



## **Social Enterprise and the Big Society**

### **What are social enterprises?**

*A social enterprise company sometimes described as a Community Interest Company (CIC) is required to use its profits and assets for the benefit of the community rather than for private gain. It has all the flexibility and certainty of a company with some additional features to ensure that it works for the benefit of the community or the wider public.*

### **Social enterprises are a good way of:**

- *Tackling difficult social and environmental challenges – e.g. reducing carbon emissions*
- *Encouraging ethical markets – e.g. adopting fair trade practices*
- *Improving public services – e.g. creating new approaches to care for the elderly and sick*
- *Creating new entrepreneurs who want to make a difference to society*

#### **Definition**

*'A social enterprise is a business with primarily social 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 the shareholders and owners.'*

**Government's Social Action Plan, Cabinet Office 2006**

**The Big Society** is now a Government agenda that seeks to shift power from politicians to people. It formed a key element of the Conservative 2010 election campaign and was the subject of the first major policy announcement of the new coalition government on 18 May 2010.

The main themes are:

- *Devolving power to communities and local government*
- *A greater role in public services for VCOs and civil society organisations*
- *Supporting the voluntary and community sector*

*Voluntary Community Organisations (VCO's) or Civil Society Organisations are non profit organisations that operate within a single community. There are many variations in terms of size and structure, they are normally self funding and operate on a voluntary basis. They may be formally constructed as in the table describing social enterprises that follows or much smaller and informal.*



## ***Different models for social enterprises***

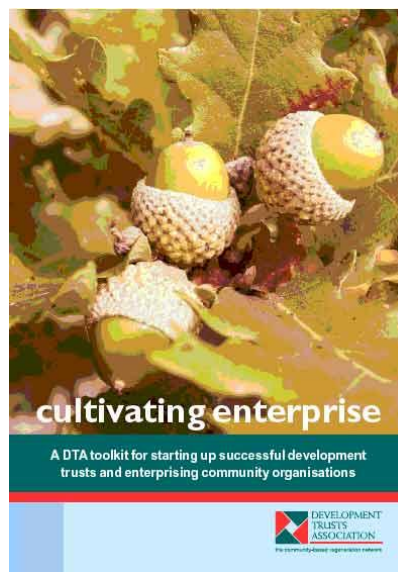
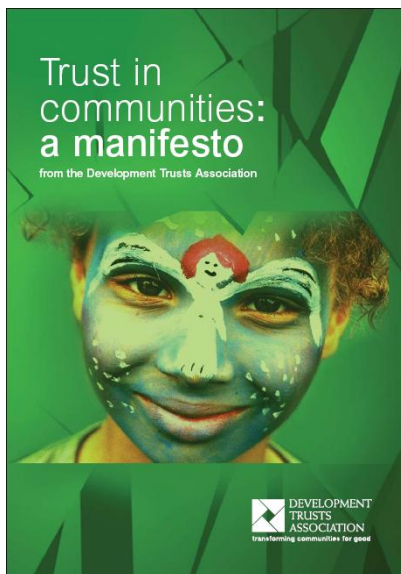
<b><i>Model</i></b>	<b><i>Description</i></b>	<b><i>Example</i></b>
<b><i>Cooperative</i></b>	<i>Open to ownership by the members who use its services. Democratically controlled and operated on a non-profit basis. Returns any margins/profits to members on the basis of patronage.</i>	<b><i>The Co-op</i></b>
<b><i>Credit Union</i></b>	<i>A credit union is an organisation of individuals who share a common affiliation. Credit unions accept member's deposits and pay dividends on them out of earnings and provide them with credit facilities.</i>	<b><i>London Credit Union (CN)</i></b>
<b><i>Development Trust</i></b>	<i>A company limited by guarantee with charitable status engaging in regeneration activities. Profits must be used to benefit the local community with membership drawn from a geographically defined area that can be made up from individuals and organisations or just organisations.</i>	<b><i>Keystone Development Trust</i></b>
<b><i>Social Firms</i></b>	<i>A business that is created for the employment of people with a disability or other disadvantage in the labour market.</i>	<b><i>Buster's Coffee Co Broomby (The social firm development agency)</i></b>
<b><i>Trading arms of charities</i></b>	<i>Charities benefit others who need support rather than those who run them. They often set up trading arms to raise funds.</i>	<b><i>Westway Development Trust</i></b>
<b><i>Worker Co-ownership</i></b>	<i>All permanent staff are partners in the business</i>	<b><i>Waitrose</i></b>

## Resources

*The Development Trusts Association is a useful source of materials to find out more about social enterprise and community activities.*

<http://www.dta.org.uk/>

*Here you will find publications to buy and download, including*



### *Buster's Coffee Co - Doncaster*

*This café became a Social Firm in July 2005. It is the only catering provision at the centre and for the surrounding business park. It has more than doubled its regular customer base in three years by providing good quality hot and cold food on site.*

[http://www.broomby.co.uk/busters\\_in\\_doncaster.php](http://www.broomby.co.uk/busters_in_doncaster.php)



