

State of Social Enterprise

in the East Midlands

November 2024

This paper sets out headline statistics on social enterprise in the East Midlands, based on data from Social Enterprise UK's latest State of Social Enterprise (2023) research and wider evidence in their Social Enterprise Knowledge Centre.

Economic contribution



There are around **13,000** social enterprises in the East Midlands, creating around **64,000** jobs for the region

These social enterprises generate around **£8bn** in turnover - equivalent to **6%** of regional GDP

They generate around **£56 million** in annual profit, re-investing **£50 million** into achieving their social missions

Last year, **50%** developed a new product or service for their business to deliver, while **22%** reported developing a new product or service for the market



Financial performance

45% of social enterprises in the East Midlands reported making a profit last financial year, while a further **19%** reported breaking even



32% reported a loss last financial year - up significantly from **22%** in 2021

68% reported their turnover had increased in the last 12 months - up from **46%** in 2021 - and a further **6%** reported turnover had remained the same

Leadership

71% of social enterprises in the East Midlands are majority-led by women

17% are majority-led by people from ethnic minority backgrounds



Mission and impact

24% of social enterprises in the East Midlands are operating within the most deprived areas of England



84% believe social and environmental friendliness are equally or more important than cost when buying goods and services



79% pay the real Living Wage to all staff members

55% have a target to reduce carbon emissions over the next three years

State of Social Enterprise in the East Midlands

November 2024

Regional distinctions

Demographics

A higher proportion of social enterprises in the East Midlands are registered as Community Interest Companies than is the case nationally (65% compared to 52%). There are fewer social enterprises Limited by Guarantee or registered as Community Benefit Societies here.

Health and wellbeing

A slightly higher proportion of social enterprises here work in health care, and there is more focus on improving mental health and wellbeing, as well as supporting disabled and neurodiverse people – including providing them with employment opportunities.

Climate-focused

Social enterprises here are more likely to be working to address the climate emergency, and 55% had installed energy efficiency measures in the previous year.

Trading patterns

Social enterprises here are more likely to generate income from trading with the private sector but are less likely to

trade with the general public. Of those trading with the public sector, a smaller proportion than the national average obtain work with local and combined authorities. Despite this, there has been an overall increase in the amount of paid work with the public sector.

Finance and investment

Financial barriers are more commonly cited here than in other parts of the country, with particular concerns about cashflow, late payments and energy prices.

A low proportion applied for external finance. A quarter said they hadn't applied for finance for fear of rejection. A lack of suitable forms of finance is a much bigger concern here, and more social enterprises believe they lack the financial, business and marketing skills to obtain finance and investment. A lower proportion here intend to apply for external finance over the next three years.

For full details of the State of Social Enterprise 2023 research methodology, sponsors and partners, see www.socialenterprise.org.uk/social-enterprise-knowledge-centre/the-state-of-social-enterprise. Due to sample sizes, we have been unable to report on certain data in each of these regional reports. Thank you to all the social enterprises who have participated in Knowledge Centre data collection. Thank you to all the social enterprises who have participated in Knowledge Centre data collection. For any queries, contact research@socialenterprise.org.uk.

Case study – West Northamptonshire Social Enterprise Towns

West Northamptonshire Social Enterprise Towns (WNSSET) is a social enterprise dedicated to supporting the growth and advocating for social enterprises in the West Northamptonshire community.

WNSSET has established an investment fund to support local social enterprises offering grants up to £10,000. So far this year, 17 social enterprises have been awarded £80,000, with the figure expected to increase to £100,000 by the end of the year.

Through grant funding, WNSSET has supported many local businesses to build their customer base and grow their



operation. For example, “No Fuss Meals for Busy Parents” received a £3,500 grant, which has allowed them to expand their business bringing seasonal produce and enjoyable meals to families, while shining a light on UK farmers and food producers.

In addition to funding, WNSSET also offers other services to provide support for social enterprises. It holds regular networking and presentation events to encourage business development, establish trading relationships, create employment opportunities, and raise awareness of the contribution that social enterprises make to the local community and economy.