. I just presumed it was a normal cafe. Well it's certainly more than that. Spacious and very welcoming, the team here are really friendly, it was a joy to chat. They have this fantastic idea where you can buy food/drinks for the homeless, what a fabulous idea! And visiting their website all profits go to people and their families with dementia, another fabulous idea!"*
> *"The whole ethos of this cafe is fantastic and I will certainly be spreading the word on this amazing place."*
> *"What's not to love! Delicious homemade food. Comfortable, friendly and brill. Supports the community with every cuppa!"*
> *"Food is delicious and staff are very friendly. Doing a great cause for dementia care. Nice place to visit to read a book and unwind"*
> *"Great Value for a Great Cause. Started to use this cafe more frequently as it offers good value for money. Not so noisy as many other cafés… Best of all, the style of the cafe and the profits from it all go to help people with dementia."*

It was evident that these reviewers were very enthused about the community or social enterprise nature of the businesses. However, it was also evident that these types of reviews were, in terms of all of the reviews written about these businesses, very much in the minority. As noted, the majority of Trip Advisor reviewers simply focussed on the food, service or hospitality provided.

This is not unexpected given that SE UK reports that awareness of Social Enterprise generally is not high. Furthermore, most members of the public using Trip Advisor would not expect to be commenting on a business' mission or its community aims. Overall, it was encouraging that some people did recognise the added value and impact of the Social Enterprises and Community Businesses.

Facebook
As a social media and social networking service, rather than a review service, Facebook serves a primarily different role to Trip Advisor. A significant number of the identified social enterprises and community businesses were found to have Facebook pages. In numerous cases, particularly for small community businesses, these Facebook pages were used instead of websites, most often for publicising their forthcoming events or plans.

The "about" pages on Facebook were clear about the mission of these organisations and their social and environmental aims. A few examples include:

> *"…Community group is a CIC who are trying to raise funds & get an asset transfer of a piece of land to build a community hub for all to access"*
> *"… CIC is a social enterprise using creative media as a powerful and inclusive tool to enable people's voices to be heard... we create positive social change for individuals and tangible outcomes for the communities we serve."*
> *"A new theatre for professional and amateur drama, dance, music theatre, music, comedy and all performance art. A CIC - all profits go back to the community."*
> *"… CIC is a social enterprise using technology and the power of community to combat urban pollinator decline."*
> *"We collect all non-hazardous IT equipment for free to help the local community get access to pc's and help raise funds for local schools."*
> *"Supporting the communities in Ernesettle, Honicknowle, Manadon & Whitleigh in Plymouth."*
> *"To help individuals to shape their own solutions for a better quality of life by providing appropriate and accessible health and social care services."*
> *"Assist in the development of other voluntary and community organisations, particularly through enabling volunteering."*

Nonetheless, some of the social enterprises and community businesses did also have the "review" option available on their Facebook pages, and while the number of comments made by external reviewers about the *impact* of the social enterprises and community businesses were comparatively few, those that were made were very positive and enthusiastic:

> *"It's so good to feel included, meet new people and give something back to the community!"*
> *"Great morning today at the Inclusive Plymouth Focus group- at Devonport Guild Hall! Big things for Plymouth on its way!"*
> *"Great ideas for making Plymouth a more resilient, engaged and supportive community. They are open and accessible all and will make Plymouth a better place!"*
> *"Such an inspiring place to visit, great community regeneration, incredible home baked cakes and artisan makers selling their craft. Really worth visiting."*
> *"Wow what a great place, we went to the Easter party and we all loved it. Great value for money. Friendly staff. Brilliant for the whole family. Clean... We will be coming back and also would love to become members to. Thank you so much for putting together such a great family event in our community."*
> *"Such a fantastic community project and helping to bring creative activities as well as helping to reduce waste. Always adds a vibrant creative space at community events."*
> *"It is not only a fantastic and affordable place to practice, it's run by approachable and friendly staff who always go above and beyond. It's great knowing that the money you spend there goes back in to making the place even better. Couldn't recommend more."*
> *"An amazing organisation which can help people with a wide range of needs. Caring for Carers is amazing and it can really offer help & support for the often forgotten about unpaid Carers."*
> *"The body of people that work there have a wealth of knowledge and understanding, to help, carers like myself. An invaluable service. If they don't know it's not worth knowing."*
> *"Helping families feed themselves in a more healthy way has to be good."*
> *"The sessions are amazing and make such a difference to family life, highly recommend!"*

The comparatively low number of reviews about impact is also to be expected given the levels of awareness of Social Enterprise among the general public and the primary purpose of Facebook being to enable networking. Nonetheless, it was again encouraging that some people had taken the time to write-up their appreciation of the impact of Plymouth's social enterprises and community businesses.

Other social media sources

As mentioned, Twitter, LinkedIn, Instagram, Pinterest and YouTube were also checked for comments and reviews about the impact of social enterprises and community businesses. Aside from Twitter, most of Plymouth's organisations either did not have accounts with these other social media sites or their use of them was for publicity, marketing, photos, videos, etc.

The comments about impact that were identified were primarily via Twitter in the form of praise for the efforts of community groups, often involved in local regeneration efforts or helping vulnerable adults and/or children. These included:

> *"Have visited so many local high streets being re-generated by community businesses…this is a happening thing!"*
> *"Such a positive atmosphere, good vibes & lovely people! A brilliant way to bring the local community together & celebrate"*
> *"A lovely place run with kindness at its heart. They make delicious food, freshly baked cakes & lush coffee & donate all their profits to support those living with dementia."*
> *"Having a big impact in Plymouth. Numbers climbing year on year."*
> *"Loved being with you all today. Community spirit, making it matter and making a lasting difference."*

Summary points about social media:

- The reviews that were identified on Trip Advisor, Facebook and Twitter were overwhelming **positive about what social enterprises and community businesses do and the services/products that they provide**;
- However, it was clear that there was only limited awareness of the businesses actually operating as social enterprises or community businesses;
- The number of reviews on social media by the general public about the ***impact*** of social enterprises and community businesses in Plymouth was overall quite limited in total, being primarily found on either Trip Advisor or Facebook;
- Nonetheless, the reviews about impact that were found were also **all extremely positive about the value and extent of the impact**, as well as being very supportive of the social enterprise and community business "ethos";
- Most of the social enterprises and community businesses in Plymouth covered by the review have a strong social media presence, primarily for promotion and marketing, though quite a few do not have a website, especially the small local Community Businesses who tend to favour Facebook for cost and practicality reasons; and
- Furthermore, because they are operated by private individuals, some of this group do not have mobile phone numbers or email addresses – using Facebook and Messenger as the preferred means of contact and social media presence.