



Thinking About Social Enterprise?



*Tackling the economic, social, environmental
and cultural challenges we face today.*

Trading for people and planet...

Social Enterprise. Trading for people and planet...

This booklet is aimed at anyone with an idea for making money and using it for the benefit of others by running a social enterprise. It explains some of the key areas to look at if you are thinking of starting a social enterprise.

People who start social enterprises are passionate about making the world a better place and want to run a business to make it happen and are made up of all sorts of enterprising groups and individuals. There are about 150 social enterprises in Suffolk who are using profits from businesses to further their social or environmental aims.

Commitment and drive for a social cause is not sufficient on its own to run a social enterprise; ultimately you have to be able to earn more money than you need to spend and this is why people who want to start a social enterprise often need more help and support.

Find out more about the range of social enterprises in Suffolk at www.brightspace.org

Spotlight on...

CIBO, a stunning community café in the heart of a Suffolk coastal village offers a range of delicious Italian food plus traditional cream teas, through to a Sunday roast and bangers and mash. Run by the social enterprise Cibo CIC, the light and airy café, adjacent to the new local library also provides a seven day a week service for residents of the sheltered housing scheme which is part of the new complex. Cibo offers places for adults who have difficulty with conventional study methods and hopes in the future to offer assisted employment.



Suffolk social enterprises in action

Social enterprises operate in almost every industry; from farming and food, to housing and health, to sport, employment, media and retail. They tackle an enormous range of social and environmental issues from unemployment to reducing waste and because they are focussed on this social or environmental mission they are different to a typical business.



Empowering Communities is an award winning, self sustaining, not for profit Suffolk social enterprise that was founded in 2007. They help and empower victims, local communities, vulnerable people and their families to tackle a range of community problems. They have specially designed a number of programmes including the Count Me Out alcoholic self exclusion scheme and a Domestic Abuse Survivors Programme and Support Groups.

CREATE is an Ipswich social enterprise specialising in the provision, re-use and supply of clean materials to creative people and offers training and work opportunities to disadvantaged people in the employment market.

Spotlight on...

A social entrepreneur who is passionate about getting the whole community physically fit to improve their health and well being formed the East Anglian Fighting Arts CIC in Lowestoft in 2009, trading as the Bushido Martial Arts and Community Fitness Centre. With over 160 members from four years old and upwards, classes in Martial Arts are provided for disadvantaged young people; helping to tackle problems such as obesity and encouraging fitness.

As the only full time Martial Arts Centre in the town, the CIC also hires out the gym to the local community for a peppercorn fee, to encourage more children to get into fitness as a way of life.

Getting started

If you want to start a social enterprise you need to know what your social purpose is. What is your main aim? Can you explain precisely what it is that you want your social enterprise to do? What is it that you want to change?

This is sometimes referred to as a mission statement and is a useful tool to explain to everyone in as few words as possible what your new enterprise is all about. For example-

Bright Green, a social enterprise based in Lowestoft, works with communities, businesses and in partnership with other organisations to raise awareness of environmental issues, provide training and education programmes, research and develop projects.

Foundation East is a social enterprise in Bury St Edmunds providing business finance in the East of England. Its aims are to contribute to social inclusion by:

- a) Developing and delivering accessible financial products and services for businesses and individuals
- b) Engaging in the development of Community Land Trusts to provide local communities with access to and benefit from land and property assets

The **Ipswich Polish Club**, about to be constructed in St Margaret's Street aims to unite the community and provide a focal point for local gatherings, with an advice centre, café and restaurant. Opportunities to learn English/Polish and enjoy a taste of Polish food will be open to all at the new centre which so far has raised £180,000 for the new facilities.



Are there other people who share your aims?

Many social enterprises, whilst often inspired initially by one individual are started by a group of people who share the same social or environmental aims.

Spotlight on...

Bungay Arts and Theatre Society (BATS) was formed in 1995 by a handful of local residents certain that the town needed an Arts Centre, and that establishing one would also help regenerate the market town. After fundraising, the old Georgian theatre building was bought for the town in 2001 and BATS set about raising finance to refurbish the building into a modern centre for all Arts.

“An army of volunteers, a large board of Trustees, loyal audiences clutching blankets and hot water bottles; hard won grants; generous donations and huge helpings of stubborn determination and toil finally opened the big blue doors on 29th September 2006”

In addition to staging many events the theatre offers four individual spaces for private hire along with in-house catering. Fisher Theatre Bungay.

- What skills does your group have?
- Do you have people in your group who have experience in marketing, finance or business planning? Or some one who has set up a social enterprise or business before?
- Would a social enterprise training course help to fill any gaps?
- Can you recruit other people to help with key areas?
- Does your group have sufficient time, energy and commitment to get the enterprise started?

Is there a need for your social or environmental purpose?

Street Forge Workshops project was initiated in Thornham Magna in 1986 by a group of people who were themselves disabled, and who were determined to overcome the lack of training and employment opportunities in Suffolk. It is therefore ideally structured to understand the needs, fears, aspirations and ambitions of people with disability.



Photo: Jenny Crampton

Transfer of publicly owned assets and services to social enterprises

Some social enterprises have been created to take over services that were formerly run by local authorities.

Spotlight on...

Providing over 800,000 sessions of activity for the local community last year, the social enterprise Abbeycroft Leisure leases two sites from the borough council in Haverhill and Bury St Edmunds

"Transfer of the management of leisure facilities to the social enterprise was about making services fit for purpose, creating a suitable management structure and involving the local community," said Warren Smyth CEO. "We have a strong board, which in addition to a council member, consists of local people with a wide range of interests who are committed and prepared to change things."

What will you trade to fulfil your aims?

Social enterprises are organisations that trade. What is your product or service?

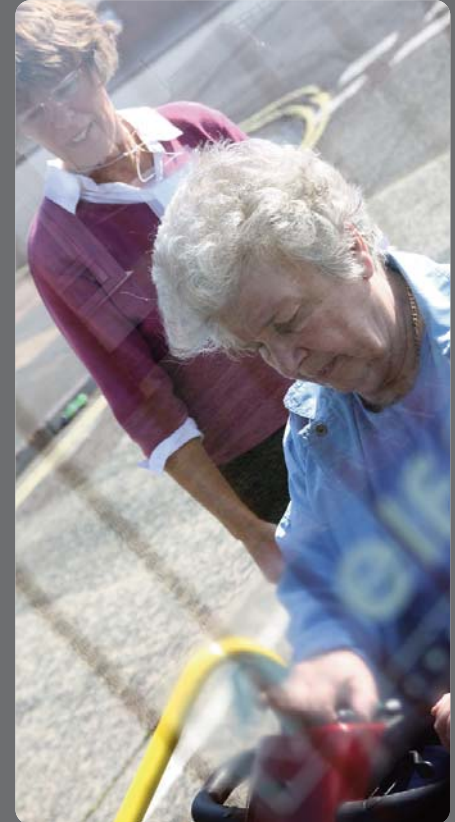
Lowestoft and Oulton Broad Aid and Assist began as a charity in 1983 and formed as a social enterprise about five years ago, to provide affordable property maintenance and second hand furniture to low income families. It continues to keep prices low and offer a discount to customers in receipt of income based benefits. They also offer an electrical safety testing service, run a furniture restoration workshop and offer a property maintenance service to the elderly and disabled, from painting and decorating to gardening.

Spotlight on...

The Bridge Project Sudbury was set up in 1995 as a local charity to assist disadvantaged adults within the community.

Their popular community café and over-65s lunch clubs feature freshly prepared food cooked by catering learners and served by hospitality/customer service learners under the guidance of their training staff. Their Gallery is open to the public and features handmade pottery, cards, craft packs and original artwork by adults with learning disabilities and local artists.

Photo: The Bridge Project Sudbury



Is there a market for what you want to sell?

What evidence is there that people will buy what you want to sell them? Have you done some market research? Is the market increasing, static or declining? Who are the competitors, and why will you be able to compete successfully with them? What is a realistic level of sales?

Spotlight on...

Amplitude Music Club C.I.C run regular music workshops for young people in Suffolk offering everything they need to make contemporary music. From the chance to learn an instrument, play in a band, write and record their music and perform it at one of their regular showcase events, giving young people the opportunity to show off their talent. "The market for what we do is ever increasing, we currently run two nights in Stowmarket due to the original one night being over subscribed, we are currently seeking funding for a third night as the second night is becoming over subscribed. Last term we had over 70 young people attend one or more workshops in Stowmarket alone, many attending every week". Dirk Forsdyke Tutor.

Can you describe your typical customer and their needs?

How will you communicate with customers?

Marketing is one of the most important aspects of running a successful enterprise. Websites, press releases, social marketing and printed materials are essential for all businesses to develop and maintain their customers. Without customers there is no business. Do you have sufficient funds to market your social aims and your products?



Developing a plan of action

A plan is essential in any business because

- It identifies the company's role and outlines its future
- It is needed to get bank finance and for funding applications
- It creates a focus and guides your enterprise once it has launched.

Business plans written by social enterprises are usually undertaken through discussion with the whole steering group. Specialist social enterprise help and advice is available from SuffolkACRE at Brightspace and we are pleased to work with a range of other organisations who can also offer help and support. For full details please visit our website www.brightspace.org

Business plans include the following types of information:

- The people involved, their skills and experience
- The products or services being offered
- The market; customers who and where they are and what they will pay
- Premises; what premises will the enterprise need and what is the right location for the business?
- Equipment; what equipment (including vehicles machinery, office) will your enterprise need?
- Financial projections; How do you expect your enterprise to do in the next 3 years? This would include a cash-flow forecast; these are tables that predict when money will be coming into your account and when money will be leaving it.
- The money you will need. All businesses require money to start. The business plan will identify how much the proposed enterprise needs to make it viable.

Spotlight on...

In December 2009 residents of Sproughton formed a Community Interest Company to lease premises from the Parish Council and run a shop for the benefit of the community. The Sproughton Community Shop CIC began trading in 2010 and sells general groceries, hot pies, freshly made sandwiches, fresh coffee, soft drinks, beer and local cheese. They also obtain supplies from the Ipswich Social Enterprise Growing Places.

SuffolkACRE assisted with cash flow forecasts and helped with the funding application process, enabling Sproughton CIC to launch with a sound and sustainable business plan.

Finance and funding

Passion, commitment, drive and imagination alone are not enough to run a social enterprise; if the money isn't looked after, then the enterprise will not flourish.

All businesses need some sort of cash injection to start them off before they bring in trading income; social enterprises are sometimes able to access grants, sponsorship and loans.

Grants

Most people starting up look at grants as sources of “free” money. Whilst grants do not usually have to be paid back once you have spent them and there are no interest payments, as in the case of loans, grants are rarely pots of money that can be spent just as you like. Most grants are given for

specific purposes and items of expenditure and funders will require evidence that you have spent the money as intended. Most funders also require regular reports and will expect you to meet an agreed range of targets within a set time frame. Failure to comply with these rules could mean the grant being withdrawn. Grant funding takes up time in both the application process and in reporting and it is worth looking at whether this route to finance is worth spending time on, or whether time would be better spent running the business and creating sales.

Funding help and advice

The Brightspace Social Enterprise Newsletter publishes regular funding updates and SuffolkACRE will perform free grant searches that meet your specific criteria.

Funding spotlight...

Farming on Prescription is a new project funded by an NHS East of England Innovation Grant and provides therapeutic services on Clinks Farm near Beccles for local people who are referred by their GP in Norfolk and Suffolk.

Local people have been given the opportunity to learn new traditional skills that benefit the environment at Orchard Barn, home of OBee Community Interest Company in Ringshall thanks to funding from the Suffolk Foundation.

A Pride in Our Road project is being run by The Yard social enterprise in Lowestoft through funding from the Fair Share Trust; a National Lottery Scheme. The work will involve 'doing up' the fronts of houses and developing community groups to take ownership of the project beyond the life of the funding.

Sponsorship and Donations

Sponsors are people or organisations that give you money/goods or services for a specific purpose usually in return for advertising or promotion of their own business.

Finding sponsors can be time consuming and like any other selling you need to find out what their needs are and how what you are offering fits in with them. Enlisting

the support of other companies in your social enterprise can positively affect the way your enterprise is viewed by your customers and the wider community.

Sponsorship spotlight...

The Southwold Railway Trust is dedicated to preserving the memory of a narrow gauge railway which closed in 1929 and ran from Halesworth to Southwold. They aim to re-open as much of the old route as they can. To generate income for their project to build a special replica locomotive, they operate a 2-4-0 Club. For £240 sponsors can buy a specific component of the proposed loco via their website; they hope to raise £120,000 in this way.

The Museum of East Anglian Life, invites a range of donations, including web based giving and gift aid schemes. Abbot's Hall Enterprises is the Museum's retail venture. Run as a Social Enterprise, primarily aimed at addressing inequalities in the labour market and supporting people into meaningful work based activity.

Loans

A loan is a sum of money that is lent to you. You agree to pay the money back with interest over a set period of time. It is important to ensure your projected income is sufficient to cover running the business as well as being able to repay the loan within agreed time scales. There are often severe penalties if you default on a loan.

The rate of interest, the size of the repayments and what security the bank requires should all be considered and if you decide loan finance is right for you it is important to shop around.

In addition to High Street banks, there are financial institutions and other banks which specialise in lending to social enterprises and charities. For free advice and information contact SuffolkACRE at Brightspace.

Legal structures

It is what a business does with its profits that determines whether it is a social enterprise, rather than its specific legal structure.

The legal form you choose will affect the way the social enterprise manages its affairs.

Many social enterprises are incorporated companies; this means they are registered with Companies House and will have submitted a set of rules setting out how the company operates. They are also required to report every year on financial activity.

If you want your enterprise to grow, take on staff, buy property or enter into large contracts then incorporation usually makes sense.

Types of incorporated companies include

- Companies limited by guarantee; where non paid directors are limited to a liability of £1 if things go wrong.
- Companies limited by shares; where directors are paid and have shares in the profits of the company.
- Community Interest Companies are limited companies where assets are locked in and cannot be removed except as permitted under specific regulations. This structure was created in 2005 and in recent years it has become a popular structure for social enterprises.

This is just a basic guide and social enterprises also operate as unincorporated associations, including charities and trusts.

Confused? Get in touch and get some free help from SuffolkACRE at Brightspace.

Suffolk ACRE is a social enterprise and is the proud holder of the Social Enterprise Mark. The Mark provides consumers with a recognisable logo that identifies companies that have undergone a rigorous application process to prove they are an enterprise working for social or environmental goals and not giving their entire profits to shareholders. The Mark aims to help raise awareness for social enterprises and get more people involved.



Examples of Different legal structures in Suffolk

Community Interest Companies (CIC's)

Around a third of all social enterprises in Suffolk are CIC's

The **Healing House** is an award-winning health and well-being practice and has been established in Newmarket to improve the health of local people through the provision of complementary therapeutic services to support and nurture emotional

and physical well being. The company provides services to local people including working with children and their families, schools, local authorities, primary care trusts and other related organisations.



Spotlight on...

*"Setting up dream on as a CIC was common sense ..by having a CIC status ... its clear we are in this for a purpose ...improving the lives of women"
Bridget McIntyre Founder of dream on*

dream on is a brand new concept and a new social enterprise in Suffolk. Bridget has set the business up to be dedicated to women and provide services through one to one session work and workshops in:

*Mind – skills and thinking
Style - image and look
Body – wellbeing and health*

dream on has its own studio in Suffolk. As a social enterprise the business has two sides. One side delivers funded projects that benefits individuals and communities and the other provides bespoke services to individuals and the corporate market.

Examples of Different legal structures in Suffolk

Limited by guarantee

Felixstowe Area Community Transport (FACTS) is a service devoted to helping disabled and mobility impaired people to get away from the four walls of home, to visit the supermarket, get to the surgery, to see friends or relations, or to attend club meetings They also arrange weekend excursions and evenings at the theatre. Their Mini-bus is a well-known sight around the town as they cater for more than 200 regular users, many of whom regard them as their lifeline to the outside world.



Suffolk ACRE at Brightspace www.brightspace.org

Radio West Suffolk is a resource to share local news, information and discuss matters of local concern; it is only the second hospital radio in the country to convert to FM.

Co-operatives are limited companies owned and run by their members

As a financial co-operative, owned and managed by its members, **Ipswich and Suffolk Credit Union** works with a range of partners to find trailblazing solutions to tackle local financial problems.



Charities

Aid to Hospitals Worldwide in Bury St Edmunds has formed a unique partnership with over 50 NHS hospitals to redirect redundant but reusable medical equipment to needy hospitals in the developing world.

Green Light Trust is an environmental charity based in Lawshall aiming to give people and nature a chance. They offer a range of business, community and education services that help raise awareness about the environment, develop people's skills and implement sustainable environmental initiatives locally and globally. They have a range of skills that enable them to be flexible about what they do to make sure they help in the most appropriate way.

Where to go for help and advice

Suffolk ACRE works with a range of partner organisations and offers friendly help and professional support at Brightspace

Suffolk ACRE has a long history of supporting all manner of community groups through services ranging from start up advice to funding information, governance issues, charity law, staffing and volunteers, marketing and more. You ask, and we respond.

Whether you are an individual looking to start a social enterprise, a community organisation, Charity, or an established business trading to benefit people and planet, we provide a range of services designed to help you.

We also run a variety of short training courses for social enterprises according to demand. For the latest information on these, and on a wide range of other subjects we cover across the organisation,

please go to our website www.suffolkacre.org.uk where you will also find a range of free downloadable resources or telephone 01473 345300.

Social Enterprise @ Brightspace

Suffolk social enterprises are coming together; sharing news and information across the county thanks to a social enterprise community which has developed around Brightspace.

Research undertaken by SuffolkACRE suggests Suffolk has the largest number of community shops in the East of England, a growing group of care farmers and many others who work to benefit the environment and local people.

The new Brightspace social enterprise community of interest is providing help and support, putting enterprises in touch with each other for collaborative working, plus signposting to funding and contracts.

A monthly newsletter publicises up to date information about Suffolk social enterprises and is open to anyone who is interested in knowing more about social enterprise in Suffolk. Free copies can be picked up in the Brightspace reception or email socialenterprise@brightspace.org for your free copy today.



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Looking for a base to start your new enterprise?

BRIGHTSPACE is a bespoke Social Innovation Business Centre. It is for people looking for offices within an innovative space, who are concerned with tackling the economic, social, environmental and cultural challenges we face today.

If you are a small business, social enterprise, entrepreneur, a charity or community organisation, campaigner or freelance agent wanting to respond to these challenges by putting people and planet first, **BRIGHTSPACE** offers the space for your business to thrive.

BRIGHTSPACE offers flexible and affordable office space complemented by a comprehensive range of business, IT and administrative support. We have virtual Tenancy services, Hot Desking facilities and Meeting Rooms too, all here to support your business.



BRIGHTSPACE

SPACE FOR SOCIAL ENTERPRISE TO THRIVE

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