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UK Social Enterprise Policy

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March 2009

A Social Enterprise is ...

A **business** with primarily social objectives whose surpluses are ***principally reinvested*** for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.



Newlife construction provides employment and training to the long-term unemployed and school leavers.



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Key facts – SE Sector in the UK

- At least 55,000 social enterprises in the UK*
- £8.4bn (€9.4bn) contribution to the UK's GDP*
- 650,000 employees*
- 162 existing and emerging social firms (type of WISE)
- 4,735 Co-operative enterprises
- 2,500 Community Interest Companies

*Annual Small Business Survey, 2005

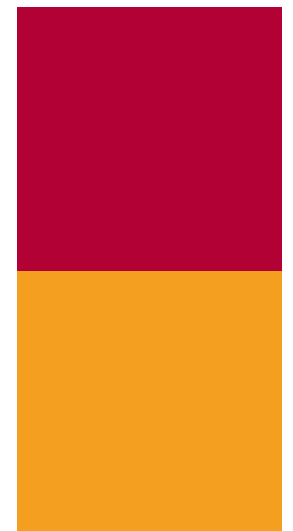


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Diversity of SE in the UK



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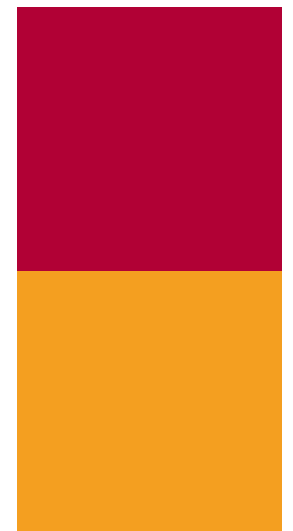
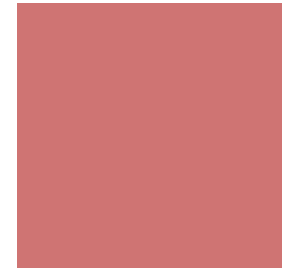


Why UK Government is interested...

- Tackling social and environmental challenges
- Increasing levels of enterprise
- Ethical markets
- Public service reform



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The challenges...

- Awareness and understanding of social enterprise
- Building the evidence base: facts and figures
- Accessing the right information and advice
- Access to appropriate finance
- Working with government

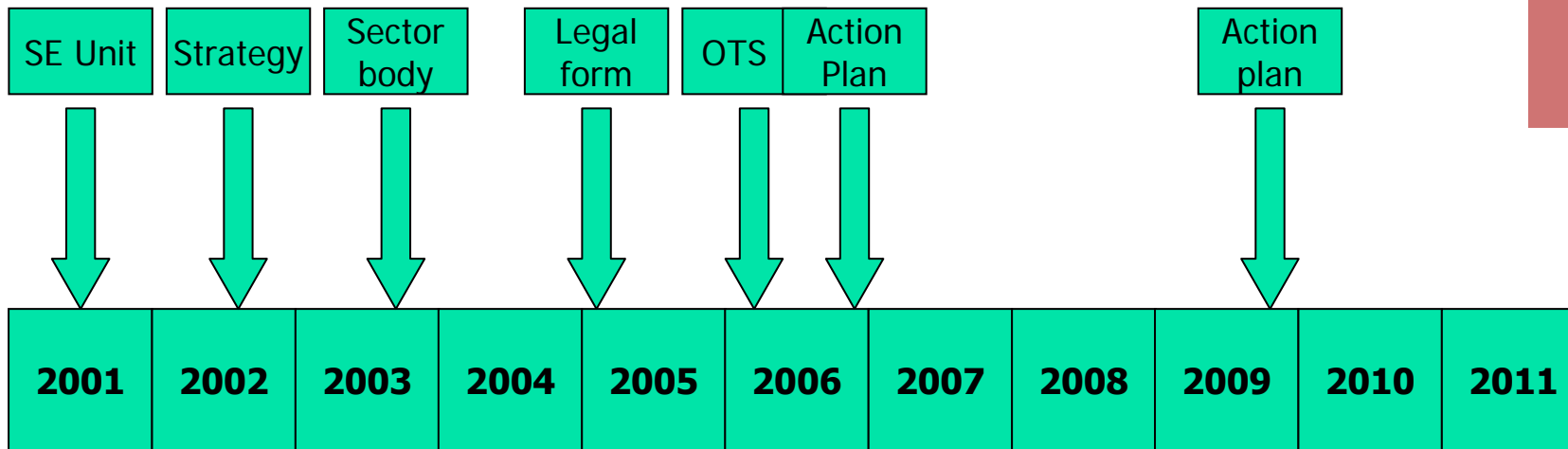


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History of SE Policy in the UK

“Creating an environment for social enterprise to thrive”

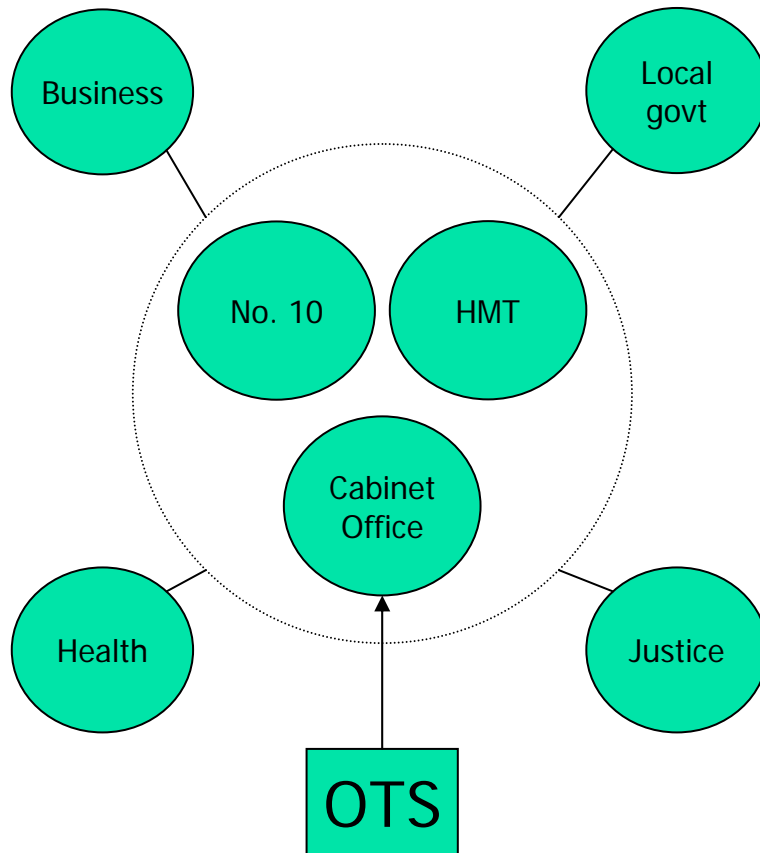


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Kevin Brennan
Minister for the
Third Sector

- Dedicated Minister
- Situated in the Cabinet Office
- 57 people
- £515m (€580m) 2008–11



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UK Government policy

1. Fostering a **culture** of social enterprise
2. Improving **advice** and **information** for start up and growth
3. Improving **access to finance** and new types of investors
4. Enabling social enterprise to **work with government**



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Fostering a culture of Social Enterprise

- Social Enterprise in the School Curriculum
- Help the sector to market itself better
- Third Sector Research Centre
- Enabling the sector to articulate social value (SROI)



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Advice and Information

- £6m (€6.7m) for business support
- £6m (€6.7m) for capacity building of specialist advice and support
- £8m (€9m) for modernisation support during the recession



Access to Finance

- Futurebuilders: up to £215m (€242m) loan/grant for capacity building to deliver public services
- Up to £10m (€11.2m) risk capital fund
- Social Investment Wholesaler
- Review of incentives for investment in social enterprise
- Financial awareness training

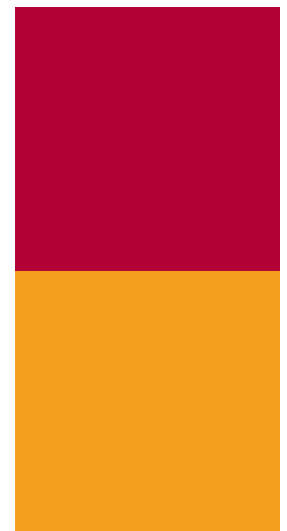


Working with Government

- Action research to identify where social enterprise can help meet policy objectives
 - Health
 - Community engagement,
 - Enterprise support in deprived areas
 - Working with offenders
- Strategic partnership programme

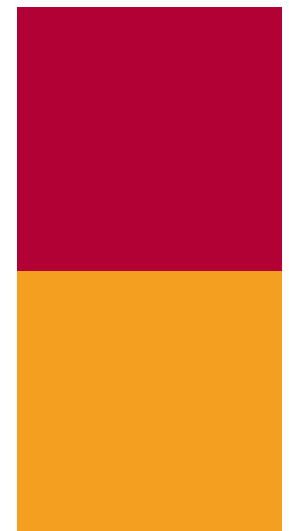


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Cross UK Government activity

- Health
 - £100m (€112m) fund for SEs operating in health & social care
 - 'right to request' for public sector workers to "spin out"
- Young people
 - Youth Sector Development Fund - £100million
- Enterprise
 - Lord Mandelson: SEs can access SME support
 - Joint summit with Cabinet Office to identify growth strategies for social enterprise



Challenges at a European level

- Clarification of rules and protocols affecting social enterprises
 - (e.g. state aid, social clauses, social value)
- Networking and knowledge-sharing between Member States
- Inclusion of SEs in SME policy
- SE place within response to global recession

