

**Response by the Social Enterprise Coalition Department of Business,  
Enterprise and Regulatory Reform consultation on small and medium  
enterprise statistics for the UK and regions.**

**Contact:** Ewan Kennedy

**Telephone:** 020 7793 2325

**Email:** [ewan.kennedy@socialenterprise.org.uk](mailto:ewan.kennedy@socialenterprise.org.uk)

## **Response by the Social Enterprise Coalition Department of Business, Enterprise and Regulatory Reform consultation on small and medium enterprise statistics for the UK and regions**

1. The Social Enterprise Coalition (the 'Coalition') Department of Business, Enterprise and Regulatory Reform consultation on small and medium enterprise statistics for the UK and regions.
2. The Coalition was established in 2002 as the national voice of social enterprise. Social enterprises are businesses with primarily social or environmental objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. The Coalition represents a wide range of social enterprises, umbrella bodies and networks, with a combined membership of over 10,500 social enterprises. These include co-operatives and mutuals, housing associations, leisure and football supporters' trusts and Social Firms. Social enterprises in the UK generate more than £27 billion in turnover, and contribute more than £8 billion to GDP per year. In preparing this response the Coalition consulted widely with its members.
3. The size and scale of the sector is such that a large cohort of social enterprises is small and medium businesses. In conjunction with the economic contribution of social enterprise to the economy, the need to identify them as part of small and medium business activity in the UK is significant, as well as part of the wider economic activity of the country.
4. Social enterprises provide the jobs, skills, and services that are needed to hold the economy and communities together in times of crisis. Social enterprises are effective agents to social and economic resilience whose importance has grown with the present economic turmoil.
5. Social enterprise reinvests their surplus in the pursuit of social or environmentally goals, specifically in the community in which they operate. As such they have a 'local multiplier' effect increasingly the worth of each pound spent in an area. As such they are an essential vehicle for generating wealth in communities, particularly those most at risk of exclusion
6. Considering the importance of these services in addressing the present economic recession, and the need for full and detailed information to create effective policy, there is a very pressing need to gather detailed information on social enterprises and how and where they are working.
7. The Coalition and its partners believe that it is essential there is routine collection of data on social enterprises as distinct from ordinary businesses. This is to ensure that there is accurate data available on the sector, as well as their economic impact. This will inform policy decisions to adequately support the contribution that the sector can make to the recovery of the UK, as well as to mitigate the problems that an economic downturn can bring.
8. Given the wide variety of legal models, sector, activity and forms of social enterprise it will be complicated to set up an entirely new methodology and system to collect data on this sector.

It is far more practical to examine and institute an indicator or flag on present systems of data collection so that social enterprise can be captured in counts that contribute to the SME statistics publication as well as other national statistical reports on the economy.

9. There are many cross cutting definitions of social enterprise and by working with partners in the movement the Government can make operational a definition for the purposes of gaining an accurate count. To inform an indicator the Office of the Third Sector and the Department of Business Enterprise and Regulatory reform need to work with the Social Enterprise Coalition to make any such operational definition come into practice and represent the organisations of the movement.
10. We at the Coalition are happy to meet with BERR and the OTS to identify the requirements and develop the processes to establish an indicator.

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Policy Team  
Social Enterprise Coalition