



Social  
Enterprise UK

# You Said, We Did

Social Enterprise Advisory  
Panel update on how data  
is driving change

July 2021

## What is the Social Enterprise Advisory Panel?

The Social Enterprise Advisory Panel (SEAP) is an SEUK survey initiative to collect data from social enterprises in a regular and light-touch way.

This data is used to influence policymakers, inform useful product and service delivery at SEUK, to promote social enterprise in the media and general public and to drive more relevant investment, funding and support to social enterprises across the UK.

Here, we set out how we've used the information you've provided in the SEAP surveys between November 2020 and May 2021 – the changes we've affected, plus actions taken and planned.



Linklaters



# Summary

---

- SEAP data continues to help us successfully lobby government about specific needs and contributions of social enterprise. For example, you said that access to emergency grants and loans was inadequate – we used this data to help ensure that social enterprises could access the new Recovery Loan Scheme.
- Using SEAP data, we are identifying and validating ways in which fiscal system reform could benefit social enterprises – to the wider benefit of the economy and society.
- SEAP data backs up key messages about the sector: social enterprise has been resilient through the crisis, it has prioritised staff retention and is creating jobs for those most in need. Social enterprises have also made efficient use of state emergency funds.
- You told us that you need more support with marketing, social media and maximising your existing tech. In response, we're running webinars on these topics and discussing with our corporate partners how we can improve discounted and sector-specific options.
- Some of you said you have expertise on anti-racism and the climate emergency – many of you want more information on these issues for your business. We are compiling a range of content and support for peer-to-peer learning, which you have also said is important to you.

## You said, we told government

---

We conduct a range of activities at a national and local level with government to lobby for social enterprise. SEAP data backs up existing lobbying and campaigns and also helps us identify new areas of focus.

SEUK has had dozens of meetings with ministers, officials and politicians where SEAP data has been used to help give a picture of the sector and the need for further support for social enterprises.

You said that access to funding and finance was a big concern.<sup>2</sup> In the past six months, we have prioritised emergency grants and loans for social enterprises to get through COVID-19, as well as the use of dormant assets with £880 million of new dormant accounts money identified. We used SEAP data in our work to feed into government support programmes for social enterprise, including emergency grants and loans. Most recently, in discussions with HM Treasury, SEAP data was used to ensure that social enterprises could get access to the Recovery Loan Scheme, a successor scheme to the COVID-19 emergency loans, to help businesses recover from the pandemic. These loans will provide tens of millions of pounds of finance for

social enterprises to get through the post-pandemic recovery.

The [All-Party Parliamentary Group for Social Enterprise](#)<sup>3</sup> is using SEAP data to inform its inquiry into the impact of COVID-19 on the social enterprise sector. The group will make recommendations to the government about how its work with social enterprise can be improved.

SEAP data is critical across SEUK's policy development work, identifying proposals that can be used to help social enterprises start and grow in the UK – as set out below:

### Tax and subsidies

We are looking closely at how tax reform can help social enterprises by easing cash flow, increasing profits and improving access to finance. Data from SEAP is helping to identify the focus and to put weight behind proposals.

### Business rates

Recent questions on business rates are contributing to a campaign to get a discount in business

<sup>2</sup> See SEAP 6 – January 2021: <https://www.socialenterprise.org.uk/social-enterprise-advisory-panel/social-enterprise-advisory-panel-january-2021/>

<sup>3</sup> <https://www.socialenterprise.org.uk/political-engagement/appg-on-social-enterprise/>

rates for social enterprises – as charities currently receive – which could unlock £2–4 million for social enterprises. We are discussing with government how business rates relief for social enterprise could be part of a review of tax and subsidies to promote sustainable economic development.

Business rates relief could significantly benefit around a fifth of social enterprises. Of these, survey results indicate nearly half would invest in innovation, over a quarter in recruitment and investing in staff, and only 16 % would use the money purely for reserves (SEAP November 2020).

## R&D tax credits

We believe that the current government focus on innovation ignores social enterprises' potential contribution – to the cost of the economy and society. Data from the SEAP survey in March 2021 showed that 90% of respondents think expansion of the government's new super-deduction research and development tax relief could benefit them. The scheme is currently only in 'physical investments' – SEAP asked about the impact if it included investment in research, product/service development, business model development and collaborations/partnerships for social and environmental impact.

## Social investment tax relief (SITR) scheme

Whilst we are pleased that our campaigning with other sector organisations has resulted in a 2-year extension of the SITR, the SEAP data demonstrates

the missed opportunity this relatively short-term extension creates. As many as 7,000 social enterprises for whom SITR could be beneficial may miss out due to the planned closure of the scheme in 2023. With partners, we continue to lobby for the permanent extension of this scheme.

## Local and regional government, local enterprise partnerships (LEPs) and community enterprise zones

We are exploring the degree of engagement with local and regional state entities that are expected to provide business support as part of work to improve local support to social enterprises. Our research will also help us to identify how to capitalise on best practices by certain LEPs, local councils and authorities. SEAP data helps identify the status quo, examples of good practice and areas we can target for progress.

## Central and national government support

Data from the SEAP surveys have identified a clear disparity between perceptions of government support in England and the support provided by governments in the devolved nations – particularly Scotland. 58% of Scottish social enterprises said that the Scottish Government is best placed to support social enterprise, compared to just 29% of English social enterprises concerning the UK Government in London. The Scottish Government has recently published a refreshed dedicated Social Enterprise Strategy, and it has been quicker in developing emergency support for social enterprises.

# Data to back up core messages about the sector

The SEAP surveys allow us to back up statements about the social enterprise sector with data and reinforce messages about the sector's importance.

## Closure of a social enterprise is more than the closure of one business

When a social enterprise struggles or closes, the implications are much broader than the equivalent closure of a 'traditional' business. For example, due to reduced profits caused by COVID-19, 21% of SEAP respondents (November 2020) had reduced their investment in social causes, and 7% had reduced investments in environmental causes, compared to only 8% that were investing more. Although this is a small proportion of the sector, it could mean that the crisis caused at least a £4.4 million decrease in social enterprise contributions to social and environmental causes.<sup>4</sup> Therefore, the recovery of social enterprise in turn represents a wider return of social and environmental benefits.

<sup>4</sup> This is based on a crude assessment where the average UK SME profit margin is used, with an assumption of a 2% profit investment by the 28% of social enterprises that invest in external social/environmental causes.

## Not just surviving, but thriving and contributing

SEAP has shown that social enterprises have not only continued operating in challenging circumstances but that they deliver significant social and environmental value through their work. Their growth prospects are stronger than the rest of business. In April 2021,<sup>5</sup> almost half of social enterprises expected their staff/turnover to grow in the next 3–6 months, compared to 36% of SMEs.<sup>6</sup>

## Bang for support buck

SEAP data has consistently shown that social enterprises rely less on state support – and doing more with the support they do receive – than other parts of the economy. From retaining staff to using grants and loans for productive activities rather than reserves, support to social enterprises is money well spent.

## Not just job creation – but good jobs for people who need them most

SEAP statistics show that social enterprises are generating jobs as the crisis eases. In November 2020, over a quarter expected to take on more staff and by May 2021, over a third of social enterprises had taken on staff over the previous quarter. 45%<sup>7</sup> of social enterprises proactively hired staff from disadvantaged groups known to face higher barriers accessing the labour market.

# Sector engagement

---

## SE2SE trade

SEAP data from November 2020 showed that 89% of social enterprises engage with other social enterprises in some capacity – we are a sector that communicates and collaborates for mutual benefit. 38% of respondents procure from other social enterprises, and 30% supply other social enterprises. At SEUK, we are looking at ways we can do more to help social enterprises identify fellow social enterprise providers and factor 'buying social' into supply chains. As part of a digital review we are using SEAP data to help improve our membership offer, including a new online members area and directory which will both facilitate peer-to-peer conversations and learning, and help improve Buy Social opportunities for social enterprises, the public and other businesses.

## Using sector expertise

Through SEAP, we are identifying both gaps in knowledge that social enterprises want support with, and fellow social enterprises who are experts in these areas and might provide support. For example, data from May 2021 showed that nearly half of social enterprises would value support with developing environmental policies and 43% want support with decarbonising. Around a third of environment-mission social enterprises can offer expertise on carbon reduction. The first step we're taking to link need to information is to host a webinar on carbon reduction for social enterprises, featuring two social enterprise experts in this space.

SEAP has identified that 10% of social enterprises address racism as part of their core mission, whereas 43% would like to do more to be actively 'anti-racist'. We're compiling information about social enterprises with products and services addressing racism and diversity and inclusion more widely, to share expertise as well as procurement opportunities.

<sup>5</sup> <https://www.socialenterprise.org.uk/social-enterprise-advisory-panel/social-enterprise-advisory-panel-april-2021/>

<sup>6</sup> <https://www.smeweb.com/2021/04/14/small-business-growth-forecasts-hit-two-year-high/>

<sup>7</sup> Of whom, 77% are groups known to face higher barriers to access the labour market: <https://www.socialenterprise.org.uk/wp-content/uploads/2019/10/Capitalism-in-Crisis-State-of-Social-Enterprise-Report-2019-1.pdf>. Of the respondents in June 2020, 68% had people on their team who came from groups that typically find it harder to access employment: People with physical disabilities, ex-offenders, ex-military, homeless people, carers, people with learning disabilities, people with mental health conditions and people aged under 25.

# SEUK member engagement

---

We use SEAP to check in with our members and improve our products and services.

We asked for membership testimonials – these have contributed to us recruiting 359 new members since December 2020, and provide important insights for our membership team and account managers that are shaping how we engage with members and what we seek to offer in future.

We asked which membership benefits were most used and best-liked. We have incorporated this into revisions to our membership offer, including the digital work mentioned above.

## Tech gaps

---

We asked social enterprises what their biggest tech needs and skills gaps are at the moment. The foremost issues raised were improving websites and online presence, continuing improvements related to remote working and maximising existing tech capacity. Several respondents also talked about the need for new equipment and software, as well as staff and funding capacity constraints.

We ran a webinar on marketing and social media at the end of May and have another planned for 1st September, led by an SEUK member.<sup>8</sup> Plus, we are discussing need gaps with corporate partners to explore options for discounted and sector-specific support.

## ‘The Hive’: a London social enterprise hub<sup>9</sup>

---

In January 2021, we asked respondents questions about use of office space – particularly in relation to SEUK plans for when we leave our current building in October 2021. Partnering with sector friends School for Social Entrepreneurs and Impact Hub, we are identifying a new building to not only house our organisations but that we will own and that will provide a hub for social enterprises. SEAP data has helped us with the design and our role in the Hive. We look forward to announcing more details soon.

<sup>8</sup> Please see [here for recordings and information about upcoming webinars](#):

<sup>9</sup> In the January 2021 headlines, we noted that several respondents highlighted the need for similar hubs in other parts of the country and we continue to acknowledge ‘London bias’ as a issue for the sector and for national infrastructure bodies like SEUK.

<sup>10</sup> Big Society Capital and PWC sponsorship includes option for them to include questions in the survey. SEUK retains the right to confirm questions to include and wording of these questions. SEUK also retains full control over what data is published from the survey.

<sup>11</sup> <https://www.socialenterprisemark.org.uk/the-role-of-accreditation-in-the-post-covid-world/seuk-advisory-panel/>

# Partners, sponsors and audiences

---

SEAP was sponsored by two corporate partners and a social enterprise in 2020/21 and has secured co-sponsorship from Big Society Capital and PwC for 2021-22.<sup>10</sup> This sponsorship not only allows us to continue the survey (and receive pro bono support to improve data analysis), but also confirms the value of the data for key stakeholders. In addition to co-sponsorship, Power to Change, Social Enterprise Mark<sup>11</sup> and the School for Social Entrepreneurs promote the survey to their networks nationally, and our Social Enterprise Places promote the survey locally and regionally. UKRI<sup>12</sup> has sponsored survey questions in the last six months. We are working with third parties to produce more detailed analysis from the data, including on social investment, diversity and inclusion, climate change, location-specific findings and community/place-based work. We hope to share more detail on this soon.

The SEAP headline findings reports are shared with over 250 stakeholders across government, academia, social enterprise infrastructure/support organisations, corporates, investors and others, as well as all SEAP respondents. Data has been used at the SHE conference on diversity, leadership and social entrepreneurship, blog content for Good Finance,<sup>13</sup> and in the media and sector research.<sup>14</sup>

## Future plans for SEAP

---

### Feedback on the survey

We asked for feedback on the survey itself in November 2020 and have made changes as a result. Much was positive, but we're grateful for constructive comments too. We've noted that certain policy-related questions were England-centric and we've recognised the value of the survey as an information source for social enterprise as well as about them.

In response to your comments, we will be doing more to look at specific parts of the sector – such as Black and Minority-led social enterprises, and social enterprise activity at a regional level. You'll see more analysis of these groups in future headline and standalone papers.

**“It has been a privilege to sit on the SEAP panel and help to raise awareness of issues facing social enterprises in this time of Covid-19. The surveys have given my organisation a lot to consider in our own forward planning.”**

**“Comple[ing] this has given us a chance to sit and reflect on how this last year has been, and why we have fared as well as we have.”**

<sup>12</sup> As part of developing a forthcoming grant fund which will target social enterprises supporting healthy ageing

<sup>13</sup> <https://www.goodfinance.org.uk/latest/post/unprecedented-year-key-lessons-covid-19-according-seuk-research>

<sup>14</sup> <https://www.pioneerspost.com/news-views/20210415/optimism-surges-among-uk-social-enterprises-pandemic-recedes>  
[https://bigsocietycapital.fra1.cdn.digitaloceanspaces.com/media/documents/Mapping\\_the\\_Needs\\_-\\_One\\_Year\\_On.pdf](https://bigsocietycapital.fra1.cdn.digitaloceanspaces.com/media/documents/Mapping_the_Needs_-_One_Year_On.pdf)

SEAP data is being used currently in research projects on climate, the criminal justice system, tensions between commercial and social value generation, regional social enterprise networks, social enterprises and neurodiversity, women-led social enterprises and equality and inclusion with students/researchers at the universities of Leeds, Kent, Northampton, Warwick, LSE and Catolica Lisbon.

**“Really happy to have taken part. It is good when an answer does not apply that I can fill in more details about us.”**

## What’s next?

Our co-sponsorship with Big Society Capital and PricewaterhouseCoopers means that we can continue to run a monthly survey this year. Big Society Capital is keen to look particularly at the differences for different sectors and business models. PricewaterhouseCoopers is also providing some pro bono research support. This support will mean that the headline findings are getting a re-brand – with more focus on easy-to-read infographics. We’ll also be able to run more analysis by sector, size and location, and hope to produce a couple of more thematic outputs over this year – building on data collecting across the year’s worth of surveys we now have.

## Who are the respondents?

To date, we have run ten surveys,<sup>15</sup> collecting an average of 274 responses per survey. We hold data on around 80% of survey respondents,<sup>16</sup> so for these, we’re able to filter and review the data by organisation size and location.

### Response rate by turnover

£0–100k	68%
£100k–£500k	21%
£500k–£5m	6%
£5m–£15m	2%
£15m–£50m	2%
£50m+	2%

10% of respondents during this period were ‘BAME-led’ (50% or more of the owners/managers come from Black, Asian and Ethnic Minority communities).<sup>17</sup>

### Response rate by location

East Midlands	4%
East of England	8%
London	24%
North East	3%
North West	13%
Scotland, Northern Ireland and Wales	7%
South East	12%
South West	10%
West Midlands	9%
Yorkshire and the Humber	8%
North East	3%
Northern Ireland	1%

<sup>15</sup> See headline findings reports for each here: <https://www.socialenterprise.org.uk/social-enterprise-advisory-panel> At the time of writing, the eleventh survey is completed but the headlines paper is unpublished.

<sup>16</sup> Data in this section is based on surveys in November 2020 and January, February, April and May 2021. The March 2021 survey was short and specific to the Budget, so had a different response profile. Data on turnover, region and leadership comes from SEUK’s membership database.

<sup>17</sup> This data is likely to under-report the proportion of Black, Asian and Minority Ethnic group-led respondents as data for the last two years is incomplete. We are conducting a comprehensive exercise to improve all our diversity and inclusion data at the moment – if you are an SEUK member, you can submit your details here: <https://forms.gle/K9gdo91gzaPu9x356>

# Acknowledgements

---

Thank you to all participants in the Social Enterprise Advisory Panel.

Thanks also to 2020/2021 sponsors SAP, Linklaters and Public Private Limited, and 2021/2022 co-sponsors Big Society Capital and PricewaterhouseCoopers – we are grateful for your support to help us continue this initiative. Thanks also to Amy Rutter for copy editing, Katie Apps for design and to all the social enterprises that have donated to the prize draw last financial year.<sup>18</sup>

This report was written by Emily Darko, with input from Andrew O'Brien, Sofia Nibali, Jennifer Exon and Andrew Croft.

Please contact Director of Research Emily Darko [emily.darko@socialenterprise.org](mailto:emily.darko@socialenterprise.org) if you have feedback or would like more information – or if you would like to take part.

More [information about SEAP](#), including past reports and a survey link can be found on this page: [www.socialenterprise.org.uk/social-enterprise-advisory-panel](http://www.socialenterprise.org.uk/social-enterprise-advisory-panel)



Social  
Enterprise UK

<sup>18</sup> [Make Some Noise Productions](#), [Betknowmore UK](#), [The Connectives](#), [Festival of Life and Death](#), [Kakou CIC](#), [Compassionate Cuppa CIC](#), [Glow and See](#), [Society Matters CIC](#), [Hope for the Community CIC](#), [9Trees CIC](#), [Janina Neumann Design](#), [Stand4 Socks](#), [Aspire Community Works](#), [Fruitful Office Ltd](#), [Branch-out MK CIC](#), [Red Dragon Flagmakers](#), [The Sewing Rooms](#), [Ethically Woven](#), [MAINTENANT](#), [Emmaus Suffolk](#)