Social Enterprise in Scotland: Census 2015

Acknowledgements

WE ARE IMMENSELY GRATEFUL TO THE 1,100 SOCIAL ENTERPRISES THAT CONTRIBUTED INFORMATION AND VIEWS AS PART OF THIS, SCOTLAND'S FIRST SOCIAL ENTERPRISE CENSUS.

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This report has been researched and produced by Social Value Lab (**www.socialvaluelab.org.uk**) as part of this partnership initiative.

Key Messages

5,199
SOCIAL ENTERPRISES CURRENTLY OPERATING IN SCOTLAND

42%
OF SCOTLAND'S SOCIAL ENTERPRISES FORMED IN THE LAST 10 YEARS

22%
OF ALL SOCIAL ENTERPRISES LOCATED IN THE HIGHLANDS AND ISLANDS

112,409
EMPLOYEES IN SCOTLAND'S SOCIAL ENTERPRISE SECTOR

60%
OF SCOTLAND'S SOCIAL ENTERPRISES LED BY A WOMAN

67,768
VOLUNTEERS SUPPORTING THE DELIVERY OF SOCIAL ENTERPRISE ACTIVITY

£3.63bn
THE ANNUAL INCOME OF SOCIAL ENTERPRISES IN THE COUNTRY

66%
OF SOCIAL ENTERPRISES EXPECT THEIR INCOME TO INCREASE NEXT YEAR

54%
OF SOCIAL ENTERPRISES GENERATING HALF OR MORE OF THEIR INCOME FROM TRADING

£1.15bn
IN TRADED INCOME GENERATED BY SCOTLAND'S SOCIAL ENTERPRISES

68%
OF ALL SOCIAL ENTERPRISES SELLING DIRECT TO THE GENERAL PUBLIC

£8.77bn
IN COMBINED ASSETS ON THE BALANCE SHEET OF THE SOCIAL ENTERPRISE SECTOR

£3.86bn
THE NET WORTH OF SCOTLAND'S SOCIAL ENTERPRISES

£1.68 bn GVA
THE ESTIMATED ECONOMIC CONTRIBUTION OF SOCIAL ENTERPRISES TO SCOTLAND

45%
OF SOCIAL ENTERPRISES OPERATING WITH THE STATED OBJECTIVE OF 'CREATING EMPLOYMENT OPPORTUNITIES'

200+
NEW SOCIAL ENTERPRISES FORMING EACH YEAR

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Introduction

SCOTLAND HAS A LONG HISTORY OF PIONEERING FORMS OF BUSINESS, INCLUDING MUTUALS, CO-OPERATIVES AND SOCIAL ENTERPRISES. THESE REFLECT A BELIEF IN A FAIRER, MORE EQUAL SCOTTISH SOCIETY WHERE BUSINESS ACTIVITY IS USED AS A MEANS TO THIS END. THIS FIRST SOCIAL ENTERPRISE CENSUS TAKES STOCK OF THIS MATURING SOCIAL ENTERPRISE SECTOR AND ITS CONTRIBUTION.

Firm foundations

The roots of social enterprise are varied and difficult to disentangle. These origins arguably date back to radical 19th century reformers such as Robert Owen, a pioneer of the co-operative movement. For some the history of social enterprise dates back even further.

The more recent resurgence of social enterprise started in the 1970s. In rural Scotland the then Highlands and Islands Development Board (now Highlands and Islands Enterprise) developed a pioneering new approach to community economic self-help (initially supporting community co-operatives) that quickly became integral to the regional economic strategy. In urban Scotland early experimentation in the Strathclyde region spread rapidly, giving rise to the development of community businesses, housing associations, credit unions and other early forms of community enterprise activity.

During the last decade in particular social enterprise has enjoyed unparalleled levels of political and economic support. During this time, the Scottish Government has embraced social enterprise as an important partner in the economy, in civic society and public services, and in the creation of a fairer and more inclusive Scotland.

Now in 2015, there is a growing awareness that a strong economy and successful businesses are essential to achieving a fairer society in Scotland. Businesses as corporate citizens are being encouraged like never before to deliver on their ethical, social and environmental responsibilities. This has brought social enterprise to centre stage, showing what purposeful and responsible business can achieve for Scotland.

A renewed vision for the development of social enterprise nationally is now being developed in parallel with this Scotland's first Social Enterprise Census[1].

1. See Building a New Economy: Scotland's Vision for Social Enterprise 2025

Defining social enterprise in 2015

So what is a social enterprise? Is it a thing that organisations are or a thing they do? What common characteristics can be used to define and identify social enterprises?

Social enterprises are businesses that trade for the common good rather than the unlimited private gain of a few. They tackle social problems, strengthen communities, improve people's life chances, and protect the environment. They reinvest any profits to deliver on this social purpose.

The social enterprise sector in Scotland has developed as a broad church that includes well-established community enterprise activity, the trading activity of charities large and small, and the work of a new wave of social entrepreneurs across Scotland. The Voluntary Code of Practice for Social Enterprise[2] has been recognised as the basis for a self-regulating community in Scotland. It defines social enterprises as organisations with the following main characteristics:

- They trade in a marketplace with the primary objective of social or environmental benefit.
- Any profits are reinvested back into the business or for the benefit of the people it exists to serve, rather than distributed to shareholders or owners (an asset lock).
- On dissolution, any assets are reinvested in another organisation with similar aims and objectives (an asset lock).
- They aspire to financial independence through trading, which sets them apart from other charities and voluntary organisations.
- They operate outside of the direct influence or control of public authorities.

Central to the Scottish understanding of social enterprise is the presence of some form of asset-locked business structure. This guarantees that social enterprises do not distribute dividends and that assets are protected against future sale.

About this project

So how many social enterprises are there in Scotland? What do they do? What contribution do they make? These are all obvious questions, but ones that have proven difficult to answer so far.

The search for better evidence has led to this ambitious project. The project aims to build the most comprehensive understanding yet of social enterprise activity in Scotland.

The project is a collective endeavour, brought forward by those agencies with a shared interest in supporting social enterprise and growing its impact. It represents an important commitment to better co-ordinate the intelligence gathering, knowledge sharing and evidencing of the impact of the social enterprise sector. It has also provided a basis for long-term partnerships across the sector through which to enable filling gaps in evidence, build on collective learning and work together to grow the sector from a formative evidence base.

Carried out by the team at Social Value Lab as part of a wide-ranging partnership effort, and building on earlier work in Glasgow, Dundee and Fife, the project involved a number of overlapping elements:

- **Identification of the population of social enterprises** currently active in Scotland. Based on the definition set out in the Voluntary Code of Practice for Social Enterprise in Scotland[3] this involved cross-matching, verifying and filtering data from a variety of sources to identify a population of 5,199 social enterprises.
- A full and objective **financial review of the population of social enterprises**. Financial data from publicly available accounts and other sources was obtained and analysed for 3,794 social enterprises (73% of all).

- **A large-scale Census survey of potential social enterprises**. This was carried out to verify and extend upon the data already gathered. Administered online and through telephone interviews this obtained 1,321 responses, which after purging left unique responses from 1,100 of the 5,199 social enterprises eligible to respond.
- **Economic and financial analysis of the data**. Data from the various sources was combined and cleaned for further analysis. Financial data where available was aggregated, analysed and benchmarked using various financial ratios (relating to financial performance, health and sustainability). Income, employment and GVA (Gross Value Added) estimates were also produced by economic sub sector and region.

A fuller discussion of methods is provided as an appendix to this report.

The research was undertaken between January and June 2015. The result is the most comprehensive snapshot yet produced of the scale, characteristics and contribution of social enterprise activity in Scotland.

This report

This report sets out the findings from the Social Enterprise in Scotland Census 2015, drawing data from the social enterprise population database, financial review and Census survey. This report is the first and main output from the project.

The report aims to set out the findings in a straightforward and accessible way with depth of discussion sacrificed in some places in favour of brevity and clarity. Points of technical detail are provided in appendices and endnotes to the document.

Where the term 'social enterprise' is used in the document it is used to refer to the full range of entities and trading activity that is consistent with the Voluntary Code of Practice for Social Enterprise in Scotland.

The contents of the report describe social enterprise activity in Scotland that is perhaps more substantial, wide-reaching and varied than was previously believed. The diversity of the sector is described in terms of location, age, scale, composition and structure.

The evidence contained in the document serves to reinforce the view that Scotland is a world-leading nation in nurturing social enterprise and in recognising social enterprise as a fairer and more inclusive way of doing business.

The evidence from the report will now be used by partners to shape an agreed vision to guide the development of the social enterprise sector, and to ensure that the conditions exist for social enterprises to continue to flourish in Scotland.

2. For further information go to http://www.se-code.net/the-code-2/the-criteria/

3. Based on the Voluntary Code of Practice for Social Enterprise in Scotland further objective criteria and categories of eligible and ineligible organisation determined. The approach to interpreting these criteria, and choices about inclusions and exclusions, from the scope of the study is set out in a separate paper.

Scale and Maturity

THE SOCIAL ENTERPRISE SECTOR REPRESENTS THE COMING TOGETHER OF MANY AND VARIED ORGANISATIONS. TOGETHER, SOCIAL ENTERPRISES NOW REPRESENT A SUBSTANTIAL PART OF BUSINESS AND COMMUNITY LIFE IN SCOTLAND.

Part of Scotland's enterprise community

There are now more than 5,000 social enterprises operating across the country, one operating for every 1,000 people in the country. Social enterprises operate as a distinct, inclusive and radical business model within a wider community of businesses – private companies, public sector enterprises, mutuals, and co-operatives. Given their social/ environmental aims and democratic forms of ownership, there is some overlap between social enterprises and other forms of mutual/co-operative business activity as well as considerable overlap with the wider charity sector in Scotland (just over one-fifth of registered charities can be described as social enterprises).

COMPOSITION OF ENTERPRISING SCOTLAND [4]

166,740
Registered for-profit enterprises

168,490
Unregistered for-profit enterprises

7,205
Registered non-profit bodies and mutuals

215
Public sector enterprises

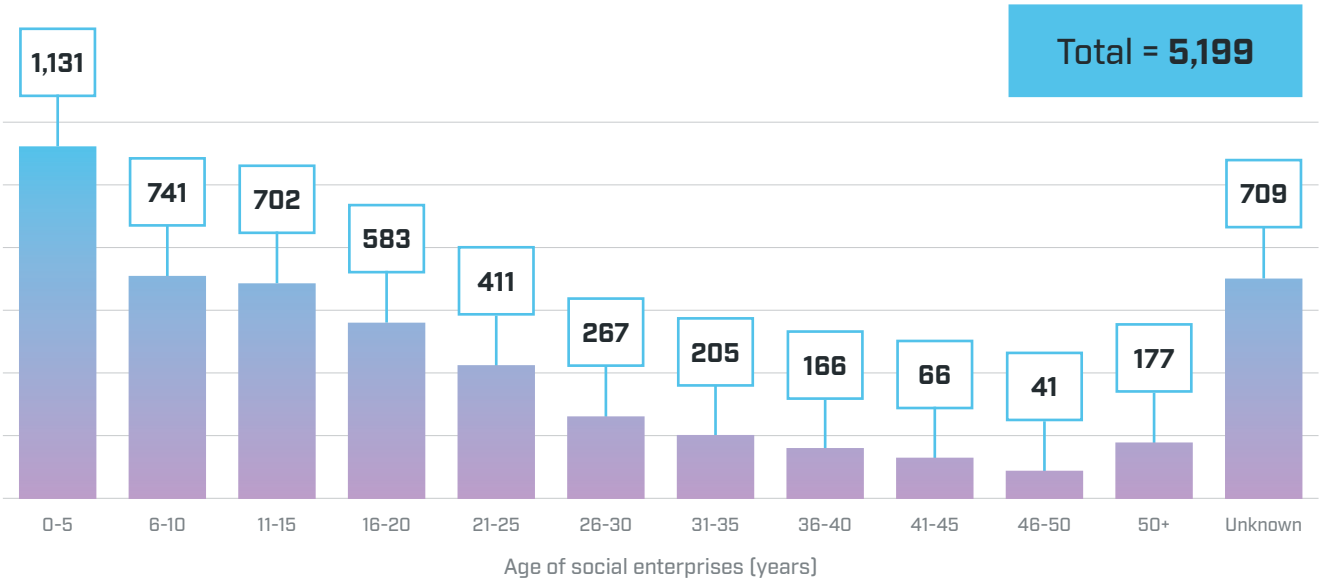
5,199
Social Enterprises

23,735
Charities

A youthful sector of activity

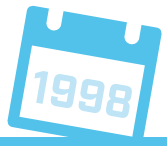
Despite its deep roots and strong heritage in Scotland, the social enterprise sector is made up of a youthful group of organisations. One-quarter of all social enterprises active today formed in the last five years and 42% formed in the last decade (a period of very supportive public policy). An average of 226 new social enterprises have become established in each of the last five years – this level of company formation is both important in addressing unmet social needs and in driving up levels of innovation in the sector. With an average age of 17 years, Scotland's social enterprise sector in 2015 might best be described as reaching maturity.

AGE OF SOCIAL ENTERPRISES IN SCOTLAND



244
social enterprises formed in Scotland in 2014 [4]

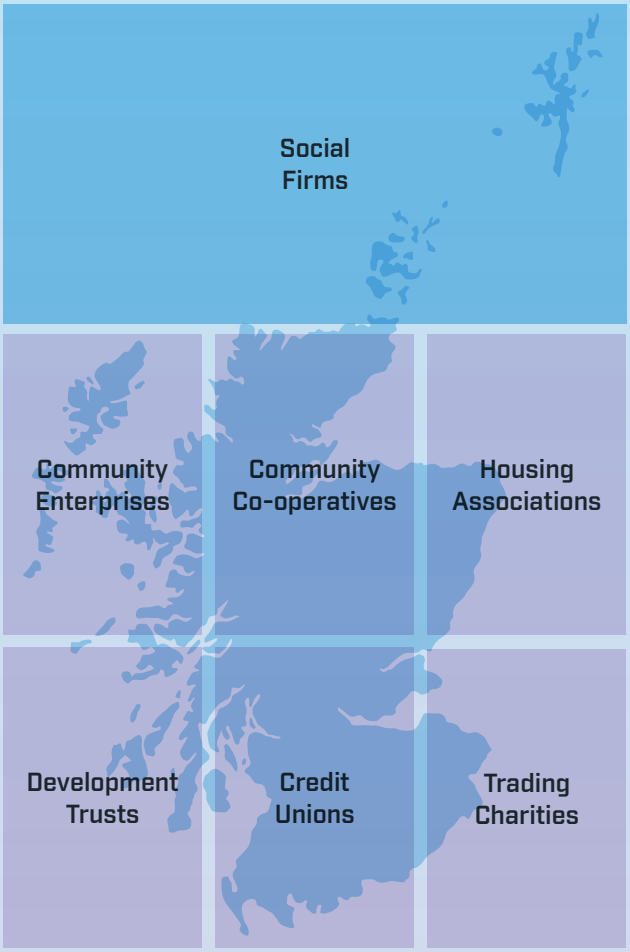
42%
of social enterprises formed in the last ten years [5]



17 years
The average age of social enterprises in Scotland [6]

Organic and textured

Successive waves of social enterprise formation have left a rich and varied pattern across Scotland. This is best thought of as a coming together of a number of different organisational types and traditions. These take various overlapping forms, including enterprising charities, community co-operatives, social firms, community-based housing associations, and others.



A growing sense of coherence

Over the last decade the social enterprise sector has taken more shape and achieved a greater coherence. This is reflected in a small but growing number of subscribers to the Voluntary Code of Practice for Social Enterprise [7]. However, the Census survey suggests that there is still some way to go to establish a common language and identity for the sector, where over one-third of social enterprises still do not readily identify themselves as 'social enterprises'. Many continue to more readily self-identify according to their origins (e.g. a 'community project'), status (e.g. a 'charity') or activity (e.g. a 'social care provider').

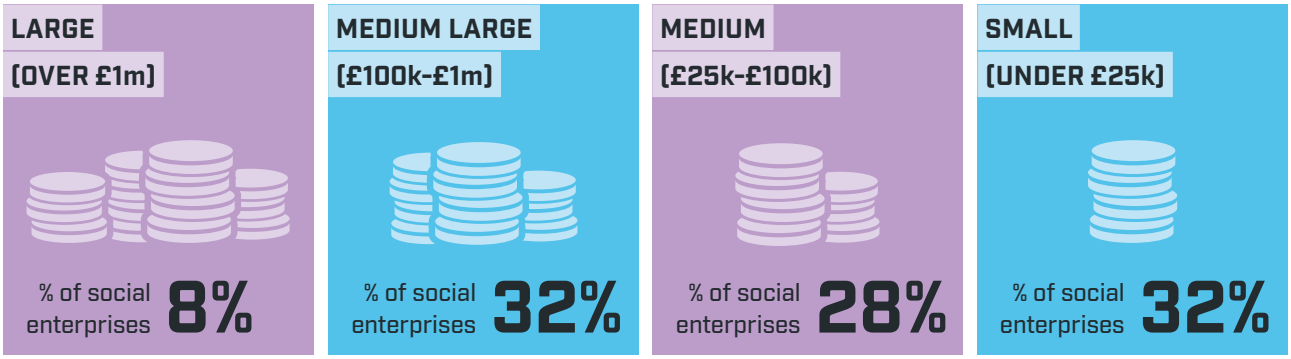
36%
of social enterprises do not describe themselves as such [9]

418
social enterprises have subscribed to the Voluntary Code of Practice for Social Enterprises [10]

A sector of the small and many

Social enterprises come in many shapes and sizes, from large national and international businesses to small community enterprises. Overall, social enterprise is a sector characterised by small and medium-sized enterprises – the available financial data indicates that 60% have a turnover of less than £100k and almost one-third operate with a turnover of less than £25k [11].

SIZE OF SOCIAL ENTERPRISES BY INCOME BAND



Scale and concentration

Collectively the social enterprise sector in Scotland operates at a significant scale. This research has estimated a combined income of £3.63bn, net worth of £3.86bn, employment of 112,409, and Gross Value Added (GVA) to the Scottish economy of £1.68bn. In practice, housing associations (Registered Social Landlords) make a proportionately large contribution, accounting for 36% of income and just over half of the net worth of the sector.

ESTIMATED SCALE AND SHARE OF SCOTLAND'S SOCIAL ENTERPRISE COMMUNITY

	Registered Social Landlords	Credit Unions	Other Social Enterprises	Total Scotland
Estimated income	£1.30bn	£0.03bn	£2.29bn	£3.63bn
Estimated employment	12,613	385	99,411	112,409
Estimated net worth	£1.99bn	£0.05bn	£1.82bn	£3.86bn
Estimated Gross Value Added (GVA)	£0.40bn	£0.02bn	£1.27bn	£1.68bn

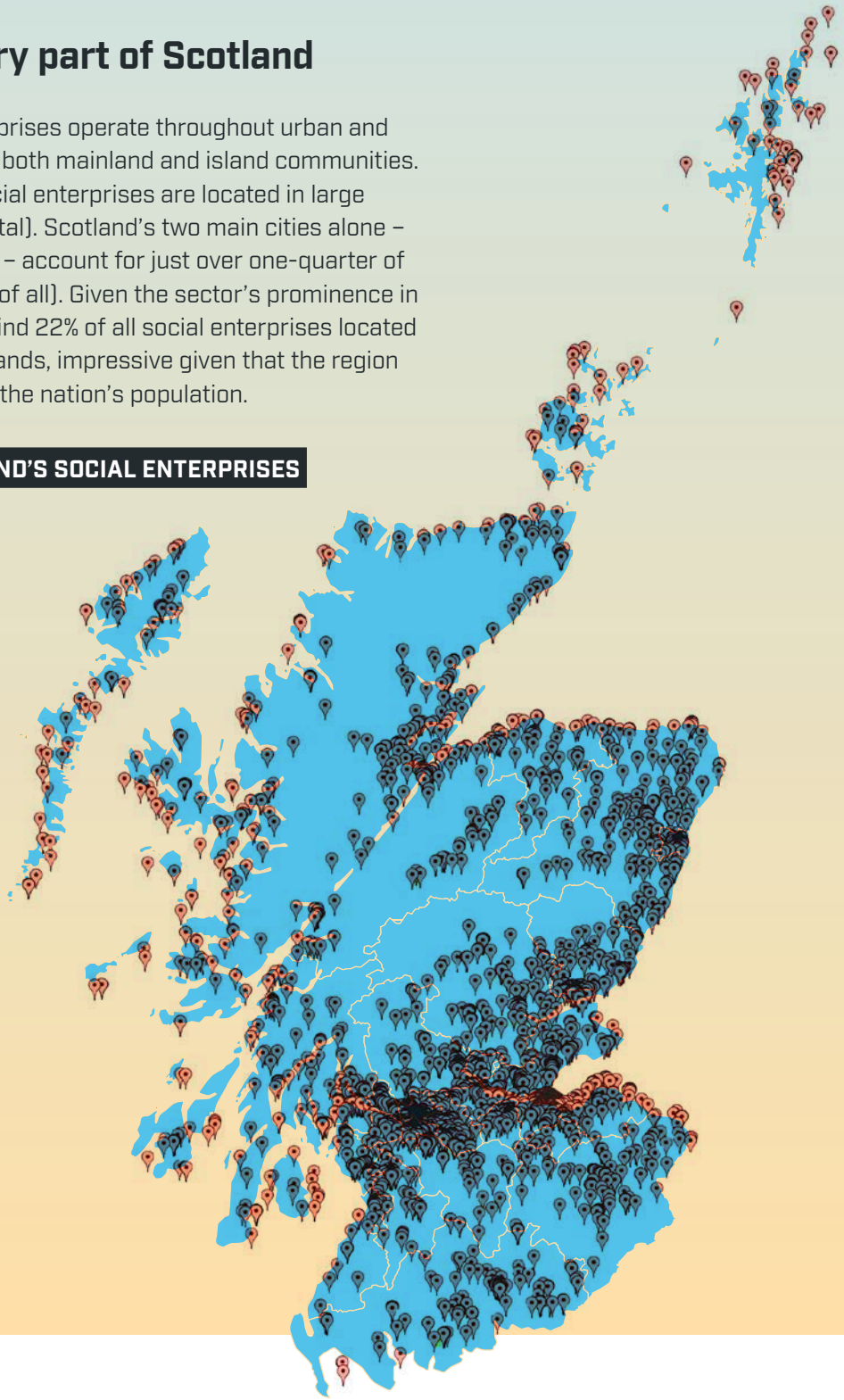
The Geography of Social Enterprise

SOCIAL ENTERPRISES ARE LOCATED ACROSS THE LENGTH AND BREADTH OF SCOTLAND. SPREAD THROUGHOUT THE COUNTRY, THEY ARE OFTEN CLUSTERED AND MORE NUMEROUS IN LARGE URBAN AREAS BUT PARTICULARLY FERTILE IN REMOTE RURAL COMMUNITIES.

Located in every part of Scotland

Over 5,000 social enterprises operate throughout urban and rural Scotland, active in both mainland and island communities. Thirty six percent of social enterprises are located in large urban areas (1,846 in total). Scotland's two main cities alone – Glasgow and Edinburgh – account for just over one-quarter of social enterprises (27% of all). Given the sector's prominence in rural Scotland we also find 22% of all social enterprises located in the Highlands and Islands, impressive given that the region accounts for only 9% of the nation's population.

LOCATION OF SCOTLAND'S SOCIAL ENTERPRISES



A distinctive regional picture

Considerable regional variation exists. Social enterprises are located in greatest numbers in the urban neighbourhoods of Lowland Scotland, where just over 4,000 social enterprises are based. By contrast, the incidence of social enterprises per 1,000 population is much greater in the Highlands and Islands, with many more social enterprises located there than would be expected given the area's population share.

The largest concentrations of social enterprise activity in the region are in Argyll and the Islands, Inner Moray Firth, Lochaber, Skye and Wester Ross.

HIGHLANDS AND ISLANDS

1,118
Social enterprises
(22% of all)

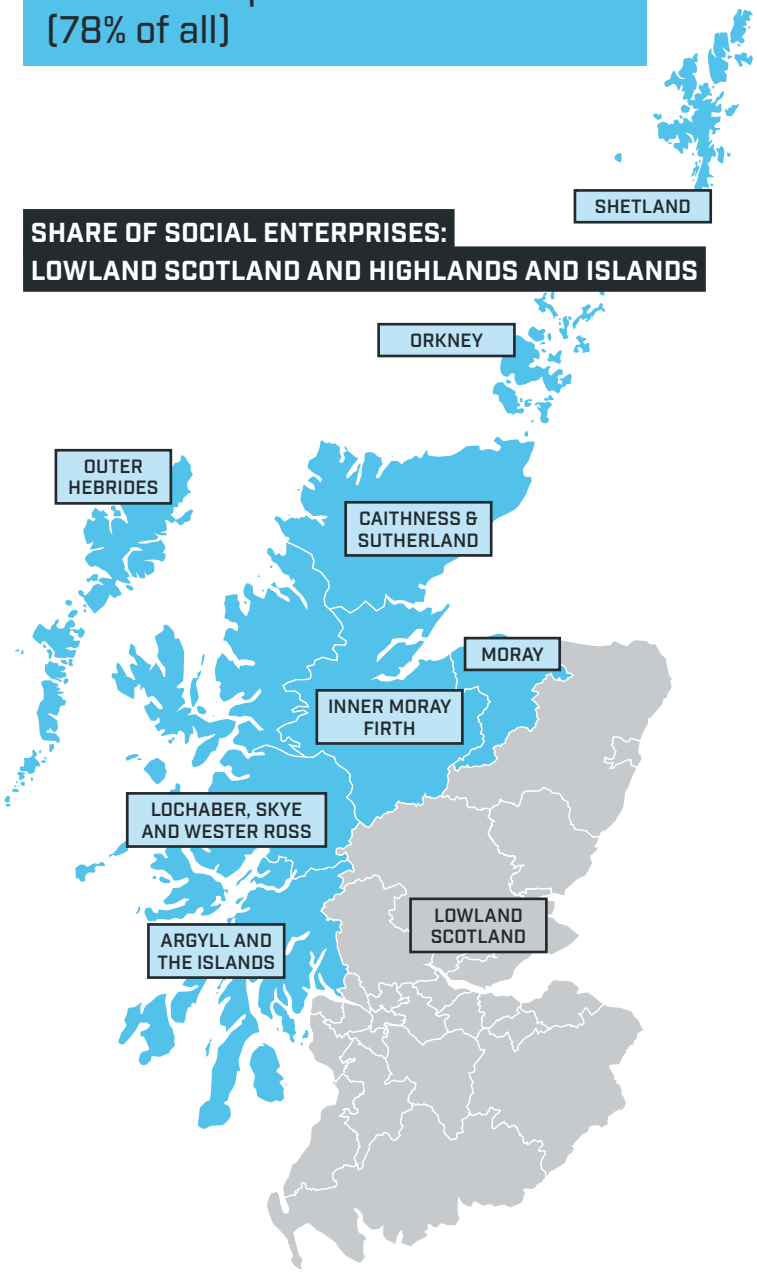
LOWLAND SCOTLAND

4,081
Social enterprises
(78% of all)

SHARE OF SOCIAL ENTERPRISES BY HIE AREA OFFICE

HIE Area Office	Number of social enterprises	% of all known in HIE area
Argyll and the Islands	225	20%
Caithness and Sutherland	113	10%
Inner Moray Firth	212	19%
Lochaber, Skye and Wester Ross	184	17%
Moray	124	11%
Orkney	56	5%
Outer Hebrides	109	9%
Shetland	95	9%
Total HIE area	**1,118**	**100%**

SHARE OF SOCIAL ENTERPRISES: LOWLAND SCOTLAND AND HIGHLANDS AND ISLANDS



Active in all local authority areas

Social enterprises are spread across the country. Almost all local authority areas contain 1-5% of Scotland's social enterprises although there are much larger concentrations in Glasgow (14% of all), Edinburgh (13%) and Highland (10%). The distribution of social enterprise activity generally mirrors that of civil society across Scotland – those areas containing most charities also tend to contain most social enterprises (e.g. Edinburgh contains 13% of all Scotland's social enterprises and 12% of its charities).

BREAKDOWN OF NUMBER (AND %) OF ENTERPRISES IN EACH LOCAL AUTHORITY AREA

Aberdeen City	127 - (2%)	Edinburgh City	670 - (13%)	Orkney Islands	56 - (1%)
Aberdeenshire	245 - (5%)	Eilean Siar (Western Isles)	109 - (2%)	Perth & Kinross	167 - (3%)
Angus	93 - (2%)	Falkirk	79 - (2%)	Renfrewshire	84 - (2%)
Argyll & Bute	244 - (5%)	Fife	179 - (3%)	Scottish Borders	195 - (4%)
Clackmannanshire	32 - (1%)	Glasgow City	704 - (14%)	Shetland Islands	95 - (2%)
Dumfries & Galloway	190 - (4%)	Highland	529 - (10%)	South Ayrshire	61 - (1%)
Dundee City	132 - (3%)	Inverclyde	54 - (1%)	South Lanarkshire	143 - (3%)
East Ayrshire	69 - (1%)	Midlothian	57 - (1%)	Stirling	138 - (3%)
East Dunbartonshire	51 - (1%)	Moray	124 - (2%)	West Dunbartonshire	64 - (1%)
East Lothian	125 - (2%)	North Ayrshire	98 - (2%)	West Lothian	115 - (2%)
East Renfrewshire	41 - (1%)	North Lanarkshire	107 - (2%)	Unknown	24

A presence in deprived communities

Poverty, inequality and deprivation remain entrenched in some parts of the country – in these communities people's expectations are often lower, opportunities are fewer, and services are not always straightforward to access or responsive to needs. With social enterprises both headquartered in relatively affluent urban centres and in these areas of need, the location of social enterprise has been found to mirror the pattern of relative area deprivation and affluence in Scotland – 5% of social enterprises are located in the 5% most deprived areas, 10% in the most deprived areas, and so on. Outside of deprived urban communities, other measures are helpful in accounting for the issues experienced in rural areas. For example, the research has found that 16% of social enterprises in the Highlands and Islands are located in 'fragile' areas (where 14% of the region's population also live) – these fragile areas are characterised by weakening of communities through population loss, low incomes, limited employment opportunities, poor infrastructure and remoteness.

SHARE OF SOCIAL ENTERPRISES LOCATED IN SCOTLAND'S MOST DEPRIVED AREAS

Deprived areas	Number of social enterprises	% of social enterprises
5% most deprived areas	279	5%
10% most deprived areas	532	10%
15% most deprived areas	703	14%
20% most deprived areas	909	18%
Rest of Scotland	4,290	82%

Note: Categorisation is based on the latest SIMD 2012 data release and the associated number of social enterprises with a main base of operation in the most deprived areas. Please note that social enterprises can have a considerable presence and activity in deprived areas although their main base of operations may not be located there.

Unique Importance in Rural Scotland

A common feature in rural areas

Social enterprise holds a distinctive character and unique importance in rural Scotland. Adjusting for the influence of the central belt's large urban population, the research has found that rural areas account for 32% of Scotland's social enterprises (1,644 social enterprises) but only 18% of the nation's people. The data also suggest that social enterprises are under-represented in urban areas (of between 10,000 and 125,000 people) outside of Scotland's main cities.

THE SPLIT OF SOCIAL ENTERPRISES BY SIX-FOLD URBAN-RURAL CLASSIFICATION

Urban-Rural Classification	Number of Social Enterprises	% of All Known	% of Scottish Population
Large Urban Areas	1,846	36%	35%
Other Urban Areas	1,000	20%	35%
Accessible Small Towns	318	6%	9%
Remote Small Towns	332	6%	3%
Accessible Rural	701	14%	12%
Remote Rural	943	18%	6%
Unknown	59	-	-

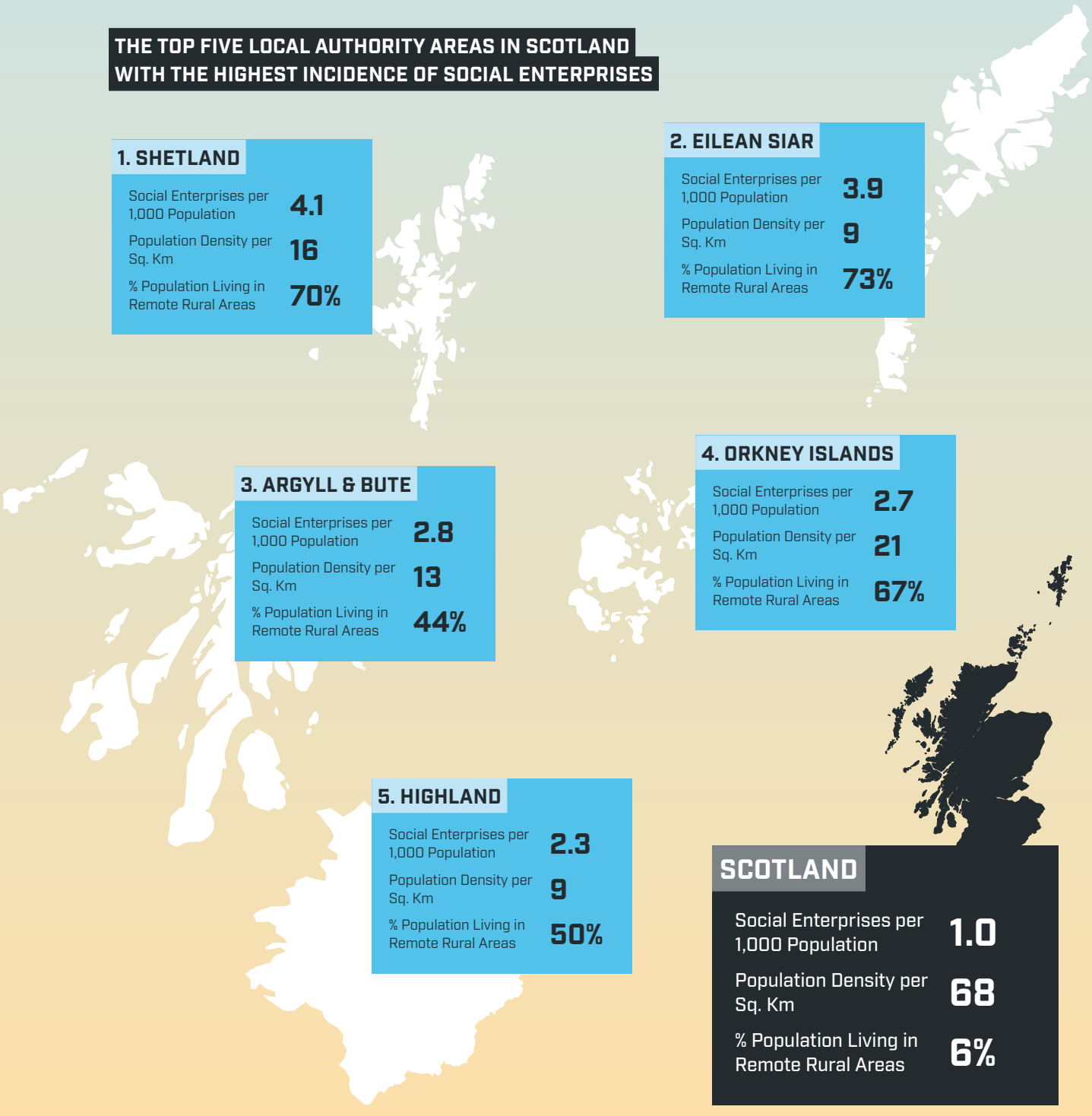
Source: Population data taken from the Scottish Government Urban/Rural Classification, 2013-14, Published November 2014

Flourishing in remote communities

Although other factors may have an influence, there appears to be a link between the remoteness of settlements and the level of social enterprise activity evident there. On average there is one social enterprise operating for every 1,000 people in Scotland. This rises to up to four per 1,000 in remote rural settings with almost one-fifth of all social enterprises located in these areas.

The five local authorities with the highest incidence of social enterprises per 1,000 population – all in the Highlands and Islands region – are also the five areas with the lowest population densities and highest proportion of their population living in remote rural areas [15]. Taken together, the Scottish islands contain a population of 72,300 and 257 social enterprises.

THE TOP FIVE LOCAL AUTHORITY AREAS IN SCOTLAND WITH THE HIGHEST INCIDENCE OF SOCIAL ENTERPRISES



1. SHETLAND

Social Enterprises per 1,000 Population	4.1
Population Density per Sq. Km	16
% Population Living in Remote Rural Areas	70%

2. EILEAN SIAR

Social Enterprises per 1,000 Population	3.9
Population Density per Sq. Km	9
% Population Living in Remote Rural Areas	73%

3. ARGYLL & BUTE

Social Enterprises per 1,000 Population	2.8
Population Density per Sq. Km	13
% Population Living in Remote Rural Areas	44%

4. ORKNEY ISLANDS

Social Enterprises per 1,000 Population	2.7
Population Density per Sq. Km	21
% Population Living in Remote Rural Areas	67%

5. HIGHLAND

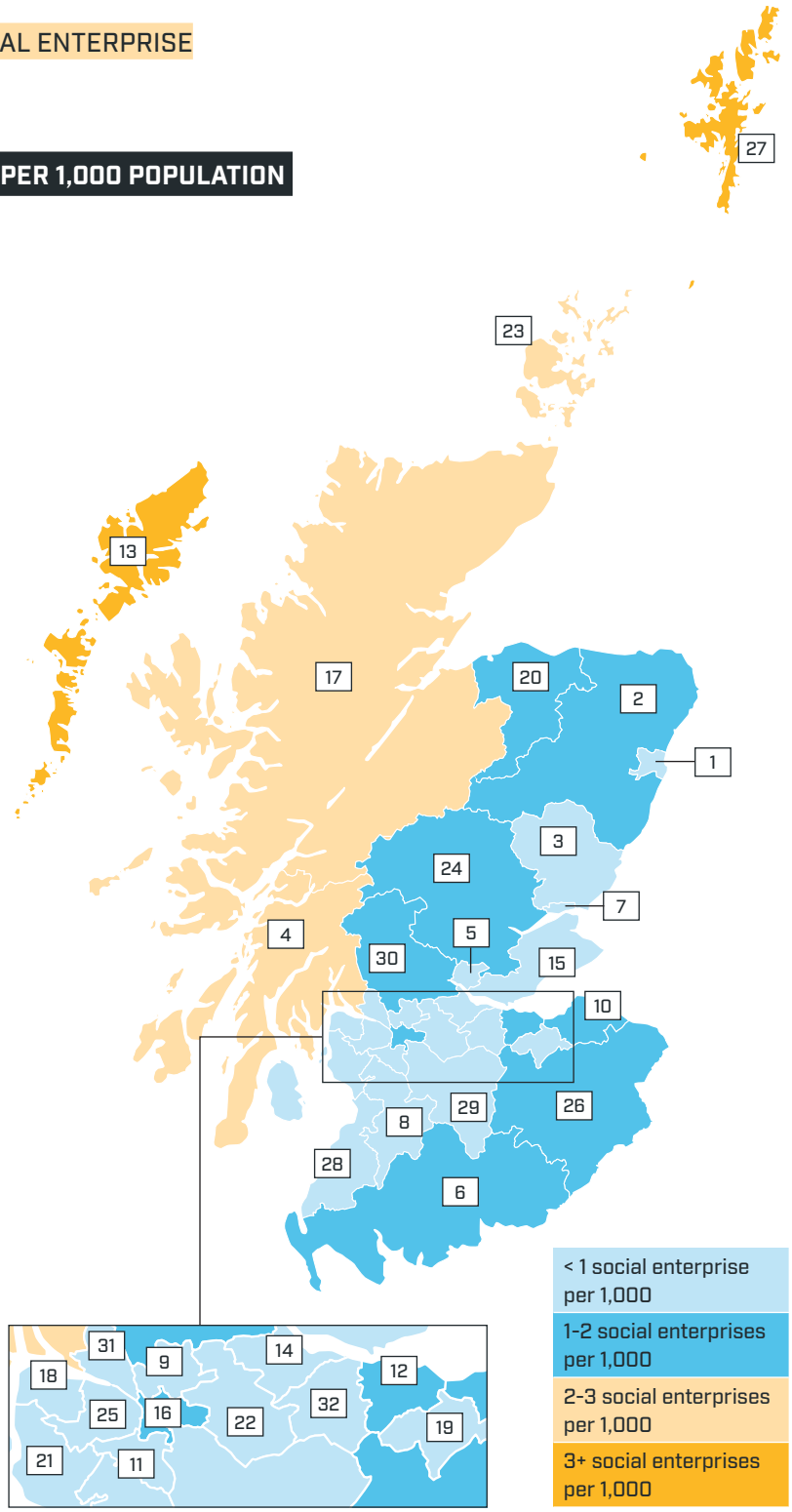
Social Enterprises per 1,000 Population	2.3
Population Density per Sq. Km	9
% Population Living in Remote Rural Areas	50%

SCOTLAND

Social Enterprises per 1,000 Population	1.0
Population Density per Sq. Km	68
% Population Living in Remote Rural Areas	6%

INCIDENCE OF SOCIAL ENTERPRISES PER 1,000 POPULATION

		Social enterprises per 1,000 people
1	Aberdeen City	0.6
2	Aberdeenshire	1.0
3	Angus	0.8
4	Argyll & Bute	2.8
5	Clackmannanshire	0.6
6	Dumfries & Galloway	1.3
7	Dundee City	0.9
8	East Ayrshire	0.6
9	East Dunbartonshire	0.5
10	East Lothian	1.3
11	East Renfrewshire	0.5
12	Edinburgh City	1.4
13	Eilean Siar (Western Isles)	3.9
14	Falkirk	0.5
15	Fife	0.5
16	Glasgow City	1.2
17	Highland	2.3
18	Inverclyde	0.7
19	Midlothian	0.7
20	Moray	1.3
21	North Ayrshire	0.7
22	North Lanarkshire	0.3
23	Orkney Islands	2.7
24	Perth & Kinross	1.1
25	Renfrewshire	0.5
26	Scottish Borders	1.7
27	Shetland Islands	4.1
28	South Ayrshire	0.5
29	South Lanarkshire	0.5
30	Stirling	1.5
31	West Dunbartonshire	0.7
32	West Lothian	0.7



On fertile ground

The conditions that have helped social enterprise to flourish in rural Scotland are generally not yet well understood. Influences, however, may include: the small numbers of sparsely located clients, which leaves gaps in public services to fill and deters competitors; a culture of self-help, where social enterprise resonates with rural people's tendency to problem-solve and help each other; the small scale of the market, which affords visibility to social enterprises and enables them to build their business through good reputation; and limitations to the scale of operations possible (due to small, local markets), which keeps social enterprises flexible and capable of quickly adapting to the changing environment[16]. These factors were recognised as long as 50 years ago in the Highlands and Islands, where the regional economic development agency (Highlands and Islands Enterprise) was given a remit for community and well as economic development, and where substantial support has been provided to social enterprises over many years.

Economic Sectors

SOCIAL ENTERPRISES OPERATE THROUGHOUT THE ECONOMY. PARTS OF THE SOCIAL ENTERPRISE SECTOR ARE WELL KNOWN AND CLOSELY REGULATED. OTHER PARTS ARE OFTEN LESS VISIBLE, BUT NO LESS SIGNIFICANT.

Impacting across sectors

The social enterprise sector weaves between and through many sectors of the economy. Social enterprises operate in greatest numbers in four main fields; Community Amenities (centres and halls), Arts & Creative Industries, Childcare, and Health & Social Care. The level of trading activity is particularly substantial in two economic sectors – Health & Social Care and Housing – which account for two-thirds of the social enterprise sector's income.

NUMBER AND INCOME OF SOCIAL ENTERPRISES ACROSS ECONOMIC SECTORS

KEY	Number of social enterprises	% of all social enterprises	% of social enterprise sector income	
Arts and Creative Industries	708	14%	5.1%	
Childcare [FEATURED SECTOR]	670	13%	2.2%	Page 22
Community Amenities	846	16%	1.1%	
Education, Training and Employment	222	4%	4.2%	
Environment and Recycling	156	3%	1.8%	
Financial Services [FEATURED SECTOR]	138	3%	0.9%	Page 19
Food, Catering & Hospitality	78	2%	0.7%	
Health & Social Care	623	12%	26.3%	
Housing [FEATURED SECTOR]	264	5%	40.8%	Page 25
Information, Consultancy and Support	250	5%	3.1%	
Property, Energy and Land Management	238	5%	1.4%	
Retailing	136	3%	3.8%	
Sport & Leisure	228	4%	1.2%	
Tourism & Heritage	243	5%	4.4%	
Transport	82	2%	0.4%	
Other	317	6%	2.7%	
TOTAL	5,199 Number of social enterprises	100% % of all social enterprises	100% % of social enterprise sector income	

Note: Social enterprises have been categorised by their principal field of economic activity (not main social purpose). Some social enterprises will work across multiple economic sectors.

There are, however, marked regional variations. Community Amenities (centres and halls) and Property, Energy and Land Management make up a larger share of the social enterprise sector in the Highlands and Islands than in Lowland Scotland. On the other hand, Childcare and Health & Social Care activity are somewhat more common within the social enterprise sector in Lowland Scotland.

The following pages feature three particularly mature forms of social enterprise activity which are significant in their own ways.

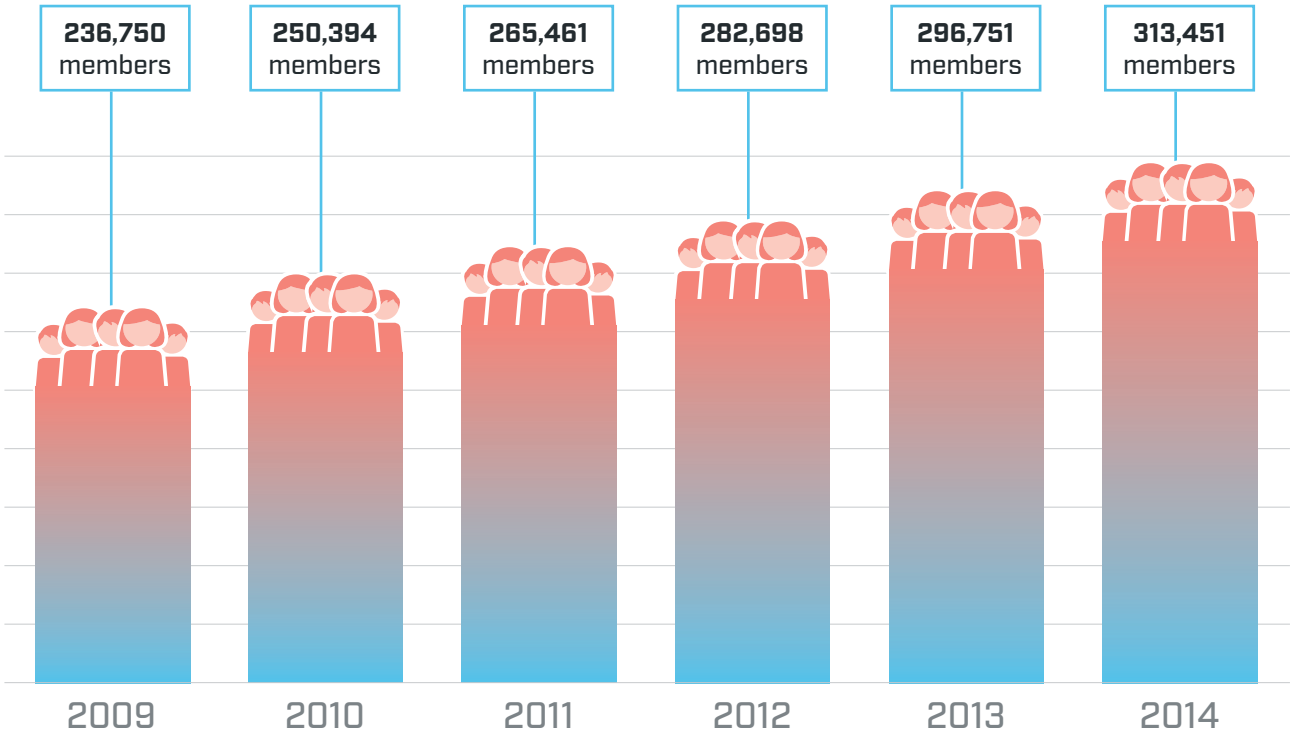
Financial services CASE STUDY

Credit unions are financial co-operatives that provide members with flexible savings, loans and other financial services. Scotland has a long history of credit union activity, which has shown an unparalleled period of growth during recent years.

A growing reach [14]

Scotland is now home to 107 authorised credit unions. The vast majority of these are located in urban areas (84% of credit unions). Credit unions have attracted 313,451 full members, representing approximately one in every fourteen adults in Scotland. The poverty and financial hardship experienced by Scottish families is likely to have contributed to an increase of almost one-third (32%) in the number of credit union members since the onset of the global recession. This is further outpaced by a 64% increase in junior savers during the period.

CREDIT UNION MEMBERSHIP IN SCOTLAND



CASE STUDY

CASE STUDY

Serving local families and workers
Scotland's credit unions vary enormously in size, membership and offering. They include both **community credit unions** (set up as a local response to poverty and financial inclusion) and **occupational or associational credit unions** (where members are drawn from the same profession or work for the same employer). The incidence of credit unions is greatest in Glasgow – the city has more credit unions and more credit union members than any other in the UK.

Offering responsive financial services
Credit unions are designed to deliver services that respond to the needs and aspirations of members. They offer an ever-expanding range of financial products and services to these members (their customers), which are regulated by the Financial Conduct Authority and Prudential Regulation Authority. They promote responsible lending, financial education, and access to money advice. Some credit unions in Scotland have also taken on the running of vital local services such as post offices.

Typical service range:

Bill Paying Services
Child Trust Funds
Christmas Savings Plans
Current Accounts
Direct Debit
Foreign Currency
Free Life Insurance
Funeral Protection Plans
General Insurance
Low cost loans
ISAs
Mortgages
Revolving Credit
Savings Accounts/Dividends
Young Savers Accounts

Credit Unions in Glasgow
Glasgow's network of credit unions developed over many years, largely as localised anti-poverty initiatives. The city's 34 credit unions consist of 26 community credit unions and eight occupational or associational credit unions. Collectively these credit unions comprise more than 160,000 members and hold £250m in assets. Around one in every four adult Glaswegians is a member of a credit union. [15]

Putting people before profit
Credit unions are owned and controlled by their members and are committed to improving the economic and social well-being of members. They pay dividends to members (not shareholders) and tend to offer them lower interest rate loans, higher savings rates, and fewer service fees than mainstream banks. It is profit, however, that makes this possible. Although operating profits suffered early in the financial crisis these have recovered and grown to a combined £9.4m last year (53% growth since 2009).

£9.4m
profit (after tax) in 2014 [16]

53%
growth in combined annual profit since 2009 [17]

Financial strength

Scotland's credit unions continue to go from strength to strength. Since the onset of the global recession they have witnessed remarkable growth, fuelled by an increase in members, deposits and lending. By 2014 they employed 385 staff and had a combined income of £32m. Annual profits were up to £9.4m (+52% since 2009) and total assets up to £492m (+75%). A growing membership has enabled credit unions to significantly expand low cost lending to members (£266m in 2014). This has put credit unions in a strong financial position reducing the percentage of loans provided to members against the total assets from 69% to 54% over the period.

KEY CHANGES IN CREDIT UNION PERFORMANCE AND STRENGTH (2009-2014) [18]

STAFF MEMBERS	
2009	306
2010	336
2011	334
2012	354
2013	351
2014	385
Change	+26%

PROFIT (AFTER TAX)	
2009	£6.2m
2010	£6.7m
2011	£8.0m
2012	£8.5m
2013	£8.8m
2014	£9.4m
Change	+52%

TOTAL ASSETS	
2009	£281m
2010	£311m
2011	£345m
2012	£389m
2013	£440m
2014	£492m
Change	+75%

LOANS TO MEMBERS	
2009	£193m
2010	£208m
2011	£231m
2012	£241m
2013	£356m
2014	£266m
Change	+38%

CASE STUDY

CASE STUDY

Childcare Services CASE STUDY

Many social enterprises provide early learning and childcare for pre-school children from 0-5 years, and out of school and holiday care for school-age children.

Childcare in Scotland

It is widely acknowledged that high quality childcare is good for children, families and the economy. There are around 190,000 childcare places in Scotland, a majority of these being for the 0-5s. The number of childcare places has stayed constant over the last 5 years. These places are offered in nurseries and nursery classes in schools that offer free early education, by pre-schools, sessional creches, childminders and out-of-school clubs. About 75% of families with three-year-old children use childcare in Scotland and 50% pay for it.[19]

A strong role for social enterprises

The Social Enterprise Census has identified 661 social enterprises that operate principally in the childcare sector. These deliver most but not all of the 978 not-for-profit childcare services in Scotland. It should be noted that most playgroups operate on a voluntary basis and not as a social enterprise and that some social enterprises may run multiple registered services. Social enterprises deliver a variety of service types, most frequently out of school care services as well as many nurseries.

MAIN TYPES OF CHILDCARE SERVICES DELIVERED BY SOCIAL ENTERPRISES -

Children/family centres. Provides a similar service to a community nursery or nursery centre. Provides daycare and education together with a range of support services for families.

Crèches. Provide drop-in care for children in order to enable adults to engage in activities such as further education, shopping or attending a meeting.

Holiday play schemes. Provide a service which allows school age children to take part in a broad range of supervised leisure and educational activities during the school holidays (this does not include activity-based clubs).

Nurseries. Provide daycare facilities for children aged 5 years or under. The service is normally used by parents/carers on a regular basis rather than a drop-in basis and the service is provided as a minimum during the school term.

Out of school care services. Provide care for school age children in the absence of parents or carers from the end of the school day until parents can collect their children, and also before school starts.

Playgroups. May provide pre-school education in partnership with the local authority. Will usually rely heavily on parents or carers who volunteer their services, although may also employ paid staff for example a play-leader or assistant.

661 social enterprises that operate principally in the childcare sector [20]

377 out of school care services delivered by social enterprises [21]

181 nursery services delivered by social enterprises [22]

NUMBER OF REGISTERED CHILDCARE SERVICES ACTIVE AND OPERATED ON A NOT-FOR-PROFIT BASIS AT DEC 2013 (INCLUDES SOCIAL ENTERPRISE AND OTHER THIRD SECTOR ACTIVITY)

Childcare services main type	Number of services operated on a not-for-profit basis	Market share of childcare services in Scotland
Childminding	0	0%
Children/ family centre	49	35%
Crèche	34	37%
Holiday play scheme	30	59%
Nursery	181	8%
Out of school care	377	55%
Playgroup	279	86%
Other services	28	64%
Total	**978**	**26%**

Source: Care Inspectorate [23]

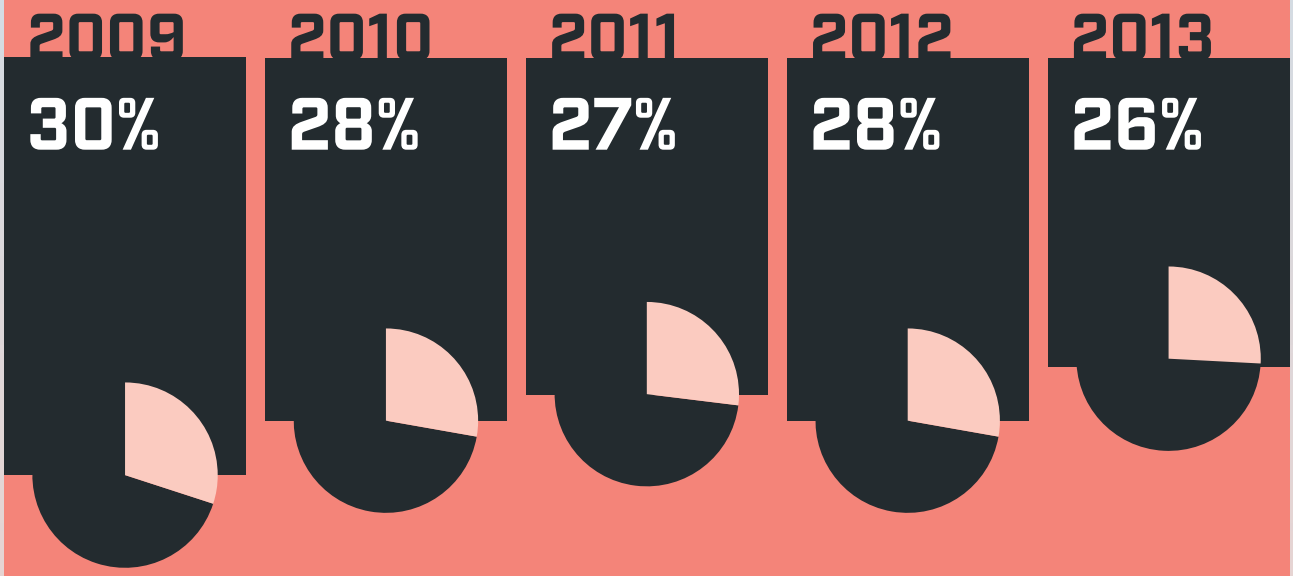
An inclusive economic contribution

Social enterprise childcare providers make an important economic and employment contribution to Scotland. Excluding childminding, the latest data from the SSSC suggests that 21% of employment in the childcare sector is accounted for by social enterprise providers (6,570 employees), with a median of 5 staff working on average 20 hours per week within social enterprises [24]. As well as direct employment the aim of childcare services is to enable parents and carers to work and to lay the foundation for children to grow up to be engaged learners and economically active citizens.

CASE STUDY

Holding market share
The UK has a mixed economy of childcare service providers, one of the most privatised in Europe [25]. In Scotland, social enterprises have a dominant share in some of the main market categories, including holiday play schemes (accounting for 59% of services), out of school care (55%) and crèche provision (37%). However, social enterprises delivering childcare services have been struggling to hold their market share over the last five years for which official data is available (a four percentage point decline), while both private companies and local authorities have been gaining market share.

% OF CHILDCARE SERVICES DELIVERED ON A NOT FOR PROFIT BASIS [26]



A time of opportunity and need
There is a pressing need to provide high quality, flexible early learning and childcare that is accessible and affordable for all children and families. Just 15% of local authorities had enough childcare for working parents last year with the biggest shortages in deprived neighbourhoods [27]; these are areas where it can be difficult for private and sector and social enterprise providers to achieve break even [28]. Other issues noted elsewhere include low levels of profitability for setting up services in some parts of the country, instability in supply, unevenness of growth in provision, and especially patchy availability of out-of-school provision [29].

CASE STUDY

Housing [30] CASE STUDY

Housing associations and housing co-operatives are among the largest and most established social enterprises in the country. They are dedicated to helping people obtain decent, affordable accommodation which meets their needs and to improving local neighbourhoods.

Reaching out across Scotland
Scotland contains 162 housing associations and co-operatives registered with the Scottish Housing Regulator. These vary enormously in scale and reach. Ten operate on a national basis, and 43% control and manage more than 1,000 housing units. They are most active in urban Scotland (86% operate mainly in urban areas), with over one-third of the country's housing associations and co-operatives having been established in Glasgow.

LARGEST

Units:
43,191

Turnover:
£165m

Fixed Assets:
£677m

Staff:
1,593

MEDIAN

Units:
914

Turnover:
£4.2m

Fixed Assets:
£9.4m

Staff:
17

SMALLEST

Units:
15

Turnover:
£54k

Fixed Assets:
£117k

Staff:
0

CASE STUDY

Democratically accountable and people-focused

Housing associations and co-operatives are democratically controlled and locally accountable. The latest figures show they have a membership of 32,500 tenants. Housing associations have tenants on the committees which run them. Collectively they employ a large number of people (12,613 in total), some employing large teams of professional staff, many of whom live locally.

Because there is a shortage of affordable housing, associations let homes to people in the greatest need and generally tenants have more rights and pay lower rents than those in the private sector. This typically leads to high levels of tenant satisfaction.

32,500
tenant members [31]

12,613
Full Time Equivalent (FTE) staff [32]

88%
tenant satisfaction on average [33]

Rich in assets [34]

Housing associations and co-operatives provide housing either for rent or sale. Using government grants and loans from banks they build some houses and improve others. Collectively they are responsible for over a quarter of a million homes. Since the earliest housing stock transfers to community ownership, local housing associations have built up a substantial asset base under their management and control, collectively worth in the region of £5bn.

277,379
self-contained housing units

£5.13bn
total fixed assets

Financially strong [35]

Housing associations and co-operatives in Scotland are financially strong and independent. Most of their turnover is generated from rental income. Importantly, any money they make is ploughed back into maintaining the houses they have, or providing more. In the last financial year, 152 of the 162 housing associations and co-operatives reported an operating profit. The last five years has seen an increase in turnover of 9%, an increase in annual operating surplus of 27%, and total capital and reserves increase 103% to £1.9bn.

TURNOVER

2010	£1.2bn
2011	£1.2bn
2012	£1.2bn
2013	£1.3bn
2014	£1.3bn
Change	+9%

OPERATING SURPLUS

2010	£169m
2011	£199m
2012	£215m
2013	£222m
2014	£215m
Change	+27%

TOTAL CAPITAL & RESERVES

2010	£961m
2011	£1.2bn
2012	£1.5bn
2013	£1.9bn
2014	£1.9bn
Change	+103%

Active in enterprise and regeneration

Most housing associations have taken an active role in making lives better for their tenants and going beyond their role in housing. As important community anchor organisations they make the most of their assets (land, buildings and professional skills) to deliver positive economic, social and environmental changes in local neighbourhoods. Most housing associations and co-operatives undertaken trading activity through subsidiaries (118 subsidiaries, including 76 registered charities in group structures), and a number having developed successful social enterprise activity relating to property maintenance landscaping, recycling and care. Despite the scale and professionalism of housing associations and the range of non-housing trading activity undertaken, just over half of housing associations do not use the term 'social enterprise' to describe themselves.

118

trading subsidiaries being operated by housing associations and co-operatives [37]

54%

of housing associations do not use the term 'social enterprise' to describe themselves [38]

CASE STUDY

Form and Structure

THE SOCIAL ENTERPRISE SECTOR IN SCOTLAND IN 2015 HAS EMERGED AS AN AMALGAM OF VARIOUS ORGANISATIONAL TYPES AND LEGAL FORMS. THE FORM THAT EACH SOCIAL ENTERPRISE TAKES IS UNIQUE TO ITS MARKET ENVIRONMENT, ORIGINS AND PURPOSE.

Keeping it legal

Social enterprises take a variety of legal forms. Most are incorporated entities (70%), making them distinct under law from the people involved. For around half, this means registration as a company limited by guarantee (without share capital). Some traditional forms of social enterprises are also registered as Industrial and Provident Societies (IPSs), while a small but growing minority are now being formed as Community Interest Companies (CICs) or Scottish Charitable Incorporated Organisations (SCIOs).

Many social enterprises remain unincorporated (30% operating as either voluntary associations or trusts) – these social enterprises tend to have relatively modest and predictable levels of trading linked directly to charitable activity. Two-thirds of unincorporated social enterprises (67%) are either childcare providers or manage community amenities (centres and halls).

70%

of social enterprises are registered companies and societies [39]

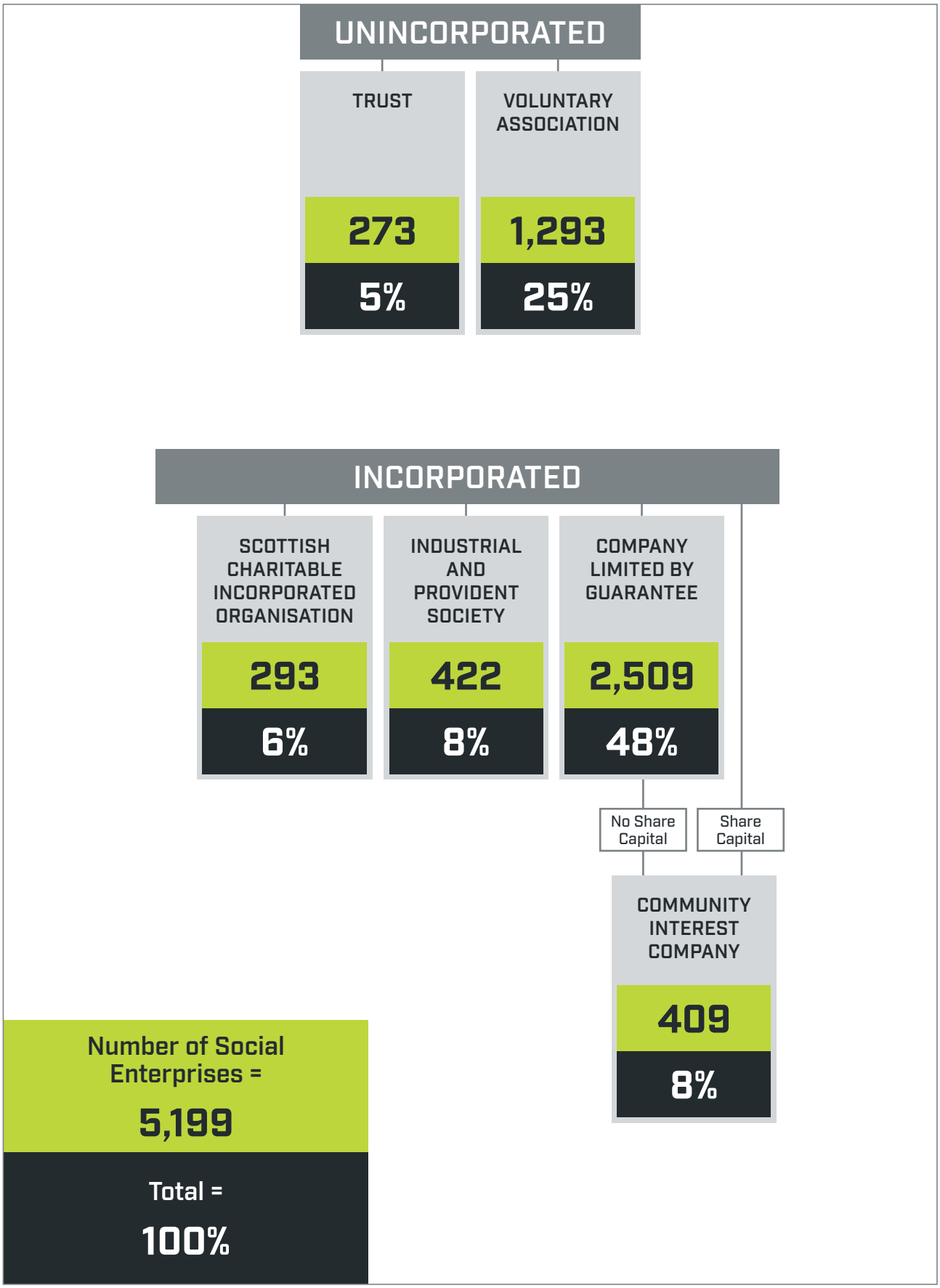
MANY FORMS OF SOCIAL ENTERPRISE INCORPORATION:

Companies Limited by Guarantee. A standard legal form which limits members' individual liability, enshrines social mission in Memorandum and Articles, and eliminates shareholding and therefore profit distribution.

Community Interest Company (CIC). A specially regulated legal form introduced in 2005 specifically for social enterprises. They are limited companies, with special additional features that certify their social mission, lock in assets, and limit dividend payments to members.

Industrial and Provident Society (IPS). A well-established legal form for co-operatives and community benefit societies, which ensures democratic ownership and control by members.

Scottish Charitable Incorporated Organisation (SCIO). An optional legal form for registered Scottish charities, introduced in April 2011. Enables small enterprising charities to become a corporate entity able to enter into contracts, employ staff, incur debts, own property, etc.


UNINCORPORATED
TRUST
273
5%
VOLUNTARY ASSOCIATION
1,293
25%
INCORPORATED
SCOTTISH CHARITABLE INCORPORATED ORGANISATION
293
6%
INDUSTRIAL AND PROVIDENT SOCIETY
422
8%
COMPANY LIMITED BY GUARANTEE
2,509
48%
No Share Capital
Share Capital
COMMUNITY INTEREST COMPANY
409
8%
Number of Social Enterprises =
5,199
Total =
100%

Mixing business and charity

There is considerable overlap between organisations that are both part of the charity sector and social enterprise community. Currently two-thirds of social enterprises are also registered charities. Many charities are moving away from dependence on grants and donations to generating more traded income (as social enterprises). This is compatible with their aspiration to increase financial independence through trading in order to achieve charitable goals (increasing earned income, building reserves and reducing reliance on grant funding). Since 2011, a growing number of small charities have become a SCIO, enabling them to act as a corporate entity with limited liability but without registering as a company.

67%
of social enterprises are also registered charities [40]

293
social enterprises are operating as Scottish Charitable Incorporated Organisations [41]

Operating as part of the group

Some social enterprises find it beneficial to operate in Group structures, i.e. as collection of parent and subsidiary companies that function as a single entity through a common source of control. The Census identified 187 Group structures among social enterprises with an income at or above the 2013/2014 VAT threshold – these comprised of 258 trading subsidiaries, usually wholly owned commercial companies. In almost three-quarters of these cases (73%) there was a charitable entity operating as part of the Group – this conveys potential tax advantages and can help to retain and make the most of surpluses.

187
major social enterprises operating as a Group structure [42]

258
trading subsidiaries controlled by major social enterprises [43]

Layers of regulation

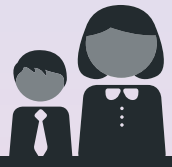
Given the diversity of forms it's perhaps unsurprising that there is no single regulator for social enterprises. All of the social enterprises examined as part of this study, however, are subject to some form of regulation and often multiple forms. The first layer of regulation relates to the legal form of the social enterprise, for example, Community Interest Companies are regulated by Companies House and the Community Interest Company Regulator, Industrial and Provident Societies are regulated by the Financial Conduct Authority, etc. The second layer of regulation relates to charitable status, with 3,464 social enterprises falling under the auspices of the Office of the Scottish Charity Regulator (OSCR). The third and subsequent layers of regulation relate to field of activity, for example the Scottish Housing Regulator (housing associations and co-operatives), the Prudential Regulation Authority (credit unions), the Care Inspectorate (childcare providers), and so on.

Fairness, Equality and Opportunity

THE VALUES AND BEHAVIOURS OF SOCIAL ENTERPRISES ARE ALIGNED TO THE PRINCIPLES OF FAIRNESS, EQUALITY AND OPPORTUNITY[44]. THESE FORM THE VERY RATIONALE AND BASIS FOR SOCIAL ENTERPRISE ACTIVITY.

Achieving a gender balance

The general under-representation of women in the business world is a well-recognised constraint on business potential, as well as a basic issue of equality and fairness. As such, the Scottish Government is encouraging companies to work towards an even gender balance on boards by 2020. The Census survey findings indicate that in 2015 social enterprises already embrace diversity at the top. Just over half of social enterprises (53%) have reported greater or equal participation by women at board level and in three-in-five cases (60%) the most senior employee (CEO or equivalent) is female. This sits in stark contrast to FTSE 100 companies where only 24% of places on corporate boards and 9% of executive directorships are held by women[45].



4:4
men : women serving as voluntary directors and committee members[46]

48%
of board members are women[47]

53%
of social enterprises have greater or equal female participation at board level[48]

60%
of social enterprises have a woman as their most senior employee[49]

Fair executive pay

In a context of public concerns over executive pay in some sectors, and failing trust in business, the Voluntary Practice for Social Enterprise in Scotland sets down an expectation of flatter pay structures. It suggests a maximum ratio of 1:5 between the lowest and highest paid as a useful benchmark. The survey data points to an average pay differential of 1:2.5 between the highest and lowest paid across the sample of social enterprises. In the vast majority of cases (97%), social enterprises have not exceeded the 1:5 guideline set out in the Voluntary Code. This is consistent with evidence from NCVO which points to wage constraint in the charity sector more generally, reporting that 1.9% of all charity employees earn over £60,000, compared to 4.5% in the public sector and 6% in the private sector[50].

1:2.5
The average differential between highest and lowest paid employee[51]

97%
of social enterprises have a pay differential not exceeding 1:5[52]

Paying the living wage

There is also an expectation that social enterprises will be good employers, offering a dignified workplace experience and aiming to pay the living wage [53]. Encouragingly, the Census survey has found that just over two-thirds (68%) are now paying the national living wage (£7.85 per hour), although only a small number (51) have gained accreditation as a Living Wage Employer [54]. The ability to continue to keep pace with increases in the living wage is, however, dependent on very many factors including pressure on market prices and the availability of inflationary uplifts in budgets associated with commissioned public services or services reliant on an element of grant funding.

68%
of social enterprises pay at least the national living wage [55]

Fair contracts of employment

The use of zero hours (or very low hours) contracts has also become a highly controversial issue in employment with widespread concern in Scotland over their use. This can corrode trust in the workplace and create financial insecurity for working people. Social enterprises do not typically employ people on zero hours contracts, with only 12% of survey respondents reporting their use. Their use is somewhat higher among social enterprises in fields such as social care (23%) where there are particular challenges in managing commissioned contracts which offer no guarantee of business to providers and where there can be variable workloads (requiring sessional and relief workers). Although difficult to benchmark, the social enterprise sector appears to compare favourably with elsewhere (research from the CIPD suggests that 23% of employers use zero hours contracts [56]).

12%
of social enterprises make use of zero hours contracts [57]

Ensuring diversity in the workplace

Diversity in the workforce is important. A workforce lacking in diversity hinders access to talent and holds back company performance. Social enterprises seem to offer an inclusive workplace. The survey findings suggest that in 70% of cases social enterprises draw at least half of their workforce from among the female population. Similarly, in three-quarters of cases the workforce is predominantly made up of people that live locally. Around half of social enterprises also employ previously unemployed young people (aged under 25 years) and people disadvantaged in the labour market. The research also suggests that many social enterprises (28% of respondents) target recruitment efforts towards disadvantaged areas or groups.

70%
of social enterprises report more than half of employees are female [58]

75%
currently employ more than half their workforce locally [59]

48%
currently employ people formerly disadvantaged in the labour market [60]

52%
employ previously unemployed young people [61]

28%
of social enterprises target recruitment at disadvantaged areas or groups [62]

Markets and Trading

SOCIAL ENTERPRISES ASPIRE TO SOME LEVEL OF FINANCIAL INDEPENDENCE THROUGH TRADING. TO ACHIEVE THIS INDEPENDENCE THEY MUST MAINTAIN A FINE BALANCE BETWEEN SOCIAL AND COMMERCIAL GOALS AND MAKE CAREFUL CHOICES ABOUT WHO THEIR CUSTOMERS SHOULD BE, WHAT MARKET AREA THEY WILL COVER, AND WHAT PRODUCT OR SERVICE THEY WILL SELL.

Service businesses

Social enterprises make their money from selling goods/services in one or a number of markets, and reinvest their profits back into the enterprise or local community. The responses from the Census survey tell us that the vast majority of social enterprises (almost 90%) generate revenues from selling services although many others (often as an associated or secondary activity) are involved in retailing (one-in-five social enterprises).

TYPES OF TRADING ACTIVITY CARRIED OUT BY SOCIAL ENTERPRISES*

PRIMARY PRODUCTION (E.G. AGRICULTURE, FORESTRY, ENERGY)

7%

% of social enterprises

RETAILING OR WHOLESALE TRADE OF GOODS

20%

% of social enterprises

MANUFACTURING A PRODUCT

7%

% of social enterprises

PROVIDING SERVICES

89%

% of social enterprises

Source: Social Enterprise in Scotland Census 2015 Survey, June 2015 [63]

* Social enterprises can undertake more than one type of trading activity. Total does not sum to 100%.

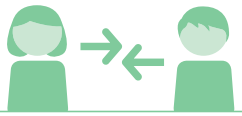
Consumer facing

Delivering on the promise of value to a customer is critical to any business – the customer in turn will pay for the service, generating the revenues to make it viable. Social enterprises have many types of customers. The survey research reveals that most social enterprises are consumer-facing (in 68% of cases respondents have reported a direct customer relationship with the general public). Also significant (perhaps more so in terms of customer spend and reliance) is the level of purchasing from public sector customers. While business-to-business trade exists, the findings indicate that this is somewhat more modest (especially in relation to trade with private businesses).

REPORTED CUSTOMER GROUPS OF SOCIAL ENTERPRISES

GENERAL PUBLIC	PUBLIC SECTOR	THIRD SECTOR (INCLUDING SOCIAL ENTERPRISES)	PRIVATE SECTOR
68%	61%	50%	39%
of social enterprises	of social enterprises	of social enterprises	of social enterprises

Source: Social Enterprise in Scotland Census 2015 Survey, June 2015 [64]



Complex customer relationships

The distinction between customer and consumer (client) can be a complicated one for social enterprises [4]. The nature of these relationships can also vary from field to field. By way of illustration, the Census has identified public authorities as still the most common customer in the health and social care field (often purchasing services on behalf of clients).

By way of contrast, childcare services tend to have the general public (parents) both as their main customer and consumer of services. In most areas of social enterprise trading activity the public sector will have a profound influence in the market, often shaping market demand or acting as a significant customer.

4 The 'customers' for social enterprises are those individuals or organisations that make the purchasing decision and pay from their own resources. The customer may or may not ultimately the consumer (client) for the product or service. In some cases the public sector may both be the customer and client (e.g. buying goods such as office supplies for its own use) but more typically is only the customer (i.e. buying services on behalf of local citizens or clients). In the latter case the client will likely have access to the product or service at no cost or a lower than market price paid by the public sector purchaser. As buyers, a social enterprise's customers are interested in both the price and the social outcomes.

Operating in uncontested markets

In traditional markets dominated by private sector operators, companies routinely fight for competitive advantage, battle over market share, and often struggle for differentiation. By way of contrast, the evidence from the census survey shows that social enterprises perceive themselves to operate in relatively uncontested markets. In around half of cases (49%) social enterprises reported that there was no likely alternative source of supply in their absence – where an alternative was identified it was deemed more likely to come from other companies (private and social sector) than from public authorities. This would seem to support the common view that social enterprises are filling a gap or providing an alternative where other companies fear to tread (profit margins too low and risks too high) or where the public sector has retrenched from its role as direct provider or is unable to deliver a service.

SOCIAL ENTERPRISES' ASSESSMENT OF THE MARKET ALTERNATIVES

ALTERNATIVES TO SOCIAL ENTERPRISE PROVISION	% IDENTIFYING THIS AS AN ALTERNATIVE
Another Third Sector Organisation (or Social Enterprise)	24%
A Public Sector Body (such as a Local Authority)	9%
A Private Company	18%
No one	49%

Source: Social Enterprise in Scotland Census 2015 Survey, June 2015[65]

Moving beyond the local market

The size of the market area in which a product or service is traded varies greatly among social enterprises and can depend on many factors [5]. The Census survey suggests that in around one-quarter of cases social enterprises serve only a single neighbourhood or community and therefore might best be described as 'community enterprises' [6].

While these social enterprises often opt to remain small and local, the survey suggests that others have grown to operate across one or more local authority areas (just over half of social enterprises) and less commonly across Scotland and beyond (almost one-quarter of cases).

WIDEST GEOGRAPHIC AREA ACROSS WHICH SOCIAL ENTERPRISES OPERATE

A single neighbourhood/ community **24%**	Scotland-wide **11%**
A local authority area **32%**	Across the UK **5%**
More than one local authority area **21%**	Internationally **7%**

Source: Social Enterprise in Scotland Census 2015 Survey, June 2015 [66]

Establishing a global footprint

Boosting international trade is one of the cornerstones of the Scottish Government's economic strategy and part of its internationalisation agenda. International markets offer important opportunities for social enterprises, potentially exposing them to new ideas and markets, and stimulating innovation, income and growth. A number of social enterprises (an estimated 7% based on survey responses) already operate overseas, selling goods and services or attracting international visitors to Scotland, collaborating with international partners or contributing to the delivery of international projects. However, exporting or licensing to overseas markets is somewhat more concentrated within a smaller base of approximately 5% of social enterprises.

7%
of social enterprises operate internationally [67]

5%
have exported to overseas markets in the last 12 months [68]

5 Considerations might include the strength of local demand, the ability of consumers to pay and travel to access the service, the level of competition or alternative services available, and the willingness of a social enterprise to serve customers across a wide geographic area.

6 Well established examples of community enterprises (democratically controlled, placed-based social enterprises) include most community centres, development trusts, childcare services and credit unions.

Substantial traded income

Social enterprises distinguish themselves from the wider third sector through trading activity. By 'trading' we refer to income generated through providing goods or services in return for payment, often under contract (or 'Service Level Agreement'). Last year social enterprises in Scotland generated an estimated combined trading income of £1.15bn.

£56,100
of trading income generated by a typical social enterprise [69]

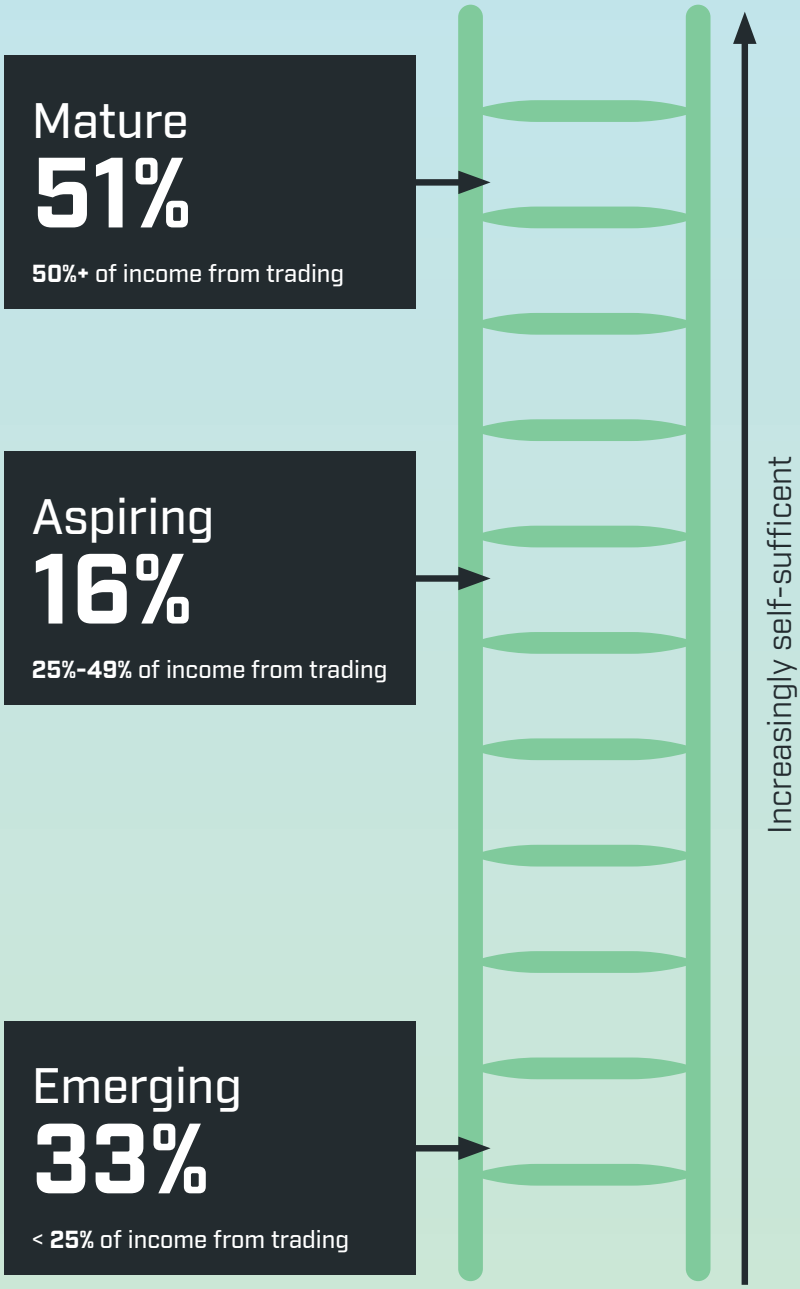
£1.15bn
in combined trading income [70]

Stepping up the trading ladder [71]

Although aiming to become more self-sufficient through trading, many social enterprises only earn a proportion of their income from trading. The extent to which they are able to generate traded income is an indication of where they are in their journey to becoming more self-reliant, as well as how customers purchasing choices are changing (for example public sector customers increasingly purchasing by way of contracts rather than grants).

To simplify a complex picture, it is possible to separate social enterprises out into three distinct camps – those aspiring, emerging, and mature in their level of trading income. Just over half of enterprises generate the majority of income from trading (50% plus) – the 'mature' group – although there is considerable variation in the typical levels of traded income across economic sectors.

Trading levels are typically highest in financial services (credit unions), housing (RSLs) and childcare sectors – all featured elsewhere in this report.



AVERAGE LEVEL OF SOCIAL ENTERPRISE TRADING INCOME BY SECTOR

* Figures should be treated with some caution in these sectors as the sample sizes on which trading data is based is less than 25% of all social enterprises in the category.

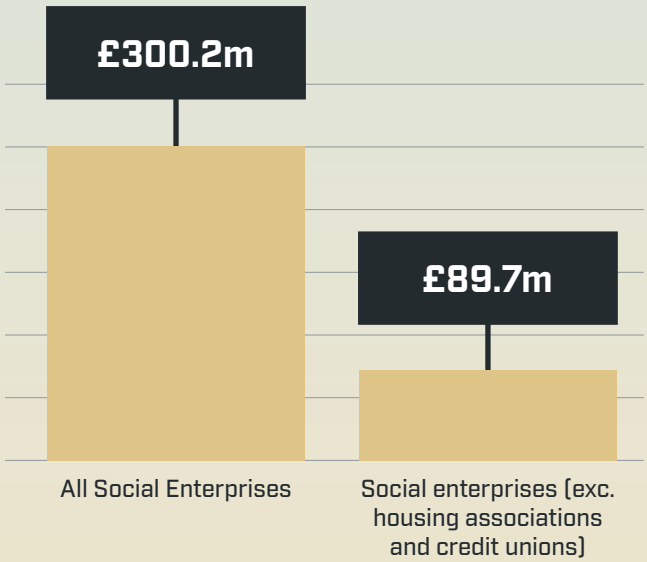
Financial Strength and Performance

SOCIAL ENTERPRISES MAKE AND DO THINGS THAT EARN MONEY, WHICH IN TURN HELPS THEM TO REMAIN AFLOAT AND DELIVER SOCIAL GOOD. ULTIMATELY THE ABILITY TO DELIVER THIS GOOD IN THE LONGER TERM WILL DEPEND ON FINANCIAL PERFORMANCE THAT REMAINS STRONG.

Remaining profitable

Like any business, social enterprises need to generate a surplus (profit) over time to become financially sustainable. Collectively the estimated surplus of all social enterprises last year was £300m. This figure would reduce to £90m if the disproportionately large surpluses of housing associations and credit unions were to be removed[72]. For this more typical group of social enterprise this represents a respectable 4.4p profit for every £1 of income. However, the data shows that 39% of this group returned a deficit during the year. This is common where social enterprises actively manage a small surplus in some years and a small loss in others in order to maximise their social impact, sometimes deliberately spending more than they earn (and dipping into reserves) in order to invest in necessary services or secure long-term assets (e.g. buildings).

OPERATING SURPLUS/(DEFICIT)



PROFITABILITY RATIO

4.4%

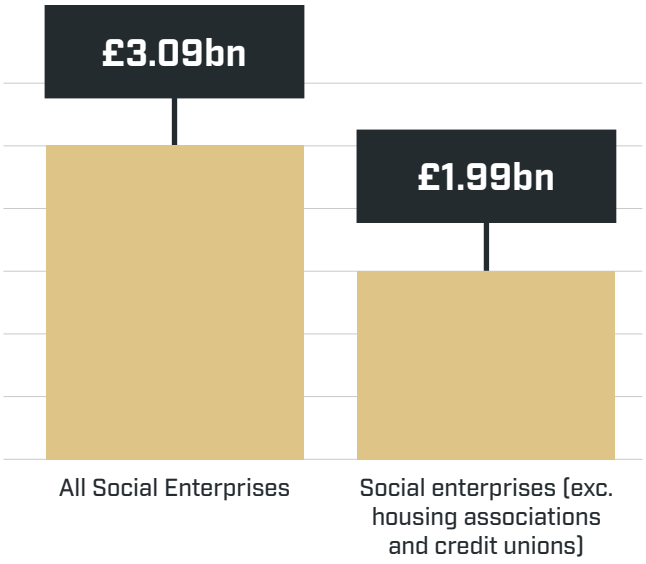
(Exc. Housing associations and credit unions)

What is the profitability ratio?
Formula: Net Surplus (Deficit) /Total Income x 100
What the ratio tells us: The amount of surplus per £1 of income social enterprises have earned after taking account of all expenditure.

Managing costs

Collectively the expenditure of Scotland's social enterprises was £3.09bn last year, which reduces to £1.99bn if the spending power of housing associations and credit unions is removed from the analysis[73]. Staffing represents the largest single cost for social enterprises. Outside of housing associations and credit unions, staff costs account for 56.3% of expenditure although the significance of staff costs does vary among social enterprises[74].

TOTAL EXPENDITURE



STAFFING COST RATIO

56.3%

(Exc. Housing associations and credit unions)

What is the staffing cost ratio?
Formula: Staffing Costs/Total Expenditure x 100
What the ratio tells us: The percentage of actual expenditure among social enterprises which is allocated to staffing costs, including sessional staff costs.

Remaining financially stable

An important measure of the financial health of a business is its liquidity; the ability to pay debts due within one year out of current assets. On average the current assets of social enterprises last year were 3.4 times the value of current liabilities[75]. This means that in the short term social enterprises generally have adequate financial cover. Financial stability is also affected by the quality of trade debtors (i.e. how quickly customers pay) – on average the customers pay their invoice within 43 days[76].

CURRENT ASSETS AND LIABILITIES

	+ Current Assets	- Current Liabilities
Housing Associations	**£810m**	**£444m**
Credit Unions	**£483m**	**£435m**
Other Social Enterprises	**£955m**	**£278m**

CURRENT RATIO

3.4%

(Exc. Housing associations and credit unions)

What is the Current Ratio?
Formula: Current Assets/Current Liabilities
What the ratio tells us: An indication of social enterprises ability to meet short-term obligations (those obligations due within 1 year or less).

DEBTOR TURNOVER RATIO

43 days

(Exc. Housing associations and credit unions)

What is the Debtor Turnover Ratio?
Formula: Debtors / Total Income x 365
What the ratio tells us: Indication, in days, of how long debtors take to pay their accounts.

A strong balance sheet

The balance sheet of the social enterprise sector is financially strong. Overall, the sector holds estimated assets of £8.77bn. This is set against an estimated £4.91bn in total liabilities (anything from short-term loans to long-term pension liabilities). When take together the resultant net worth of Scottish social enterprises is almost £3.86 billion [78].

+	−	=
Fixed Assets Current Assets	Current liabilities Long-term liabilities	Net Assets
£8.77bn	**£4.91bn**	**£3.86bn**
Housing Associations: **£5.94bn**	Housing Associations: **£3.95bn**	Housing Associations: **£1.99bn**
Credit Unions: **£0.49bn**	Credit Unions: **£0.44bn**	Credit Unions: **£0.05bn**
Other Social Enterprises: **£2.34bn**	Other Social Enterprises: **£0.52bn**	Other Social Enterprises: **£1.82bn**
Assets are possessions held by social enterprises either to use in the course of their work, or to generate income. These include cash, unpaid invoices, property, equipment, stock and investments.	**Liabilities** include all that social enterprises owe to others, from unpaid bills to loans and long term pension liabilities.	**Net assets** represent the net worth of the sector and equate to its total funds.

Self-sufficient

Social enterprises strive to become largely self-sufficient through trading, but in practice few operate without some level of income from grants. Excluding housing associations and credit unions (with very high levels traded income), the data indicates that Scottish social enterprises are able to generate more than two-thirds of the resources they require through trading [79] and grants account for less than one-third of their income [80]. This grant funding is important to social enterprises both to get new services off the ground and deliver important services that consumers (clients) themselves are unable to pay for and which deliver a public good. Collectively the social enterprises have built up unrestricted reserves of an estimated £1.06bn, meaning that if income dried up tomorrow they could continue to operate for more than half a year [81].

SOCIAL ENTERPRISE

£1.06bn unrestricted reserves

(Exc. Housing associations and credit unions)

SELF SUFFICIENCY RATIO

67.9%

(Exc. Housing associations and credit unions)

What is the Self Sufficiency Ratio?
Formula: Earned Income / Total Expenditure x100
What the ratio tells us: An indication of to what extent social enterprises are able to cover their cost through trading.

GRANT RELIANCE RATIO

31.5%

(Exc. Housing associations and credit unions)

What is the Grant Reliance Ratio?
Formula: Grants / Total Income x 100
What the ratio tells us: An indication of how dependent social enterprises are on grant funding.

SURVIVAL RATIO

32 weeks

(Exc. Housing associations and credit unions)

What is the Survival Ratio?
Formula: Total Unrestricted Reserves / Total Income
What the ratio tells us: An indication of how long social enterprises could survive with no income.

Economic and Social Impacts

SOCIAL ENTERPRISES AIM TO OPERATE IN A WAY THAT IS GOOD FOR BUSINESS AND GOOD FOR SCOTLAND. THEY ARE FOUNDED ON THE BELIEF THAT SOCIAL FAIRNESS AS WELL AS FINANCIAL SUCCESS SHOULD BE PRE-CONDITIONS OF ALL BUSINESS ACTIVITY. IN OPERATING AS THEY DO, THEY DELIVER A VARIETY OF ECONOMIC AND SOCIAL OUTCOMES.

Gross Value Added

Gross Value Added (GVA) is the official measure of the economic contribution of an area, industry or sector; it is the value of goods and services produced in that part of the economy. The data accessed as part of this study indicates that social enterprise makes a significant contribution to Scotland's economy, with an estimated GVA of £1.68bn. The most significant economic contribution is from those social enterprises operating in the fields of Health & Social Care and Housing. See Appendix A2 for a more detailed discussion of GVA together with subsector and regional estimates.

ESTIMATED GVA OF SCOTLAND'S SOCIAL ENTERPRISES

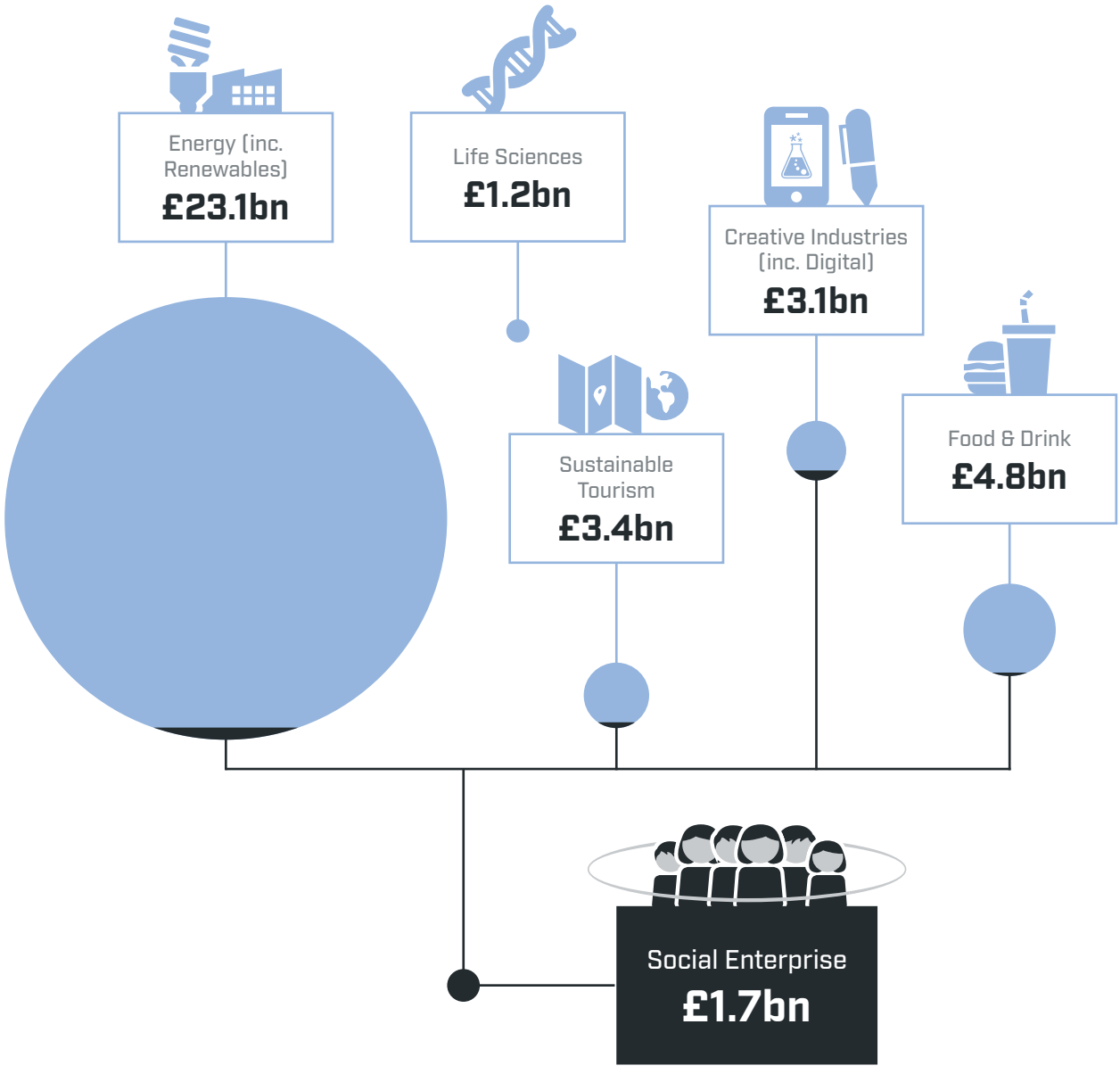
	Estimated GVA [1,2]
Registered Social Landlords	£397,642,000
Credit Unions	£16,338,556
Other Social Enterprises	£1,268,453,203
Total Estimated GVA	£1,682,433,760

1. GVA of social enterprises has been calculated using enterprise-specific data from individual enterprises where available from publicly accessible accounts, where unavailable supplemented by data accessed through relevant regulators or collected through the Census survey of social enterprises.

2. Figures are from estimates of GVA derived per economic sector and region, grossed up to population level using median figures for relevant sectors.

Although difficult to compare directly with other key economic sectors, since social enterprise activity weaves through the economy, this GVA estimate is very significant indeed. Social enterprise represents a radical and inclusive business model that is making demonstrable impact, beyond economic terms, in Scotland's key economic sectors, particularly the creative industries. Social enterprise as a business model of choice occurs across and beyond key growth sectors, making a substantial economic contribution that exceeds that of, for example, Life Sciences. The below illustration provides a sense of the scale of this economic contribution when compared to other key sectors, while also showing that social enterprise forms a small but important part of the economic output of other sectors.

APPROXIMATE GROSS VALUE ADDED AT BASIC PRICES (2012): COMPARATIVE ECONOMIC CONTRIBUTION OF SOCIAL ENTERPRISE ACROSS AND BEYOND THE KEY SECTORS



Source: Scottish Government, ONS (Annual Business Survey)
* The Annual Business Survey does not cover all parts of Financial and Business Services (excludes financial and insurance activities) and therefore Financial and Business Services Scotland total is not provided.

Employment in the social enterprise sector

Social enterprise is a major source of employment. Based on grossed up estimates, the data produced as part of this study indicates that the social enterprise sector accounts for approximately 112,409 jobs nationally. Employment is fairly evenly split between full and part-time positions. It makes an important contribution to the regional economies of both the Highlands & Islands and Lowland Scotland. By some margin, social enterprise activity within the Health & Social Care field represents the largest source of employment. See Appendix A2 for more detailed subsector and regional estimates of social enterprise employment.

ESTIMATED EMPLOYMENT SCOTLAND'S SOCIAL ENTERPRISES

	Estimated employment [1,2]
Registered Social Landlords	12,613
Credit Unions	385
Other Social Enterprises	99,411
Total Estimated Employees	112,409

1. In assessing employment a headcount measure of total jobs in social enterprises has been adopted. This headcount approach is consistent with the sectoral analysis of economic performance of Scottish businesses produced by Scottish Government, based on Annual Business Inquiry data.

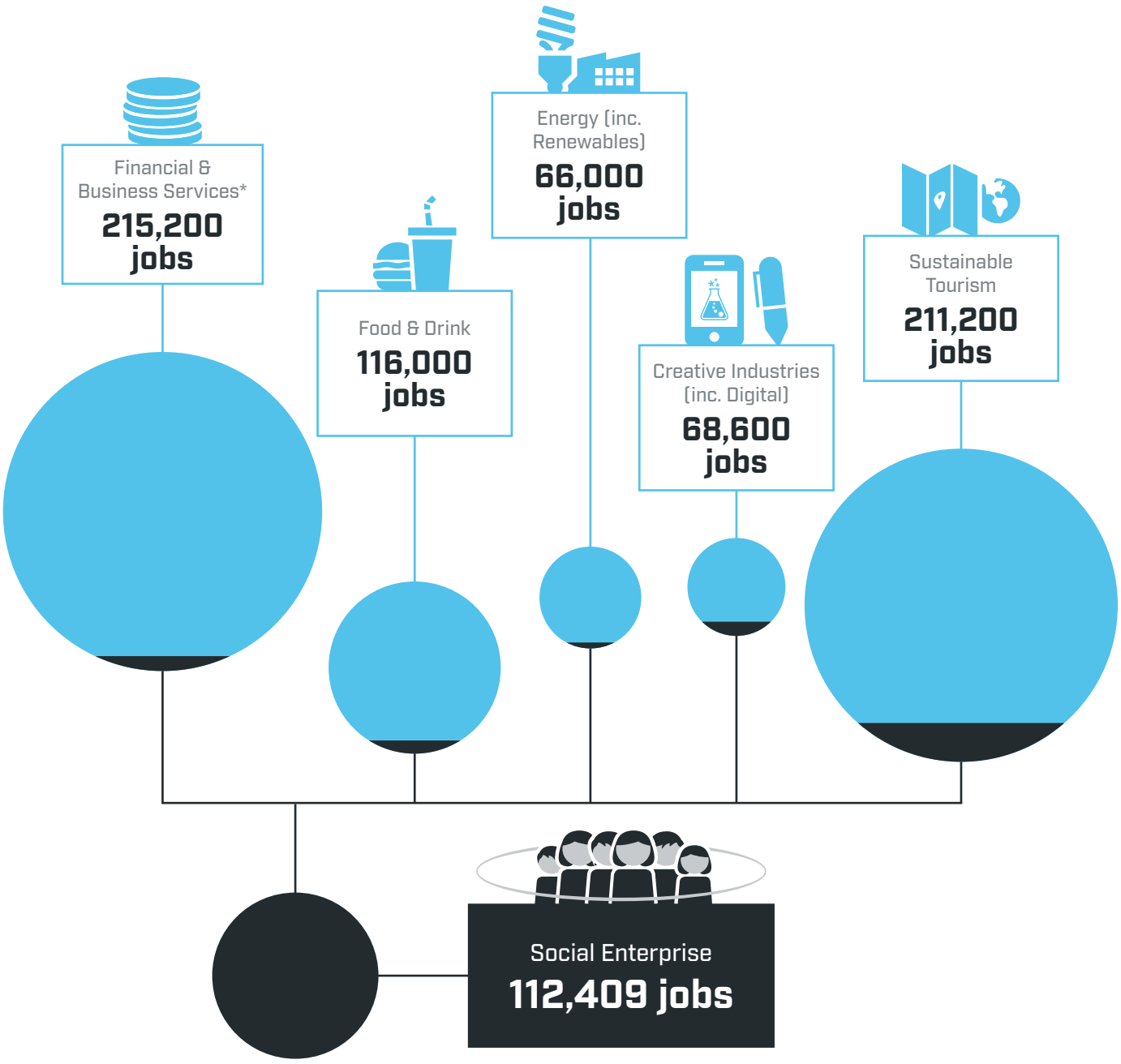
2. Figures derived from data on employment and GVA per economic sector and region, grossed up to population level using median figures for relevant sectors.

ESTIMATED SPLIT OF FULL-TIME AND PART-TIME EMPLOYMENT

	Full-time	Part-time
Highlands & Islands	49.6%	50.4%
Lowland Scotland	46.3%	53.7%
All Scotland	49.0%	51.0%

It is important again here to acknowledge that social enterprises make a demonstrable impact across and beyond Scotland's key economic sectors. The illustration below highlights that social enterprises within other key sectors are an important source of employment in these sectors. The graphic also highlights that when the distinctive contribution of social enterprises is examined, this stands up well to comparisons with other key sectors in employment terms. For example, the level of employment in social enterprises is almost as great in magnitude as that of the Food & Drink sector and greater than that of the Creative Industries and Energy sector.

EMPLOYMENT IN KEY SECTORS, SCOTLAND, 2013: COMPARATIVE EMPLOYMENT CONTRIBUTION OF SOCIAL ENTERPRISE ACROSS AND BEYOND THE KEY SECTORS



Source: Scottish Government, ONS (Business Register and Employment Survey (BRES))
* Official estimates for Life Sciences have been suppressed for 2013 due to concerns over their quality (figure for 2012 was 16,300) and therefore are not provided.

Wider social and environmental impacts

A social enterprise's main purpose is its social and/or environmental mission – it tries to maximise the amount of social good it achieves, balancing this against its financial goals. Social enterprises should therefore ultimately be judged on the difference they make, not simply their economic output or employment contribution. While beyond the scope of this project to quantify this social impact, the Census survey does indicate that social enterprises are pursuing a wide range of positive objectives. Most widely reported were: providing volunteering opportunities; helping people to actively participate in the local community; and improving health and wellbeing. All of the social enterprises that responded to the Census survey were driven by a strong social purpose, to improve the situation for a particular issue, area or group within society.

THE MAIN SOCIAL AND ENVIRONMENTAL OBJECTIVES HELD BY SOCIAL ENTERPRISES

Social and environmental objectives	% of social enterprises
Providing volunteering opportunities	58%
Helping people to actively participate in local community	53%
Improving health and wellbeing	53%
Promoting learning or education	47%
Creating employment opportunities	45%
Providing opportunities for young people to develop	43%
Addressing social isolation/ exclusion	43%
Providing training for employment	37%
Tackling poverty and financial exclusion	33%
Promoting cultural engagement	33%
Supporting other organisations with a social purpose	33%

Social and environmental objectives	% of social enterprises
Promoting equality and human rights	29%
Protecting or improving the environment	26%
Promoting rural development	22%
Supporting children in their early years	21%
Reducing waste	19%
Improving built or natural heritage	17%
Improving urban neighbourhoods	16%
Providing care to adults and older people	13%
Producing renewable energy	9%
Providing affordable housing	8%
Rehabilitation of offenders	7%

Source: Social Enterprise in Scotland Census 2015 Survey, 2015[82]

Helping people back to work

Conventional private businesses operate to maximise shareholder value rather than create jobs or foster employability; for social enterprises the reverse is often true. Indeed, many social enterprises are known for their work in helping to create sustainable jobs and support people back into work. The survey evidence suggests that almost half of social enterprises attempt to create employment opportunities as part of their social mission and two-thirds provide training or support designed to boost employability. In particular the research provides an estimate of 501 Social Firms currently active in Scotland, representing a broader spectrum of 'Work Integration Social Enterprises' that operate mainly to fulfil their aim of engaging and supporting people who find it difficult to work [83].

45% of social enterprises report a stated objective of 'creating employment opportunities' [84]

67% of social enterprises provide training or support intended to improve employability [85]

501 Social Firms (Work Integration Social Enterprises) in Scotland [86]

Valuing Volunteering

Social enterprises often draw on considerable support from volunteers, as an essential part of their connection to communities and important in the way that services are delivered. Excluding board/committee members, there are an estimated 67,768 active volunteers that work in Scotland's social enterprise sector. This adds to the capacity and services of social enterprises, and represents a very significant economic value that might not otherwise exist. While two-thirds of social enterprises that responded to the Census survey (68%) make use of volunteers most are not wholly reliant on them.

67,768 active volunteers [87]

279,312 hours of volunteer input per week [88]

£110m total economic value of volunteering in social enterprises [89]

Measuring impact

Given their complex motivations and multiple benefits it can be much more difficult to measure the success of social enterprises than that of mainstream businesses. Despite the development of various social impact measurement and reporting methods, the Census survey research confirms that social enterprises have generally been slow to embed such practices. Although interpretations of terminology do vary, only 6% of social enterprises responding to the Census survey stated that they fully 'measure social impact', while around half of others do to some extent. In the feedback to the Census survey, only one-quarter of those that claim to measure social impact refer to their use of a recognised impact measurement framework (Social Return on Investment, Social Accounting and Audit, or similar), while most refer to more basic arrangements to ensure compliance, track service activity and gauge service satisfaction.

6% of social enterprises 'fully' measure their social impact [90]

Approaches and Methods	% of responses referring to methods
Ensure annual compliance	**5%**
Monitor service activity	**31%**
Gauge satisfaction through surveys	**25%**
Measure client outcomes	**13%**
Use impact measurement framework	**26%**

Source: Social Enterprise in Scotland Census 2015 Survey, 2015[91]

Future Prospects and Needs

LIKE OTHER BUSINESSES, SOCIAL ENTERPRISES ARE OPERATING IN A WIDER ECONOMIC CONTEXT. WHILE THERE APPEARS SCOPE FOR OPTIMISM IN 2015, THERE ARE ALSO A NUMBER OF MAIN OBSTACLES TO GROWTH AND THERE IS THE POTENTIAL TO UNLOCK INVESTMENT, BUSINESS ASSISTANCE, AND ASSETS.

A challenging economic climate

Wider economic conditions are crucial to the success of any business. For social enterprises, the economic climate ultimately determines the level of wealth and inequality in society, the ability of the public sector to channel resources towards meeting the social needs that arise, and the purchasing behaviour of public bodies, businesses, and consumers. The evidence from the 2015 Census suggests that the economic climate over the last 12 months has tended to have at best a neutral effect (reported in 56% of cases) or indeed negative implications (31% of cases).

HOW THE ECONOMIC CLIMATE DURING THE LAST 12 MONTHS HAS AFFECTED SOCIAL ENTERPRISES

	% of social enterprises
Positively	13%
Neither positively nor negatively	56%
Negatively	31%

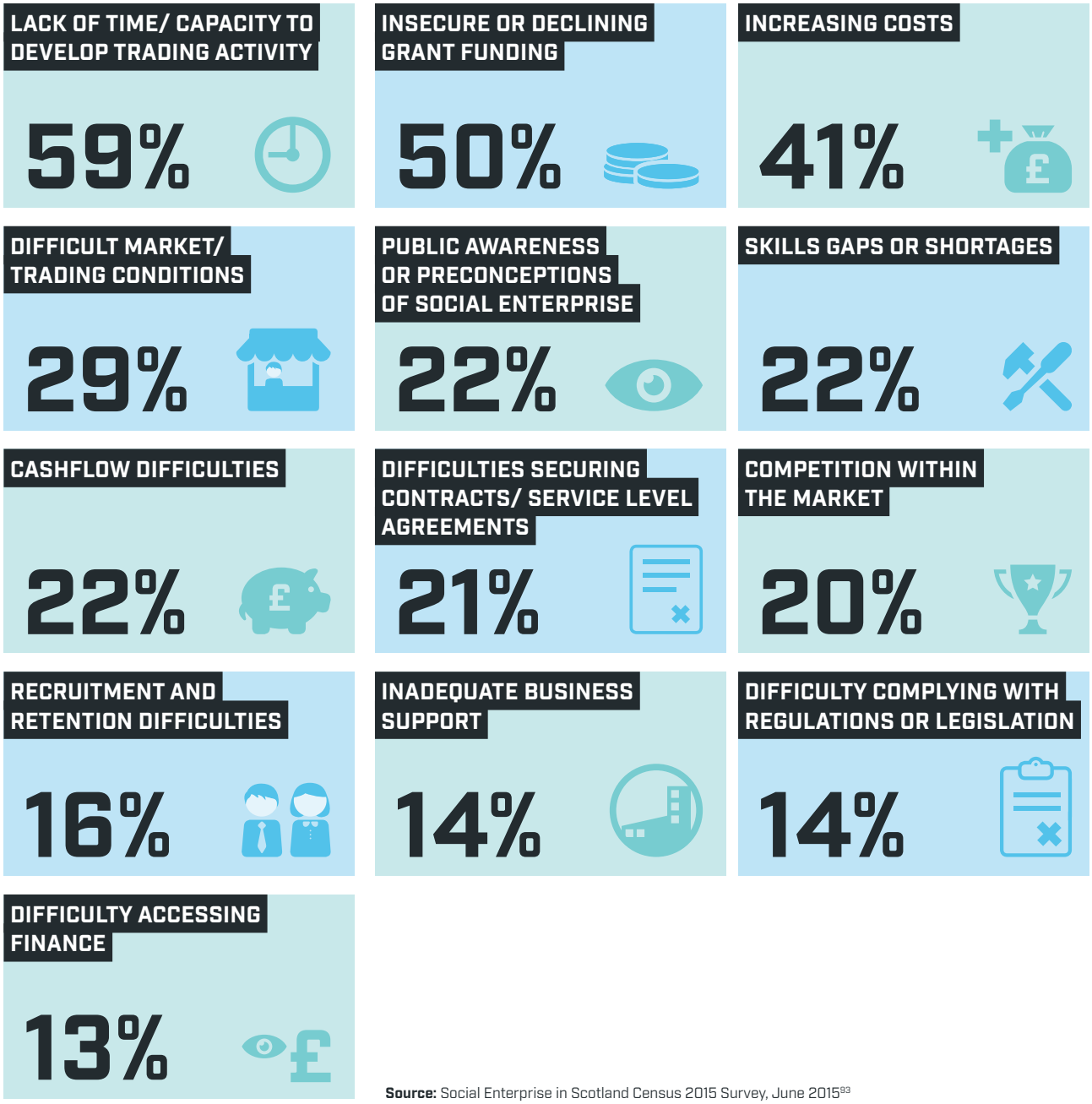
Source: Social Enterprise in Scotland Census 2015 Survey, 2015[92]

Constrained potential

So what is it that's holding Scottish social enterprises back from reaching their full potential? The Census survey has revealed a number of main obstacles, most notably the lack of time/ capacity that they have at their disposal to develop trading activity (cited by 59% of respondents).

This is followed by the combined challenges of insecure/declining grant funding and increasing costs, together with a long tail of other obstacles. Deeper analysis indicates much similarity between the challenges facing the social enterprises in the Highlands and Islands and in Lowland Scotland.

% OF SOCIAL ENTERPRISES REPORTING BARRIER TO DEVELOPMENT

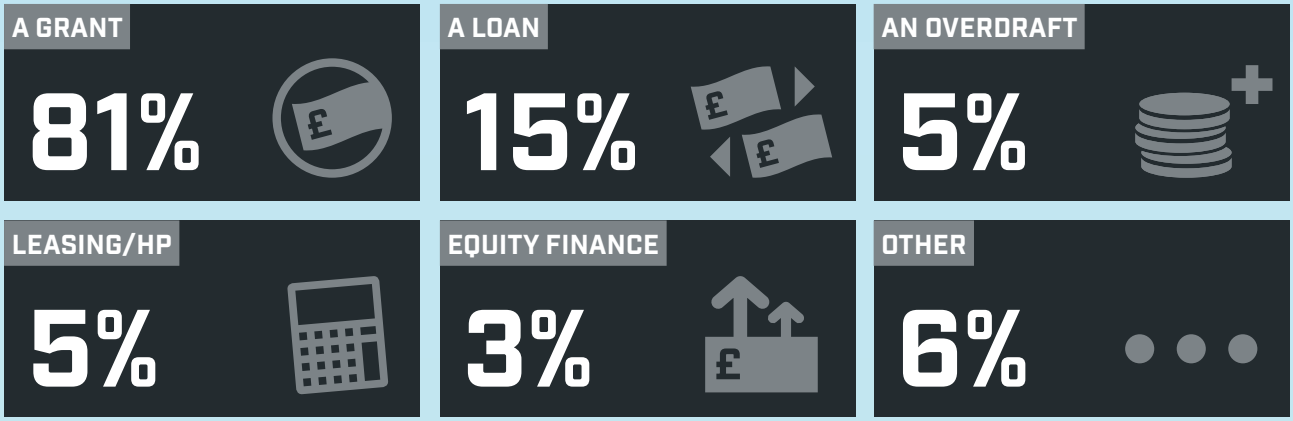


Source: Social Enterprise in Scotland Census 2015 Survey, June 2015[93]

Accessing finance

One of the key challenges noted by social enterprises is insecure or declining grant funding. This, however, does not imply that more and regular grant funding is the solution. Indeed, it can be argued that short-term and serial grants can stifle rather than foster innovation and perpetuate rather than end grant dependence. The findings of the Census show that grants continue to be the main port of call – four in every five survey respondents expected to apply for grant funding during the following year compared to 15% or less that intend to make use of other financing options.

TYPES OF FINANCE SOCIAL ENTERPRISES EXPECT TO APPLY FOR IN THE NEXT 12 MONTHS



Source: Social Enterprise in Scotland Census 2015 Survey, 2015[94]

Making use of repayable finance

It is a commonly held belief that the cultural aversion to risk and debt among social enterprises has meant that the take-up of alternative forms of social finance has been slow. The data from the Census survey suggests a reasonable level of knowledge of repayable/loan finance, with three-quarters of respondents reporting awareness of the options and 39% now willing to consider such finance[95]. Indeed, the findings indicate that between one-in-five and one-in-six social enterprise are currently making use of some form of loan finance[96]. However, there remains a large group of social enterprises still unaware of whether they are able to access such finance, perhaps not having explored or tested the implications.

"Between one-in-five and one-in-six social enterprises are currently making use of some form of repayable/loan finance"

75%
aware of the options for repayable/loan finance

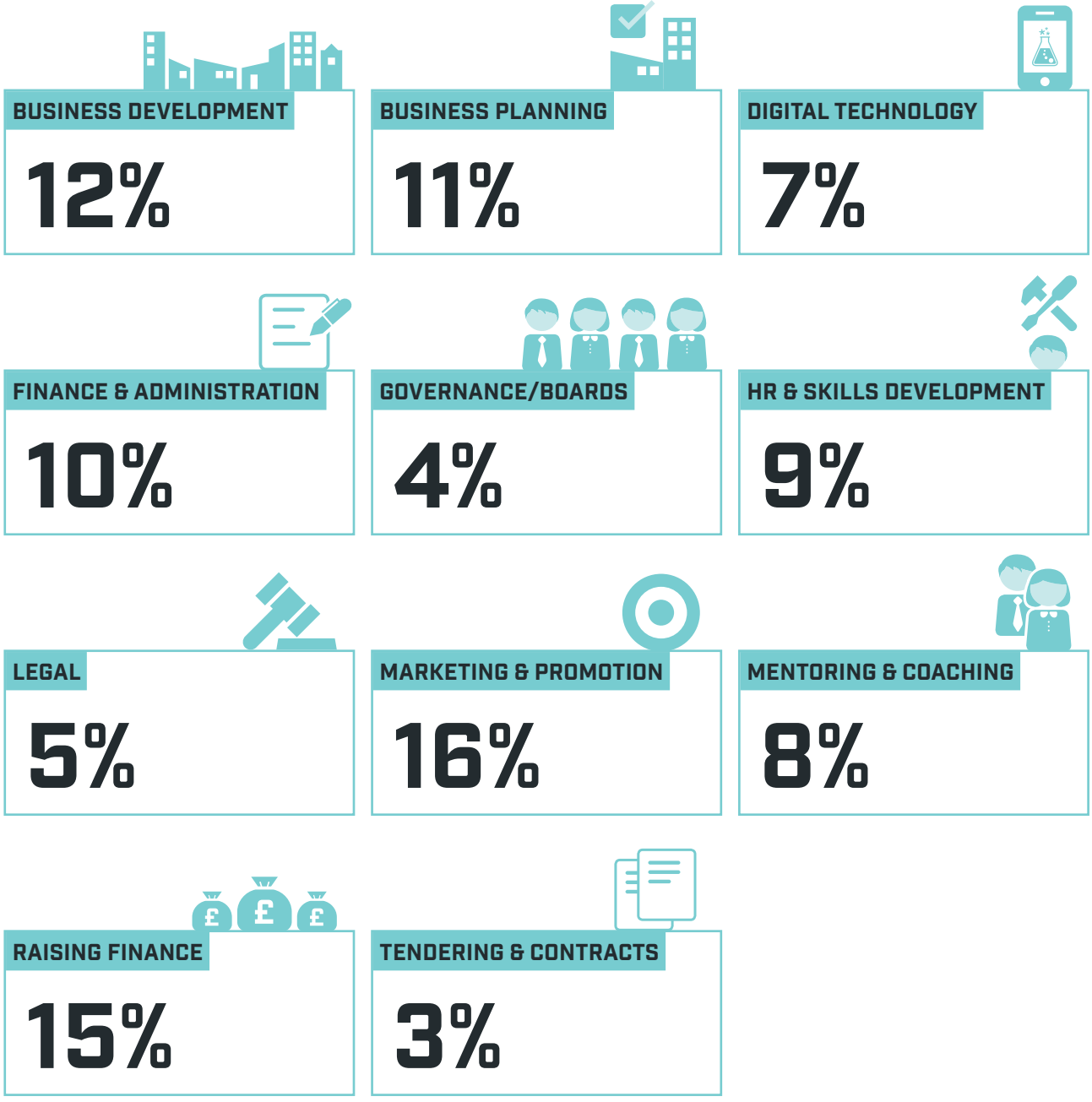
39%
willing to consider repayable/loan finance

30%
don't know if they are able to access repayable/loan finance [97]

Ongoing demand for business support

Scotland is generally regarded as enjoying one of the most coherent and extensive systems of tailored social enterprise business support available anywhere in the world. In the 2015 survey, just over half of social enterprise respondents identified that some form of business support is likely to be required during the next 12 months. The feedback illustrates a requirement for a variety of support, most notably relating to 'Marketing & Promotion' and 'Raising Finance'.

% OF RESPONSES RELATING TO SUPPORT REQUIREMENTS FOR FORMS OF REQUIRED BUSINESS SUPPORT IN THE NEXT 12 MONTHS



Source: Social Enterprise in Scotland Census 2015 Survey, 2015[99]

Finding property solutions

Property can be an essential resource for social enterprises; to anchor operations, to enable the delivery of frontline services, and as an ongoing source of income or appreciating asset that can support future growth. Property can also prove a key constraint for organisations. In the Census survey half of respondents reported likely requirements in relation to property or premises during the next 12 months. The main requirement was for space to expand into (just over one-quarter of all requests), although various needs were also reported such as taking on new locations, upgrading or refurbishing existing space, carrying out everyday maintenance and repairs, and the purchase or acquisition of property.

50%
identify support with property/premises as a likely requirement during the next 12 months [100]

% OF RESPONSES RELATING TO AREAS OF PROPERTY SUPPORT

8%
Flexible Office/Desk Space

3%
New Build Project

7%
New/Renegotiated Lease

12%
Purchase/Acquisition

11%
Repairs, Maintenance & Energy Efficiency

6%
Retail Space

26%
Space for Expansion

13%
Take on New Location(s)

14%
Upgrade or Refurbishment

Source: Social Enterprise in Scotland Census 2015 Survey, June 2015[101]

Scope for optimism in 2016

Despite some challenges, there remains considerable optimism within the social enterprise sector. The survey data suggests particular confidence that incomes will grow over the next year (cited by 66% of respondents), including from traded income. However, given a widely held expectation of rising costs and predicted increases in demand for services and associated collaboration, the broad view from the field in 2015 is that there is unlikely to be a widespread reduction in the reliance on grants or substantial uplift in public sector contracts during the next 12 months.

EXPECTED CHANGES DURING THE NEXT 12 MONTHS

	Will increase	No change	Will decrease
Total income	66%	21%	13%
Proportion of income from trading/contracts	58%	34%	8%
Contracts with the public sector	31%	60%	10%
Geographic coverage	31%	67%	2%
Product/service range	63%	36%	1%
Demand for services	82%	16%	2%
Operating costs	74%	19%	7%
Joint working with others	72%	27%	1%
Reliance on grants	26%	47%	27%
Total employees	47%	46%	7%

Source: Social Enterprise in Scotland Census 2015 Survey, 2015[102]

Appendices

A1: Methodology

A2: Economic Contribution

A3: Technical Notes

A1: Methodology

INDEPENDENTLY CONDUCTED BY THE TEAM AT SOCIAL VALUE LAB (**WWW.SOCIALVALUELAB.ORG.UK**) IN THE PERIOD JANUARY TO JUNE 2015, THE PROJECT INVOLVED A NUMBER OF OVERLAPPING ELEMENTS.

Identifying the population

In the initial stages of the project a database of active social enterprises was developed based on an agreed working definition[103].

The development of the database involved merging any available registration, incorporation, contact, financial and other information from the Charity register (OSCR), Company register (Companies House, based on selected legal forms), Mutuals register (Financial Conduct Authority), and register of Registered Social Landlords (Scottish Housing Regulator).

The data from the above sources was cross-matched and duplicates removed to produce a combined list of over 30,000 potential social enterprises.

All listed organisations were filtered and screened against the agreed working definition using available online information.

Further online searches were undertaken and verification/screening calls placed to add further categorisation and to help determine inclusions and exclusions from the study.

Reviewing financial information

A full and objective financial analysis of the potential 'population' of social enterprises was undertaken.

Publicly available accounts for the last full financial year (typically ending March or September 2014) were purchased where available for all social enterprises registered as companies or mutuals[104]. Full or abbreviated accounts were examined for all 'shortlisted' organisations to initially confirm the presence of traded income, and of these financial records were retained as relating to eligible social enterprises.

'Common sized' financial data was extracted for each social enterprise. Where ambiguity as a result of financial accounting practices existed (e.g. in the categorisation of trading, grants, etc.), expert judgement was used and assumptions verified against or gaps filled from financial approximations provided in the Census survey returns.

Data from OSCR, the Prudential Regulation Authority and Scottish Housing regulator also helped to build up as complete a picture as possible. In the end some level of financial data was available on 3,794 social enterprises of the 5,199 social enterprises (73% of all).

Gathering census survey data

A large-scale survey of potential social enterprises was carried out to verify and extend upon the data already gathered. This Social Enterprise Census survey was set up online and an invitation to participate extended through all relevant social enterprise media and networks and via direct emails to over 4,600 organisations where email contact records could be sourced.

Social enterprises were invited to provide information and views relating to their scale, characteristics, geographic reach, barriers, and prospects.

A total of 1,321 responses were received and in 1,100 cases were retained as unique responses from eligible social enterprises.

The data obtained from the Census survey was used to further refine the population and ensure the financial analysis was as complete as possible.

The online survey was supplemented by telephone reminders and interviews to boost the response rate and gather missing data. In total 77% of respondents completed a full response and 23% a partial response. The 1,100 retained responses represents 21% of the final refined population and achieved data accurate to +/-3%. In total, 788 responses were received from social enterprises located in Lowland Scotland (data accurate to +/-3%) and 288 responses from the Highlands and Islands (data accurate to +/-5%), which are within accepted confidence intervals.

Analysis of economic performance and impact

Data from the various sources was combined and cleaned as a basis for further analysis. Financial data where available was aggregated, analysed and benchmarked using various financial ratios (relating to financial performance, health and sustainability). Income, employment and GVA estimates were produced by economic sub sector and region. Where 'grossing up' of data was required to reflect missing records, this was based on sector-by-sector median values in order to reduce the effect of outliers and recognise the diversity of social enterprises by size and type.

A2: Economic Contribution

Calculating economic contribution

The core measures of economic contribution are employment and Gross Value Added (GVA) expressed in monetary terms (£).

GVA Estimates

GVA is essentially the difference in value between the cost of inputs to the social enterprise and the income received by the social enterprise from the provision of its products and services. GVA can be estimated at the level of the individual social enterprise by aggregating Surplus and Employee Costs and adjusting for changes in the cost of assets used in producing the product or service (depreciation and amortisation). Where this data is not available for an individual business, data exists at the Scottish level for estimating GVA per employee per annum for activity in a wide range of industry sectors. In estimating the GVA of Social Enterprises in Scotland this study has used enterprise-specific data from individual enterprises where this has been available from publicly accessible accounts. Where possible, this has been supplemented by data collected through the Census survey of social enterprises. Where necessary data from regulatory authorities and from business sector statistics published by Scottish Government have also been used to supplement and facilitate interpretation of data from other sources.

Employment Estimates

In assessing employment a headcount measure of total jobs in the social enterprises has been adopted – both full and part time. This reflects the difficulties in reliably converting part-time employment to full time employment across the social enterprise sector - where there are wide variations in the hours worked by employees in individual enterprises. This headcount approach is consistent with the sectoral analysis of economic performance of Scottish businesses produced by Scottish Government, based on Annual Business Inquiry data. This study has, however, provided an analysis of the average proportions of full and part-time employment for each SE sector in the HIE and Lowlands areas of Scotland, based on Census survey returns.

LOWLAND SCOTLAND: INCOME, EMPLOYMENT AND GVA ESTIMATES

	Arts & Creative	Childcare	Community Amenities	Education Emp.& Trg.	Envt. & Recycling	Food & Drink	Health & Social Care	Housing (Non RSL)
Total Income of SEs with Income Data	£159,203,594	£60,927,133	£30,853,715	£130,653,928	£56,156,511	£6,778,762	£894,238,871	£139,506,009
GVA of SEs with Data to Calculate	£59,560,914	£30,701,190	£10,568,971	£62,758,158	£30,055,036	£3,333,283	£519,616,599	£54,202,468
Total Income of SEs with Data to calculate GVA	£148,560,427	£49,342,995	£22,368,663	£126,785,567	£55,490,725	£6,638,188	£809,047,753	£123,539,365
GVA to income ratio for SEs with data	40%	62%	47%	49%	54%	50%	64%	44%
Average GVA per SE Employee	£22,308	£13,161	£12,675	£20,209	£21,271	£11,500	£11,015	£47,426
Income Grossed Up to Population (Using Average)	£219,225,179	£101,718,803	£32,258,818	£168,359,425	£77,807,214	£12,361,272	£1,020,108,628	£304,966,624
Employment Grossed Up to Population (Using Average)	4,178	5,749	1,471	5,048	2,040	577	66,091	2,933
GVA Grossed Up to Population (Using Average)	£87,891,858	£63,289,395	£15,241,971	£83,336,989	£42,142,153	£6,207,058	£655,171,928	£133,803,049
Income Grossed Up to Population (Using Median)	£168,329,374	£74,275,133	£31,218,851	£141,231,928	£60,284,511	£10,477,562	£916,285,221	£170,707,809
Employment Grossed Up to Population (Using Median)	3,208	4,198	1,423	4,234	1,581	489	59,365	1,642
GVA Grossed Up to Population (Using Median)	£67,486,689	£46,213,955	£14,750,597	£69,909,028	£32,651,459	£5,261,177	£588,490,616	£74,897,459
Percentage of Employee headcount identified as Full Time	33%	20%	30%	55%	81%	30%	42%	49%
Percentage of Employee Headcount identified as Part Time	67%	80%	70%	45%	19%	70%	58%	51%

Info. Cons. Support	Land, Prop. & Energy	Retail	Sport & Leisure	Tourism & Heritage	Transport	Other	All Sectors
£90,678,930	£25,223,357	£128,386,955	£21,102,498	£145,564,968	£11,617,811	£76,982,926	£1,977,875,969
£56,872,785	£11,370,500	£8,285,049	£11,059,701	£41,511,845	£6,546,939	£46,649,127	£953,092,566
£88,576,177	£23,533,575	£17,918,424	£18,329,315	£125,455,364	£11,369,860	£69,218,672	£1,696,175,071
64%	48%	46%	60%	33%	58%	67%	56%
£28,354	£27,280	£8,611	£13,337	£28,970	£17,427	£24,376	£307,918
£120,905,240	£34,902,087	£231,096,519	£31,387,749	£180,500,560	£12,343,924	£125,526,300	£2,673,468,343
2,895	726	12,837	1,592	3,145	415	3,183	112,881
£77,630,554	£16,863,319	£106,853,481	£18,939,012	£59,725,715	£7,107,820	£84,597,004	£1,458,801,307
£103,914,330	£29,018,357	£131,639,255	£26,786,498	£148,386,168	£11,751,503	£86,876,392	£2,111,182,893
2,488	604	7,313	1,359	2,586	395	2,203	93,087
£66,721,070	£14,020,531	£60,866,831	£16,162,669	£49,099,404	£6,766,695	£58,549,344	£1,171,847,525

60%	40%	73%	27%	40%	36%	42%
40%	60%	27%	73%	60%	64%	58%

HIGHLANDS AND ISLANDS: INCOME, EMPLOYMENT AND GVA ESTIMATES

	Arts & Creative	Childcare	Community Amenities	Education Emp.& Trg.	Envt. & Recycling	Food & Drink	Health & Social Care	Housing (Non RSL)
Total Income of SEs with Income Data	£15,185,409	£4,958,309	£8,742,191	£11,351,301	£4,160,980	£14,089,970	£35,287,877	£1,247,897
GVA of SEs with Data to Calculate	£3,651,900	£1,871,800	£706,413	£4,362,900	£1,723,600	£1,819,300	£14,797,200	£578,700
Total Income of SEs with Data to calculate GVA	£9,238,600	£2,991,414	£1,186,458	£8,749,000	£3,032,200	£13,285,800	£19,554,300	£943,200
GVA to income ratio for SEs with data	40%	63%	60%	50%	57%	14%	76%	61%
Average GVA per SE Employee	£16,371	£14,781	£14,059	£16,686	£16,612	£8,270	£15,416	£52,957
Income Grossed Up to Population (Using Average)	£19,343,319	£7,306,982	£9,080,797	£13,032,975	£5,169,702	£20,494,502	£40,634,525	£4,492,429
Employment Grossed Up to Population (Using Average)	574	550	440	328	191	341	2121	74
GVA Grossed Up to Population (Using Average)	£7,646,166	£4,572,155	£5,406,675	£6,499,208	£2,938,625	£2,806,428	£30,749,103	£2,756,328
Income Grossed Up to Population (Using Median)	£16,121,981	£6,251,609	£8,910,491	£12,107,701	£4,872,980	£14,467,015	£36,920,877	£4,367,897
Employment Grossed Up to Population (Using Median)	479	471	432	305	180	240	1,927	72
GVA Grossed Up to Population (Using Median)	£6,372,812	£3,911,783	£5,305,276	£6,037,797	£2,769,959	£1,981,050	£27,938,898	£2,679,922
Percentage of Employee headcount identified as Full Time	26%	23%	4%	33%	26%	30%	62%	25%
Percentage of Employee Headcount identified as Part Time	74%	77%	96%	67%	74%	70%	38%	75%

Info. Cons. Upport	Land, Prop. & Energy	Retail	Sport & Leisure	Tourism & Heritage	Transport	Other	All Sectors
£8,247,650	£19,629,928	£3,847,087	£15,383,419	£11,547,991	£1,728,879	£10,426,585	£165,835,473
£4,711,500	£7,389,131	£635,400	£2,488,800	£1,153,940	£516,800	£4,466,900	£50,874,284
£7,648,700	£15,649,018	£1,752,666	£4,986,900	£2,699,743	£808,300	£6,860,100	£99,386,399
62%	47%	36%	50%	43%	64%	65%	51%
£18,776	£31,749	£21,896	£14,554	£14,061	£16,926	£24,462	£297,577
£10,015,004	£25,300,796	£7,869,042	£20,646,168	£15,167,511	£1,914,116	£12,347,272	£212,815,138
335	388	186	741	534	85	384	7,272
£6,169,112	£11,946,494	£2,852,791	£10,303,832	£6,482,986	£1,223,822	£8,039,829	£110,393,555
£9,535,250	£21,327,728	£5,091,272	£16,783,519	£12,387,991	£1,806,422	£10,738,540	£181,691,272
319	327	121	603	436	81	334	6,324
£5,873,590	£10,070,496	£1,845,756	£8,376,110	£5,294,948	£1,154,966	£6,992,316	£96,605,678

	44%	30%	57%	35%	30%	20%	60%
	56%	70%	43%	65%	70%	80%	40%

REGISTERED SOCIAL LANDLORDS: INCOME, EMPLOYMENT AND GVA ESTIMATES

	Total staff employed	Turnover £'000s	GVA Estimate £'000s[2]
Total HIE Area	645	85,707	29,683
Total Lowland	7,626	1,010,321	312,298
Total National	4,341	207,233	55,662
Total Scotland	**12,613**	**1,303,262**	**£397,642**
Total HIE (Adjusted for National Operators[1])	984	101,912.43	34,035.17
Total Lowland (Adjusted for National Operators[1])	11,629	1,201,349.17	363,606.77
Total Scotland	**12,613**	**1,303,262**	**397,642**

1. Adjustment assumes national operator activity is split in same proportions as regional activity at HIE/Lowland Scotland levels for Scotland totals of non-national operators.
2. Based on ratio of labour costs to turnover, ABI Data 2008-12; Real Estate activities (Average value over 4 Years) and accounts data for RSLs surpluses.

CREDIT UNIONS: INCOME, EMPLOYMENT AND GVA ESTIMATES

Scotland (including HIE area)		2014	
Total Income		£31,494,308	
Total Expenditure		£21,730,287	
Profit/Surplus	From Annual Returns	£9,763,949	31%
Total Employees	From Annual Returns	385	
Income per Employee Scotland	Derived From Annual Returns	£81,803	
GVA Estimate	Surplus from annual returns plus Average Labour % Total Expenditure from Glasgow & HIE Accounts applied to Scottish total from annual returns	£16,338,556	
GVA % of Income	Derived from Total Income from annual return and estimate of GVA	52%	

Estimate for HIE Area only	
Income per Employee HIE (1 record)	£57,525
Total Income HIE Area (7 Records)	£404,600
HIE % Scotland	1.3%
GVA HIE Area (using Scotland % figure)	£209,898

A3. Technical Notes

1. For further information go to http://www.se-code.net/the-code-2/the-criteria/
2. Based on the Voluntary Code of Practice for Social Enterprise in Scotland further objective criteria and categories of eligible and ineligible organisation determined. The approach to interpreting these criteria, and choices about inclusions and exclusions, from the scope of the study is set out in a separate paper.
3. Figures based on Business and Enterprise Statistics 2014, Office of the Chief economic Advisor, Scottish Government. Registered charities drawn from OSCR Charity Register at 15 January 2015 (figure excludes designated religious bodies).
4. Formation here is taken as the point at which social enterprises register as a company, mutual or charity (if unincorporated)
5. Based on the known age of 4,490 of the 5,199 identified social enterprises in Scotland
6. Figure based on the mean of all social enterprises of a known age
7. For further information go to http://www.se-code.net/the-code-2/the-criteria/
8. Based on 1,035 responses to question "Is 'social enterprise' a term that your organisation uses to describe itself?" (Social Enterprise Census Survey, June 2015)
9. Information drawn from the list of subscribers to the Code of Practice, http://www.se-code.net/subscribers/subscribers/ (Website accessed 3rd August 2015)
10. Figures calculated based on financial data for 3,794 social enterprises. Draws also on data from income and expenditure statements obtained from the Scottish Housing Regular (housing associations) and the Prudential Regulation Authority (credit unions).
11. The Scottish Index of Multiple Deprivation (SIMD) is the Scottish Government's official tool for identifying those places in Scotland suffering from deprivation. It incorporates several different aspects of deprivation, combining them into a single index. Deprivation is defined as the range of problems that arise due to lack of resources or opportunities, covering health, safety, education, employment, housing and access to services, as well as financial aspects.
12. The population of the fragile areas is approximately 67,500 (2013 mid-year estimates) which constitutes 14% of the Highlands and Islands population. Sixteen percent of the 1,118 of the region's social enterprises are also located in the Highlands and Islands.
13. Steinerowski A., Can Social Enterprise Contribute to Creating Sustainable Rural Communities?, Scottish Agriculture College, 2011
14. Figures derived from the credit union data (2004-2012) available from the Prudential Regulation Authority together with the Credit Union Annual Statistics releases for 2013 and 2014
15. Source: Glasgow City Council
16. Figure derived from the Prudential Regulation Authority, Credit Union Annual Statistics 2014
17. Figure derived from the Prudential Regulation Authority, Credit Union Annual Statistics 2014
18. Figures derived from the credit union data (2004-2012) available from the Prudential Regulation Authority together with the Credit Union Annual Statistics releases for 2013 and 2014
19. Family and Childcare Trust, Factsheet: Childcare in Scotland, April 2015
20. Figure taken from the Social Enterprise Census 2015
21. Figure derived from latest figures from the Childcare Inspectorate relating to the year ending December 2013
22. Figure derived from latest figures from the Childcare Inspectorate relating to the year ending December 2013
23. Childcare Inspectorate, Early learning and childcare statistics 2013: The provision and use of registered daycare of children and childminding services in Scotland as at December 2013, Published October 2014
24. Scottish Social Services Council, Scottish Social Services Sector: Report on 2013, Workforce Data, Published September 2014
25. Lloyd and Penn (eds), Childcare Markets: Can they deliver an equitable service?
26. Figures calculated based on publicly available information from the Childcare Inspectorate, Early learning and childcare statistics 2013 (Published October 2014). Excludes childminding services.
27. Family and Childcare Trust, Factsheet: Childcare in Scotland, April 2015
28. National Day Nurseries Association, Annual Nursery Survey 2015: Scotland Report – shows that 49% of nurseries expect to either just break even (37%) or make a loss (12%) this year.
29. The Commission for Childcare Reform, Meeting Scotland's Childcare Challenge, June 2015
30. Data in this section relates to housing associations and co-operatives that are Registered Social Landlords
31. Figures from the Scottish Housing Regulator RSL Annual Performance and Statistical Return 2013-14
32. Figures from the Scottish Housing Regulator RSL Annual Performance and Statistical Return 2013-14
33. Figures from the Scottish Housing Regulator RSL Annual Performance and Statistical Return 2013-14
34. Figures from an analysis of the financial accounts and data from Scottish Housing Regulator RSL Annual Performance and Statistical Return 2013-14
35. Figures from an analysis of the financial accounts and data from Scottish Housing Regulator RSL Annual Performance and Statistical Return 2013-14
36. Figures taken from aggregate 5 Year RSL Income and Expenditure Statements and Balance Sheets accessed from the Scottish Housing Regulator
37. Figures from an analysis of the financial accounts and data from Scottish Housing Regulator RSL Annual Performance and Statistical Return 2013-14
38. Based on 43 responses from housing associations to the question "Is 'social enterprise' a term that your organisation uses to describe itself?" (Social Enterprise Census Survey, June 2015)
39. Figure based on an analysis of 5,199 identified social enterprises, with data drawn from Companies House, the Financial Conduct Authority, CIC Regulator and OSCR.
40. Figure based on 3,464 social enterprises registered with the Office of the Scottish Charity Regulator (OSCR)
41. Figure based on an analysis of the constitutional form of 5,199 identified social enterprises
42. Figure based on an analysis of all incorporated social enterprises with financial statements submitted to Companies House that reported an income of £79,000 or more. It is possible, but much less likely, that smaller unincorporated social enterprises have also established Group structures
43. Figure relates to all subsidiaries in which the social enterprise holds a controlling interest
44. See the values and behaviours set out in the Voluntary Code of Practice for Social Enterprises in Scotland http://www.se-code.net/the-code-2/valuesbehaviours/
45. Figures taken from Department for Business, Innovation & Skills, Women on Boards, Davies Review Annual Report 2015, published March 2015.
46. Based on Social Enterprise Census Survey June 2015, including analysis of 'board' composition of 946 social enterprises. Includes management committee members and trustees in unincorporated social enterprises.
47. Based on 946 responses to question, "How many individuals currently serve on your organisation's governing board/committee?" (Social Enterprise Census Survey, June 2015)
48. Based on an analysis of the board composition of 946 social enterprises (Social Enterprise Census Survey, June 2015)
49. Based on 859 responses to question "Is your most senior employee male or female?" (Social Enterprise Census Survey, June 2015)
50. Figures taken from NCVO, Report of the Inquiry into Charity Senior Executive Pay and guidance for trustees on setting remuneration, published April 2014
51. Based on an analysis of the reported ratio between the salary of the highest and lowest paid employee in 609 social enterprises (Social Enterprise Census Survey, June 2015)
52. Based on an analysis of the reported ratio between the salary of the highest and lowest paid employee in 609 social enterprises (Social Enterprise Census Survey, June 2015)
53. For further information see the Voluntary Code of Practice for Social Enterprises
54. Based on an analysis of the 295 employers in Scotland listed as holding Scottish Living Wage Accreditation. http://scottishlivingwage.org/accredited. (Website accessed 3rd August 2015)
55. Based on 871 responses to question, "Does your organisation pay at least the national living wage to all employees? (£7.65 per hour rising to £7.85 per hour from 1st April 2015)?" (Social Enterprise Census Survey, June 2015)
56. CIPD, Zero Hours Contracts: Myth and Reality, Research Report, November 2013
57. Based on 924 responses to question "Does your organisation make use of zero hours employment contracts?" (Social Enterprise Census Survey, June 2015)
58. Based on 850 responses to question "Approximately, what proportion of your workforce: are female?" (Social Enterprise Census Survey, June 2015)
59. Based on 833 responses to question "Approximately, what proportion of your workforce: are residents of the local area(s) in which your organisation is based?" (Social Enterprise Census Survey, June 2015)

60. Based on 796 responses to question "Approximately, what proportion of your workforce: were disadvantaged in the labour market (e.g. long-term unemployed, ex-offenders, older people, people with disabilities?" (Social Enterprise Census Survey, June 2015)
61. Based on 790 responses to question "Approximately, what proportion of your workforce: are previously unemployed young people (aged under 25 years)?" (Social Enterprise Census Survey, June 2015)
62. Based on 850 responses to question, "Does your organisation explicitly target recruitment at people from areas of groups disadvantaged in the labour market (e.g. long-term unemployed, people with disabilities, older people, ex-offenders)?" (Social Enterprise Census Survey, June 2015)
63. Based on 907 responses to question, "What types of trading activity does your organisation carry out? (tick all that apply)" (Social Enterprise Census Survey, June 2015)
64. Based on 858 responses to question, "Does your organisation provide goods or services in return for a fee (including by way of Contract or Service Level Agreement) to any of the following customer groups?" (Social Enterprise Census Survey, June 2015)
65. Based on 1,004 responses to question, "If your organisation was not operating, who do you think would provide the goods and services that you currently offer?" (Social Enterprise Census Survey, June 2015)
66. Based on 1,054 responses to the question "What is the widest geographic area across which your organisation operates?" (Social Enterprise Census Survey, June 2015)
67. Based on 1,054 responses to the question "What is the widest geographic area across which your organisation operates?" (Social Enterprise Census Survey, June 2015)
68. Based on 969 responses to question "Has your organisation exported/ licensed goods or services to overseas markets in the last 12 months?" (Social Enterprise Census Survey, June 2015).
69. Based a social enterprise of median income outside of the housing association or credit union sectors.
70. The figures are calculated based on trading data for 1,936 social enterprises. For social enterprises for which we do not have trading data the value has been calculated by using the median value.
71. The figures are calculated based on trading data for 1,936 social enterprises.
72. Figures calculated based on financial data for 3,794 social enterprises. The estimate of surplus has been grossed up from the sample of cases using the median profit values. Draws on also on data from income and expenditure statements obtained from the Scottish Housing Regular (housing associations) and the Prudential Regulation Authority (credit unions).
73. Figures calculated based on financial data for 3,678 social enterprises. The estimate of expenditure has been grossed up from the sample of cases using median expenditure values. Draws on also on data from income and expenditure statements obtained from the Scottish Housing Regular (housing associations) and the Prudential Regulation Authority (credit unions).
74. Calculated based on data relating to the staff costs of 1,349 social enterprises.
75. Calculated based on financial data relating to 2,399 social enterprises. The estimates for current assets and liabilities have been grossed up from the sample of cases using median values. Draws also on balance sheet information from the Scottish Housing Regular (Housing) and Prudential Regulation Authority (credit unions).
76. Calculated based on financial data relating to 1,814 social enterprises.
77. Based on 1,054 responses to the question "What is the widest geographic area across which your organisation operates?" (Social Enterprise Census Survey, June 2015)
78. Calculated based on financial data relating to 2,391 social enterprises. The estimates for assets and liabilities have been grossed up from the sample of cases using median values. Draws also on balance sheet information obtained from the Scottish Housing Regular (Housing) and Prudential Regulation Authority (credit unions).
79. Calculated based on data relating to 1,937 social enterprises.
80. Calculated based on data relating to 1,423 social enterprises.
81. Calculated based on balance sheet data relating to 2,237 social enterprises. The estimates for unrestricted reserves have been grossed up from the sample of cases using median values.
82. Based on 955 responses to question "Which of the following, if any, are your organisation's main social and/or environmental objectives?" (Social Enterprise Census Survey, June 2015)
83. A Social Firm is a particular type of social enterprise where the social mission is to create employment, work experience, training and volunteering opportunities, within a supportive and inclusive environment, for people who face significant barriers to employment – in particular, people with a disability (including mental ill health and learning disability) substance abuse issue, a prison record, homeless issue and young people. For further information see Social Firms Scotland http://socialfirms.org.uk/socialfirms/
84. Based on 955 responses to question "Which of the following, if any, are your organisation's main social and/or environmental objectives?" (Social Enterprise Census Survey, June 2015)
85. Based on 805 responses to question, "Approximately, what proportion of your workforce: receive training or support intended to improve their employability?" (Social Enterprise Census Survey, June 2015)
86. The estimate of Social Firms provided here is based on an extrapolation of the number of social enterprise respondents that state a main objective of 'creating employment opportunities' and report at least 25% of their workforce are people previously disadvantaged in the labour market.
87. Grossed up estimates of the volunteer population are based on the median number of volunteers per social enterprise containing volunteers.
88. Grossed up estimates based on average number of volunteering hours per week from a sample of 655 social enterprises able to report on this information.
89. Economic value based on the median Scottish weekly wage of £393.70.
90. Based on 984 responses to question "Does your organisation currently measure its social impact?" (Social Enterprise Census Survey, June 2015)
91. Based on the analysis of 219 comments relating to the use of particular approaches or techniques in response to the question "Does your organisation currently measure its social impact? Please note any main frameworks, methods, or tools used." (Social Enterprise Census Survey, June 2015)
92. Based on 690 responses to the question "Has the economic climate over the last 12 months positively or negatively affected the prospects of your organisation?" Excludes 78 'Don't know' responses. (Social Enterprise Census Survey, June 2015)
93. Based on 857 responses to the question "What, if any, are the main barriers/ obstacles to the development of your organisation? (tick all that apply)" (Social Enterprise Census Survey, June 2015)
94. Based on 885 responses to the question "Which types of finance, if any, do you expect your organisation to apply for during the next 12 months? (tick all that apply)" (Social Enterprise Census Survey, June 2015)
95. Based on 867 responses to the question "To what extent are you aware of and in a position to use repayable/loan finance as a means to grow your organisation or increase its impact?" (Social Enterprise Census Survey, June 2015)
96. Based on 20% of 825 that responded positively to the question, "To what extent are you aware of and in a position to use repayable/loan finance as a means to grow your organisation or its impact? [Category: Currently making use of repayable/loan finance]" (Social Enterprise Census Survey, June 2015) and 16% of social enterprises that are established as a company now having registered a charge ('mortage') with Companies House as a security against some form of loan.
97. Figure includes a large number of 'Don't Know' responses, accounting for 30% of all responses. This perhaps suggests that the assertion that social investment is available has not yet been tested.
98. Based on the 836 responses to the question "Are there any forms of business support that are likely to be needed to help grow or sustain your organisation over the next 12 months?" (Social Enterprise Census Survey, June 2015)
99. Based on the analysis of 494 mentions of support required in response to the question "Are there any forms of business support that are likely to be needed to help grow or sustain your organisation over the next 12 months? Please specify any business support needs." (Social Enterprise Census Survey, June 2015)
100. Based on the 905 responses to the question "Is your organisation likely to have any property/premises needs over the next 12 months?" (Social Enterprise Census Survey, June 2015)
101. Based on the analysis of 399 mentions of support required in response to the question "Is your organisation likely to have any property/premises needs over the next 12 months? If so, please specify." (Social Enterprise Census Survey, June 2015)
102. Based on 887 responses to the question "What do you expect to change for your organisation in the next 12 months?" (Social Enterprise Census Survey, June 2015)
103. Based on the Voluntary Code of Practice for Social Enterprise in Scotland further objective criteria determined and categories of eligible and ineligible organisation determined. The approach to interpreting these criteria, and choices about inclusions and exclusions, from the scope of the study is set out in a separate paper.
104. In some cases full accounting data could not be secured where smaller organisations were not obliged to file financial returns, chose to file abbreviated accounts (balance sheet only), or were in their formative stages and had not yet produced accounts.

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