



Social
Enterprise UK

Social Enterprise Barometer

Autumn 2021

Key findings

- 61% of social enterprises made a profit or broke even last quarter.
- Staff numbers increased slightly or significantly for 36% of social enterprises in the previous quarter.
- Reserves (cash in the bank) decreased for 39% of social enterprises last quarter.
- As of September 2021, 69% of social enterprises have funds to operate for at least three months.
- 73% of social enterprises expect their staff numbers and turnover to stay the same or grow in the next three to six months; 4% expect to decrease turnover and/or staff, or to close.

The Social Enterprise Barometer provides a quarterly update on social enterprise performance. It uses data collected from SEUK's Social Enterprise Advisory Panel to give up-to-date information about the financial health and growth of social enterprises.

What is the Social Enterprise Advisory Panel?

[The Social Enterprise Advisory Panel \(SEAP\)](#) (SEAP) is an SEUK initiative to collect regular, light-touch data on social enterprise.

SEAP survey data is used to influence policymakers, to promote social enterprise in the media and general public, to drive more relevant investment and funding, and to inform useful product and service delivery (including by SEUK for our members).

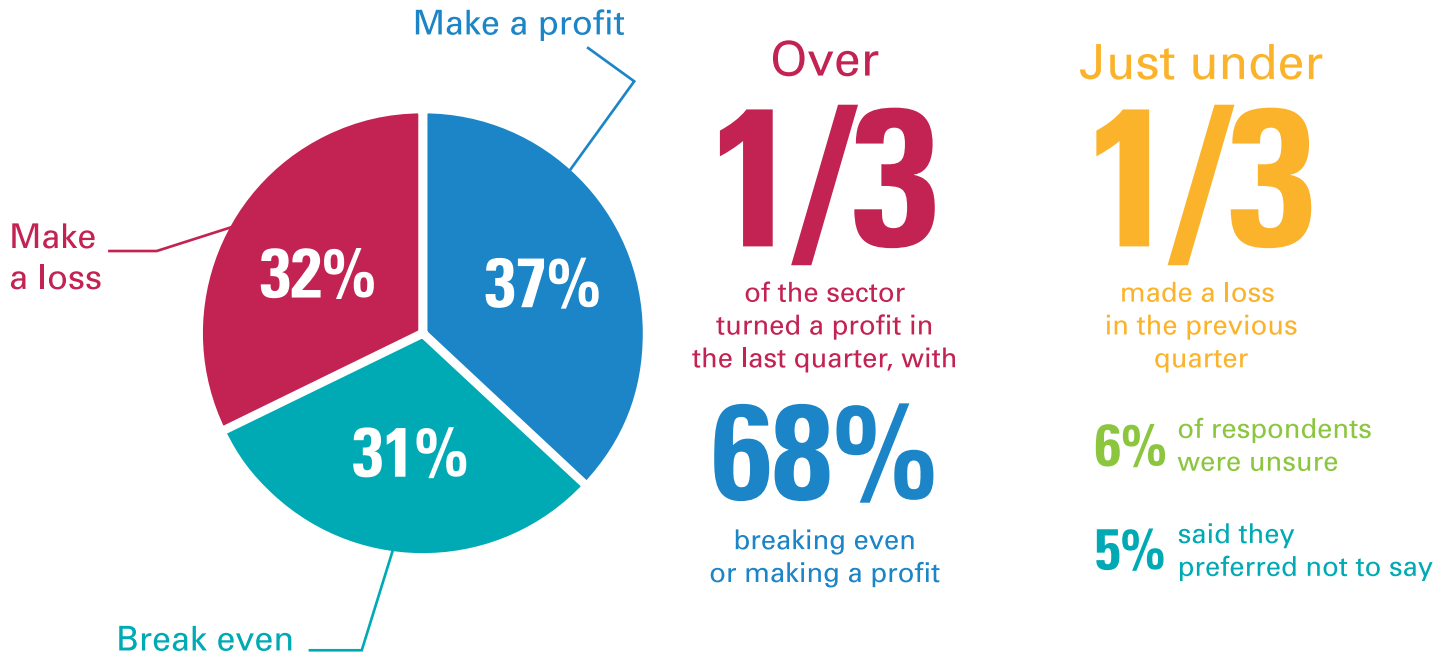
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SOCIAL
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Profit

In September, we asked for the first time about profit-making. Of those that provided data:



“Takings have pretty much bounced back to pre-COVID levels, although raw materials have increased significantly, VAT reductions have improved profitability. VAT reduction changes at the end of September [mean] we [have] to increase our prices to the customer in order to stand still.”

“Because we provided minimal services in August and our staff are contracted and paid according to their hours, plus some new grants coming in, we made a profit.”

“Demand on our services since easing of COVID restrictions has increased. [Estimates for jobs] require almost twice as much time to complete and waste disposal costs are greater than before COVID. Organisations ‘spot purchasing’ our services have less money and as a result we cannot guarantee that we will get all jobs that we have provided estimates for. This is a problem because there is a cost to our organisation in terms of staff time and travel which we are unable to recover. In a nutshell, demand has increased, but funding has not.”

Reserves

In September 2021, we asked about the status of reserves (cash in the bank) for social enterprises. A quarter have increased their reserves in the last three months – but over a third have seen their reserves decrease.

Compared to 3 months ago, have your reserves (cash in the bank)...?



N = 207 (4% didn't know or preferred not to say)

“We always retain a reserve to manage variation in income from membership fees”

“We have had a number of redundancies which has temporarily increased our reserves”

“One source of revenue has decreased, so we have had to draw on reserves”

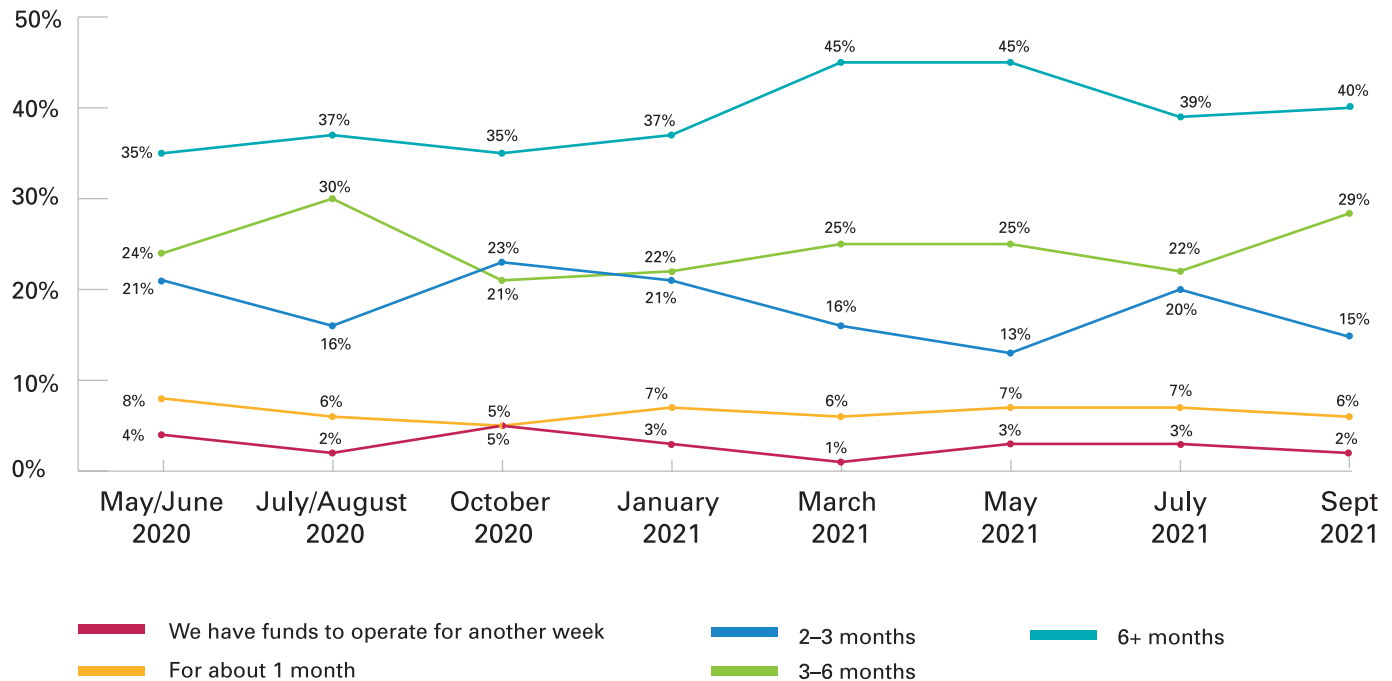
“We are working our way through a large underspend, so each month cash in [the] bank decreases”

“[Reserves] have decreased because of significant growth... so we have a rising wage bill and a rising debtor book. So we now face the issue of growing = we need more, but have less cash...!”

“We have just introduced a reserves policy to assist in building a reserve and growth fund.”

Cash flow

We have been checking social enterprises' cash flow position since May 2020. The overall data shows a slight downward trend in those with funds for under a month and a slight upwards trend in those with funds for more than three months. In future, we'll be looking at this data by region and organisation size to see if we can identify trends in resilience and risk.



N = 216 (September 2021) ¹

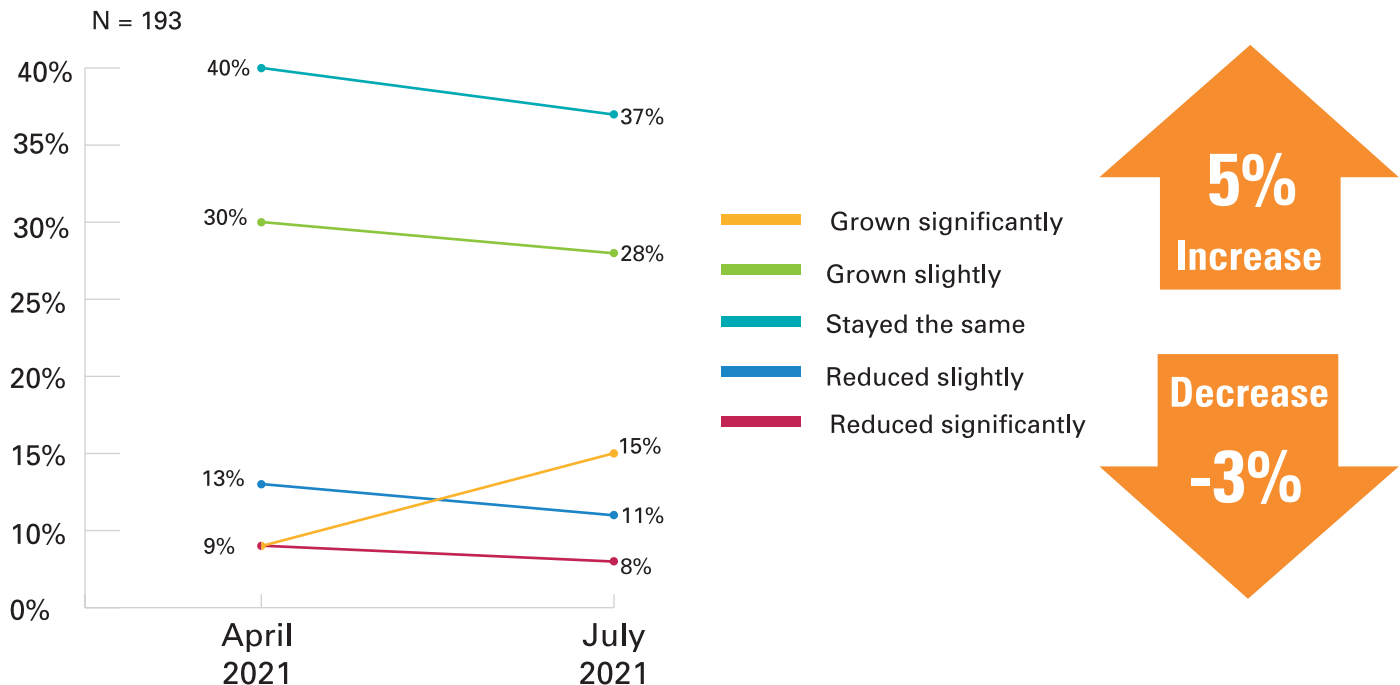
¹ See previous SEAP reports for further details: www.socialenterprise.org.uk/social-enterprise-advisory-panel

Turnover

We asked about turnover change for the second time, and July data indicates that the last quarter was more positive than the previous quarter. Almost half of the sector has seen their turnover grow this quarter (43%), with just under a fifth experiencing a reduction in turnover.

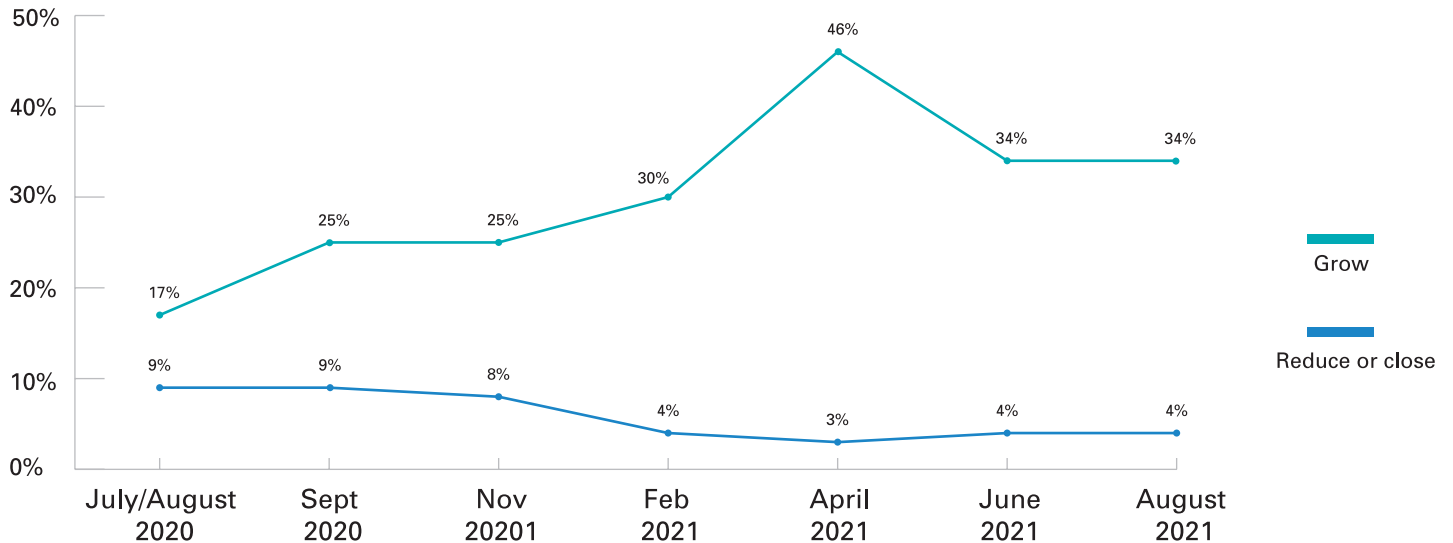
4% more social enterprises experienced growth overall in the last quarter, compared to the quarter previously. And 3% fewer experienced reduced turnover.

Turnover change in the last 3 months, compared to the 3 months before



Growth expectations

Growth expectations spiked in April 2021 but have remained steady since June, with around a third of social enterprises expecting to grow staff and turnover in the next three to six months. The proportion expecting to reduce or close has also remained constant, having decreased since we began asking in July 2020. A fifth of the sector remain uncertain about growth prospects, and 39% expect to maintain their current position.



Growth expectations for the next 3-6 months	Jul/Aug 2020	Sep 2020	Nov 2020	Feb 2021	April 2021	June 2021	August 2021
We expect to grow staff and turnover	17%	25%	25%	30%	46%	34%	34%
We expect to maintain a similar position to now	21%	30%	35%	35%	29%	38%	39%
Uncertain – depends on the outcome(s) of pending funding applications/income/contracts	38%	35%	30%	29%	20%	22%	22%
We expect income to reduce and/or to lose staff	8%	8%	7%	3%	2%	3%	3%
We expect to close	1%	1%	1%	1%	1%	1%	1%
Don't know	5%	0%	1%	1%	2%	1%	1%

Staff numbers

Since we first asked about staff numbers in May, the change in staff numbers has remained fairly static. The number of social enterprises reporting that they had kept the same number of paid staff or increased paid staff decreased slightly: slightly more grew their staff teams, but marginally more decreased their teams and fewer stayed the same.

In the last 3 months, compared to the 3 months before, did your number of paid staff...	May 2021	August 2021
Grow significantly	5%	7%
Grow slightly	29%	29%
Stay the same (including if you have no staff and this hasn't changed)	57%	52%
Decrease slightly	8%	10%
Decrease significantly	1%	1%

N = 172 ²

² See previous SEAP reports for further details: www.socialenterprise.org.uk/social-enterprise-advisory-panel

Who are the respondents?

This report combines data from SEAP surveys run since May 2020. You can find details about past surveys here: www.socialenterprise.org.uk/social-enterprise-advisory-panel

The August 2021 survey ran between 3rd and 10th August. It received 172 valid responses from social enterprises.

The September 2021 survey ran between 6th and 27th September. It received 216 valid responses from social enterprises.

The tables below show the response rates by turnover band and by location.

If you are interested in exploring any of this data in more detail, please see the contact information below.

Response rate by turnover



Response rate by location

	Aug 2021	Sept 2021
East England	9%	7%
East Midlands	5%	6%
London	20%	21%
North East	6%	4%
North West	13%	11%
Northern Ireland, Scotland and Wales	7%	8%
South East	10%	11%
South West	13%	15%
West Midlands	6%	9%
Yorkshire and the Humber	11%	9%

Prize Draw

One lucky winner each month wins a £75 voucher to spend at Social Supermarket.³ The prize is open to all survey respondents who have answered two of the last three surveys. If this is your first, answer next month to be in with a chance to win!

The winner of the July prize draw was [Café Art](#). [Cultivating Community](#) won the August prize and [Cooking Champions](#) won the September prize.

Thank you to all the social enterprises who responded to the SEAP surveys.

For questions about the SEAP – or to join – please contact Emily Darko emily.darko@socialenterprise.org.uk
We are keen to facilitate the use of our data for the benefit of social enterprises. In line with GDPR, we are open to requests to use aggregated and anonymised data for research that benefits the sector. There is a charge for processing this data.

This report was produced by Emily Darko with help from Milagros Rebollo, Jaz Binning and Nichola McAvoy. Thanks to Amy Rutter for copy editing and Katie Apps for design. September 2021.

³Thanks to Social Supermarket for co-sponsoring this prize.