

# Northumberland Prosperity

Evidencing Social and Economic Impact of  
Third Sector Organisations & Social Enterprises



September 2009

**Philip Angier, Angier Griffin**



---

## **Executive Summary**

---

In March 2009 Northumberland County Council commissioned a review of social enterprise support in the County. This report seeks to *'evidence the impact – social and economic – of third sector organisations and social enterprises in Northumberland including as appropriate in relation to LAA targets'*.

The study has focused upon

- third sector organisations within the County incorporated as or trading as social enterprises, and
- those groups which typically have sought advice from Social Enterprise Northumberland (SEN) or other social enterprise agencies.

### **Quantitative Analysis**

235 'live' social and community enterprises have been included in the quantitative research, plus a further 27 identified as having ceased trading (or failed to progress to launch).

Each social enterprise tends to be a local response to an identified need. The most common areas of activity include childcare provision, arts, leisure & recreation, regeneration & employment, community services & co-operatives. There are 16 members of the Development Trusts Association operating within the County.

23 social enterprises [10%] were identified with a gross annual income of £250,000 or more. It is estimated that the median turnover of the social enterprises in this study is £60,000 - £75,000 per annum, and the average number of full time equivalent jobs sustained per social enterprise is approx 3.5.

Some social enterprises are still at the formation/start-up stage with very limited resources and no paid employees. Many rely heavily upon the voluntary input of directors and supporters.

36% of the social enterprises identified have been formed within the past 5 years. 7% have been established for 20 years or more. The average length of trading is just over 10 years.

### **Qualitative Analysis**

14 case studies were researched during July, August and September 2009. The case studies were chosen to be representative of the findings from the quantitative research.

## **Governance**

Irrespective of size or age, effective governance structures were seen as a key contributory factor in the health and sustainability of the social enterprise. The average size of board was 8. The specialist support offered by SEN in facilitating board strategy days and conducting skills audits was widely praised.

## **Economic Impact**

It was found that social enterprises typically contribute disproportionately to the regional and local economy in three ways:

- Gross Value Added (GVA) relative to turnover is often higher than in the private sector. Amongst the case studies it was approx. 58% of turnover.
- Employment is often sustained amongst hard-to-reach groups.
- Social enterprises often lever in new money to a community in the form of employment or capital grants. The case studies had successfully levered in some £2.2 million [more than their annual turnover] in grants and loans.

It is estimated that in aggregate the social enterprises covered by this study sustain some 800 full time equivalent jobs in the County and contribute £9 million pa to the County's GVA.

## **Sustainable Enterprise**

The study identified only 27 enterprises (just over 10%) which had either ceased trading in recent years or had failed to progress beyond the development stage. The average length of life of those organisations which had ceased trading was just under 5 years. A low business failure rate is consistent with anecdotal data.

## **Social Impact**

Social enterprises typically come into existence as a community response to market failure – they fill a gap in service provision left by the private and public sectors. The primary social impact is therefore to make available goods, services or facilities which might not be accessible to user-group.

In Northumberland social enterprises are often a response to the problems of rural isolation. Other social impact evidenced by this study includes:

- mobilising social capital and latent talents
- empowering communities
- raising aspirations and achievements
- levering in new resources

## **Contribution to LAA targets**

The social enterprises covered by the case studies were contributing to 17 of Northumberland County's 22 LAA targets.

---

## Contents

---

|  |    |
|--|----|
| Executive Summary  | 1  |
| The Task   | 4  |
| The Method   | 4  |
| The Findings –   |    |
| · Quantitative Analysis                                  | 5  |
| · Geographical Distribution                              | 7  |
| · Activity and Purpose                                   | 9  |
| · Legal Form   | 10 |
| · Size   | 11 |
| · Website  | 11 |
| · Age  | 12 |
| · Qualitative Analysis – Case Studies                    | 13 |
| · Governance and Management Structure                    | 14 |
| · Economic Impact  | 15 |
| · Sustainable Enterprise                                 | 16 |
| · Social Impact  | 18 |
| · Contribution to Local Area Agreements                  | 20 |
| · Accessing Support                                      | 21 |
| · Comparative Analysis                                   | 22 |
| Appendices   |    |
| Appendix A – Case Study List                             | 24 |
| Appendix B – Northumberland County Council – LAA Targets | 25 |

---

## The Task

---

In March 2009 Northumberland County Council commissioned through *Reaction*<sup>1</sup> a review of social enterprise support in the County, '*Northumberland Prosperity – Support Structures for Social Enterprises in Northumberland*'.

This report is published as part of that review. Specifically, this report seeks to '*evidence the impact – social and economic – of third sector organisations and social enterprises in Northumberland including as appropriate in relation to LAA<sup>2</sup> targets*'.

The research has been undertaken by Philip Angier (Angier Griffin) in partnership with Local Living Limited, a Northumberland-based social enterprise.

---

## The Method

---

The proposed research methodology was agreed in June 2009 and comprises three elements:

- Quantitative Analysis – a mapping of the number, prevalence and sector spread of social enterprises across the County
- Qualitative Analysis – a closer analysis of a representative cross section of the County's social enterprises and their impact using both financial data (turnover, employment, gross value added [GVA]), and case studies and other evidence of 'soft outcomes'
- Comparative Analysis – comparing the findings of this study with other available data (regionally and nationally), and with anecdotal evidence from the field

Within the constraints of the research budget, the body of evidence built up across these three elements offers an insight into the economic and social significance of social enterprise activity within Northumberland.

### ***Acknowledgement***

*The research team acknowledge with thanks the support and guidance of the Steering Group, and the co-operation received from Social Enterprise Northumberland and all those who contributed to the case studies.*

---

<sup>1</sup> Reaction is the trading name of Rural Enterprise Action, a community interest company established in 2007

<sup>2</sup> Local Area Agreement Targets – These have been identified from the Northumberland County Council website - *Releasing the strength of our communities; Local Area Agreement for Northumberland (2008-2011)*

---

## THE FINDINGS

---

### Quantitative Analysis

The research team set themselves the target of building a database of social enterprises in the County. The database was derived from the following sources:

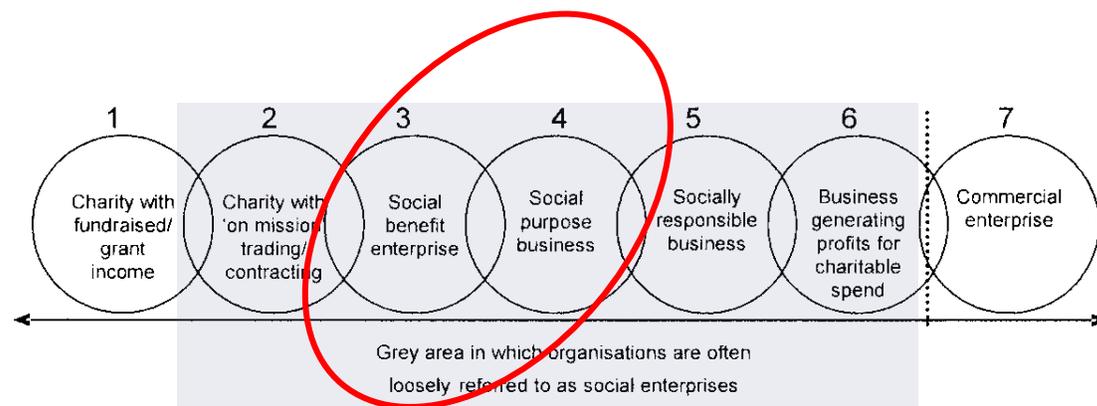
- Social Enterprise Northumberland (SEN)
- North East Social Enterprise Partnership (NESEP)
- Development Trusts Association (DTA)
- CIC Regulator's Website
- Guidestar
- Charity Commission Website
- Local community web portals
- Other referrals from third sector professionals and intermediaries.

The research brief called for evidence of the impact of  
*'third sector organisations and social enterprises in Northumberland'*.

Given that this research forms part of a wider review of support for social enterprise activity in the County, this study has focused upon

- third sector organisations within the County incorporated as or trading as social enterprises, and
- those groups which typically have sought advice from SEN or other social enterprise agencies.

Venturesome, the social investment arm of Charity Bank, offers the following helpful view of the spectrum of trading for social benefit in a report entitled *Financing Civil Society: A practitioner's view of the social investment market* (September 2008). This study focuses on enterprises to be found in sections 3 and 4 of that spectrum.



The research team agreed to exclude from the database some types of organisations which did not obviously match the criteria above. These include:

- Support Agencies & Umbrella Bodies
- Grant Making Trusts
- Local projects/branches of bodies headquartered outside the County
- Voluntary groups – eg WI’s, Sports Clubs, Music Societies
- Funded Advice Centres (eg CAB) & Health Projects
- Education Charities/Schools
- Village Halls
- Welfare Institutes

Adopting these stricter criteria risks criticism that the study has understated social enterprise activity within the County. The author’s opinion is that it is better to err on the side of understatement than exaggeration.<sup>3</sup>

There were some delays in gaining access to SEN’s own client database.

Independently of the SEN data, other searches had identified a working list of 124 social and community enterprises registered and operating in Northumberland. The SEN data contained a larger number of organisations (271) – all of whom had contacted SEN for advice or support in the previous three years.

Despite the fact that all had been in contact with SEN, not all of the organisations listed met the criteria for inclusion set out above. 61 were excluded from this study.

After eliminating duplicates, a total of 235 ‘live’ social and community enterprises have been included in the quantitative study, plus a further 27 identified as having ceased trading (or failed to progress to launch). This total is approximately in line with what had been expected at the start of this research.

The tables below analyse these social and community enterprises by geography, activity and purpose, organisational type and age.

### ***Community Renewable Energy (CoRE)***

*CoRE is a ONE NorthEast-backed initiative promoting community renewable energy solutions in North East & Cumbria.*

*Built around a co-operative structure it provides the essential know-how and expertise to support the creation of community-owned generating capacity. It also assists with the raising of development finance, marketing and managing the sales of renewable energy supplies.*

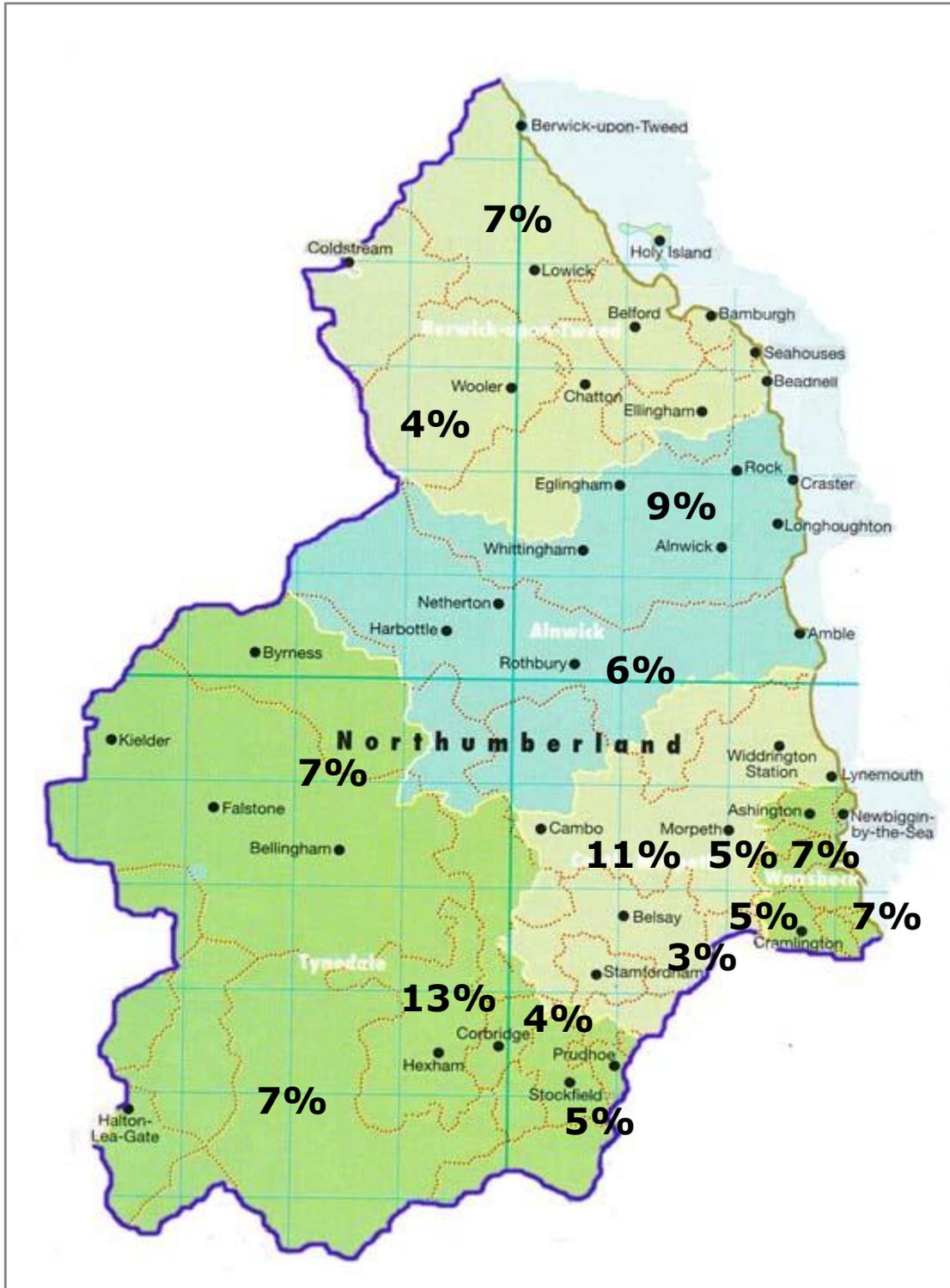
*It has supported projects in Berwick, Alnwick, Glendale, North Tyneside, and Teesdale.*

---

<sup>3</sup> There is a lively debate about how best to ‘count’ social enterprises including comment in a recent edition of the Social Enterprise Journal. The author considers that a ‘task focused’ definition best serves the purposes of this report.

## Geographical Distribution

For those social enterprises for which post code data could be found the geographical distribution is as follows:



The use of postcode data to define the geographical distribution will tend to favour the market towns (where the offices of social enterprises are often located even if their activities are more widespread).

Some social enterprises have a district-wide or county-wide spread of activity (eg Northumberland Stars, Community Renewable Energy).

Given the greater population density of the Ashington/Wansbeck area (approx 125,000 out of a countywide population of 310,000) it is perhaps surprising that less than 25% of the social enterprises identified are located in these postcode districts.

Proportionate to population density there would appear to be more social enterprises operating in the rural districts of Tynedale and North Northumberland. One explanation, supported by anecdotal data, is that a number of social enterprises come into being as a direct response to rural isolation and tend to be found in rural areas addressing gaps in local service provision.

### ***Northumberland Stars***

*Northumberland Stars, based in Ashington, provides a handy-person service to vulnerable adults across most the county of Northumberland in partnership with Valley Care (formerly part of Blyth Valley Borough Council). The service employs five full-time handymen and a manager.*

*It makes approx. 4,000 home visits each year to install grab rails, hand rails and other safety aids. The majority of its services are free to the end-users, being funded through the Northumberland Care Trust's FISHNets initiative to prevent falls and accidents in the home.*

---

## Activity and Purpose

---

Each social enterprise tends to be a local response to an identified need. The range of activities undertaken will reflect both the nature of the host community and the vision and motivation of the founders. Generic labels, therefore, tend to disguise the colour and variety of the different enterprises.

The chart on the following page lists the most common types of activity undertaken.

The other most commonly identified types of activity include:

- Childcare provision
- Arts, Leisure & Recreation
- Regeneration & Employment
- Community Services & Co-operatives (eg food co-op's, handyman services/gardening services, etc)

There are 16 members of the Development Trusts Association (DTA) operating within the County. Many development trusts support a range of activities from provision of affordable housing and local economic regeneration to arts and cultural activities and the promotion of tourism. Thus a number of the development trusts would also contribute to other activities listed.

### ***Alnwick Community Development Trust***

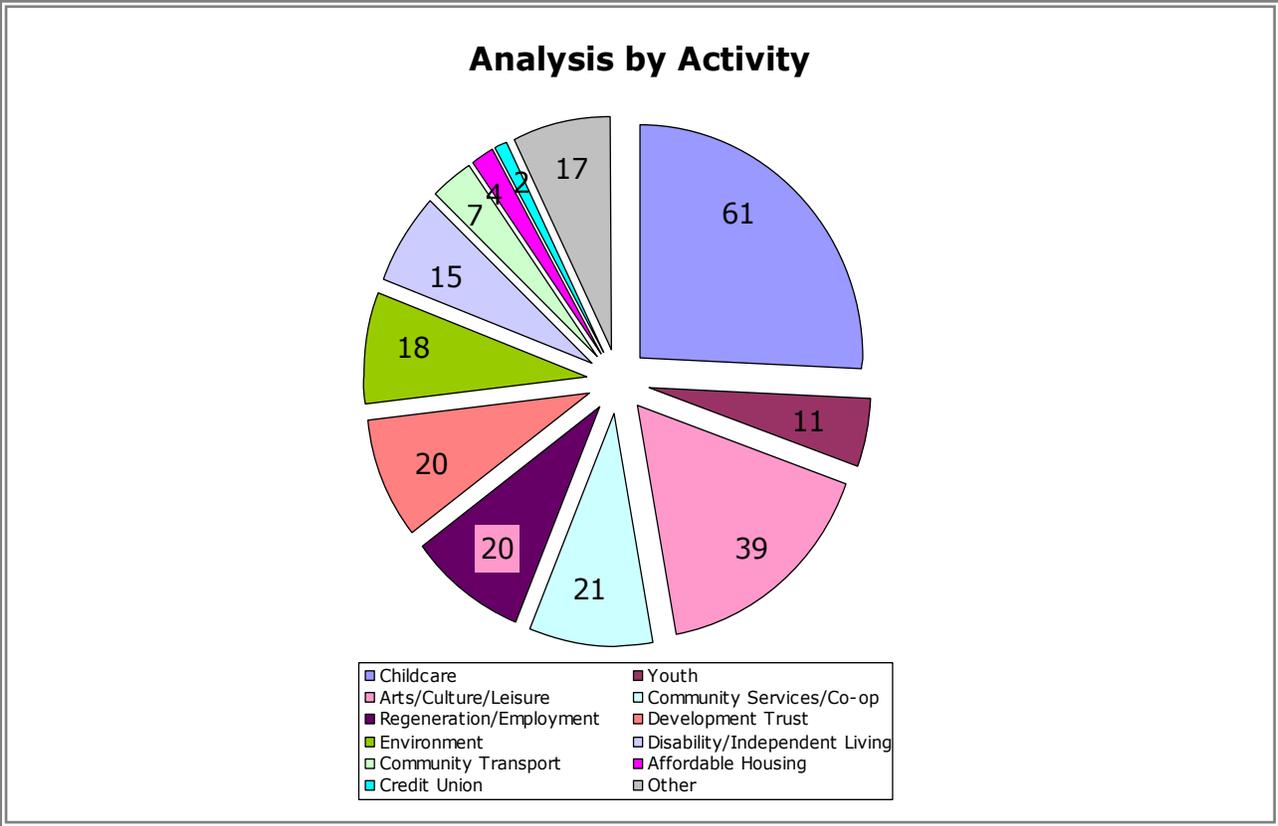
*Alnwick Community Development Trust was established in 2001.*

*It operates The Centre, a community facility in the centre of Alnwick which hosts Northumberland College, Lionheart Radio and other community organisations. It offers meeting rooms for hire and accommodates the Registry Office.*

*It supports local tourism and regeneration initiatives, co-ordinating the community's response to the Market Town Welcome report.*

*It is a partner in the operation of Alnwick Markets and the promotion of the Market Place.*

*In 2006 the Alnwick Community Centre, which offers a range of activities for children and young people, was merged into the Trust.*




---

### Legal Form

---

The most common legal form adopted by those in the study was that of a company limited by guarantee with charitable status (almost 50%).

Others have chosen to be a company limited by guarantee but without seeking charitable status. The latter form permits remuneration of directors, thus executive staff can be elected to the Board.

Perhaps surprisingly, since more than 60 social enterprises have been formed since the legislation came into force, only 11 social enterprises in this study have chosen to incorporate as Community Interest Companies (CIC).

---

## Size

---

Just as there is no 'typical' social enterprise by activity, so there is no typical social enterprise by size.

The largest social enterprises count their annual income in £ millions [6 were identified in this study with an annual income of greater than £3 million]

The 16 development trusts operating in the County had a combined revenue of more than £4million in 2007.

At the other end of the spectrum some social enterprises are still at the formation/start-up stage with very limited resources and no paid employees. Many rely heavily upon the voluntary input of directors and supporters.

In all 23 social enterprises [10 % of the total in this study] were identified with a gross annual income of more £250,000 or more.

### ***North Country Leisure & Blyth Valley Arts***

*Two of the largest social enterprises operating in the County manage local leisure facilities and arts programmes. North Country Leisure was originally established in 1998 and manages sport & leisure facilities in Tynedale, Northumberland & Copeland. Blyth Valley Arts was established in 2003 to take over the managements of Blyth Valley Borough Council's leisure facilities in Blyth & Cramlington and its arts development programme.*

*Both are incorporated as companies limited by guarantee with charitable status. In 2008 their gross income (combined) was more than £10 million and they provided almost 300 full time, part time and sessional jobs.*

---

## Website

---

119 social enterprises (just over 50% of those studied) had a website address.

For some organisations still forming, or for those serving a discrete local community, the management team may not consider a website a priority.

However, websites can be a useful tool to profile the organisation more widely to potential customers, supporters and funders. It is one indicator of organisational development and capacity.

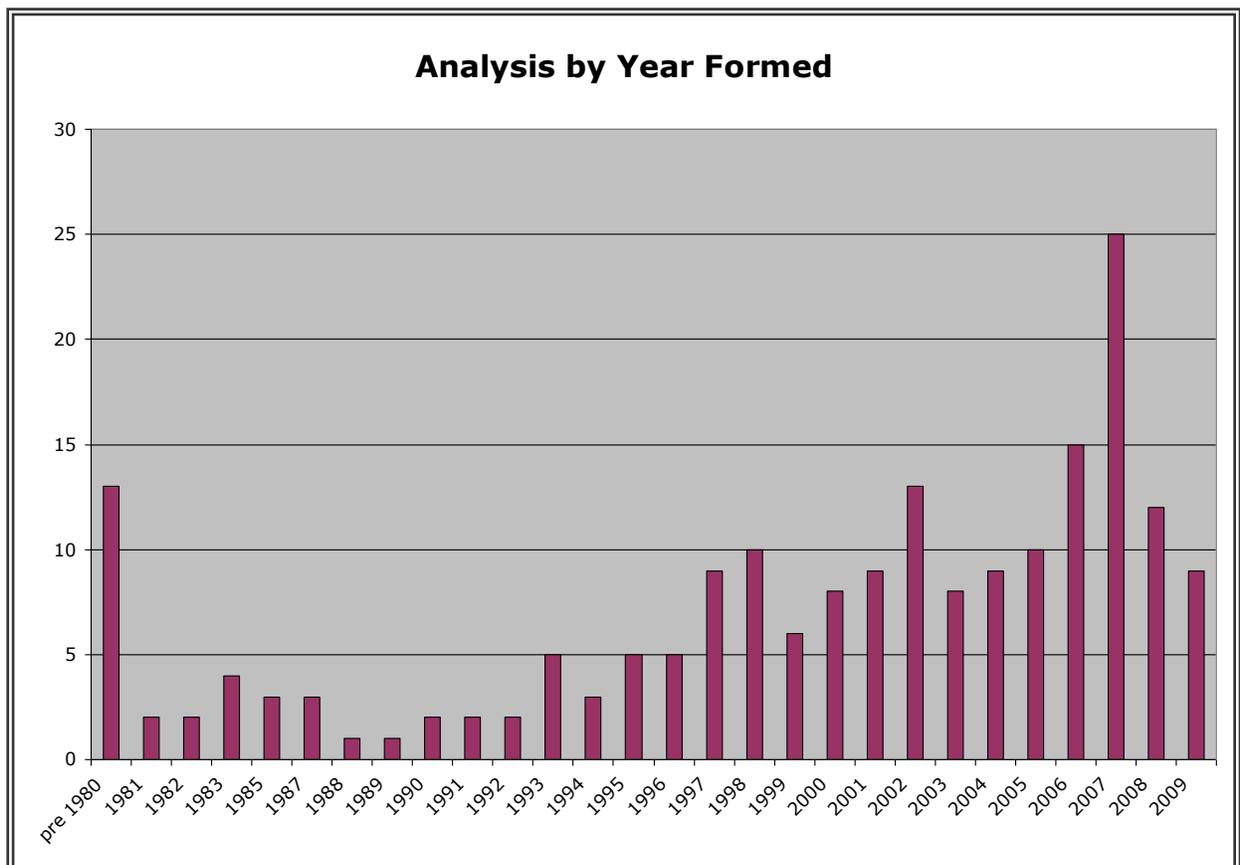
---

## Age

---

The research identified a date of formation/incorporation for some 85% of the social enterprises in this study. The distribution of start-up dates is illustrated in the chart below.

- 36% of the social enterprises identified have been formed within the past 5 years;
- A small proportion of the study (7%) has been established for 20 years or more;
- The average length of trading of the social enterprises in the study is just over 10 years.



---

## Qualitative Analysis – Case Studies

---

After consultation with the staff members of SEN a list of potential case studies was identified and refined (see Appendix A). The case studies were chosen to be representative of the range and spread of social enterprise activity across the County, reflecting both the economically deprived semi-urban towns of Ashington and Blyth and the market towns and villages of the Tyne Valley and North Northumberland.

14 case studies were researched during July, August and September 2009.

The case studies considered:

- the purpose and principal activities of the social enterprise
- its age and legal form
- its governance and management structure
- its economic and social outputs
- its contribution to LAA targets
- the support which it had received from SEN and others

---

### Profile

---

The size, age and legal form of the social enterprises studied is broadly representative of the findings from the quantitative data, although slightly skewed towards those which are more recently formed (and thus requiring greater development support)

Approx 1/3 were established before 2006; of the remainder ¾ were established between 2006 and 2008. Some have been established for less than 1 year or are still in the process of formation.

The most common form of legal status is company limited by guarantee.

3 DTA members have been included amongst the case studies.

2 of the case studies have yet to commence trading. The turnover of the others ranges from less than £10,000 to more than £1/4million per annum.

#### ***The Learning Chest***

*The Learning Chest is a new social enterprise, established in 2008 by a group of retired and serving teachers to meet an identified gap in the provision of educational resources. Based in Blyth it will serve the whole county, providing topic-based resources and play-equipment on hire to schools and playgroups lacking the budget or storage capacity to purchase their own.*

---

## Governance & Management Structure

---

Irrespective of size or age, effective governance structures were seen as a key contributory factor in the health and sustainability of the social enterprise.

Most have volunteer boards which encompass both specialist knowledge of the community of interest and range of services offered by the social enterprise, and generic business and enterprise skills (marketing, finance, HR).

The average size of board was 8. Only one social enterprise interviewed had a board of less than 3.

### ***Credit Union for South East Northumberland (CUSEN)***

*CUSEN has been established since the 1990's, but has expanded its operations in recent years, opening a new branch office in Blyth. It is a member-led organisation but operates within a tightly regulated environment. It needs to attract to its Board a wide range of business and financial skills.*

*CUSEN was one of many interviewees who spoke of the value of the governance support provided by SEN. This includes:-*

- Skills Audits for Boards of Trustees/Directors*
- Facilitated Strategy Days*
- Acting as a 'critical friend' in the formation of business development plans*

Effective governance was seen as vital in terms of setting the strategic direction of the enterprise, and mentoring/supporting the management staff. In the early days of formation, directors often contribute voluntary time to help get the enterprise off the ground, and can provide useful introductions.

Over time the governance needs of the organisation can change. The specialist support offered by SEN in facilitating board strategy days and conducting skills audits was widely praised.

---

## Economic Impact

---

The gross income (combined) of those enterprises included in the case studies was £1.9 million per annum, and the number of full time equivalent jobs sustained was 56.

Typically it is found that social enterprises contribute disproportionately to the regional and local economy in three ways:

- Gross Value Added relative to turnover is often higher than in the private sector. Of those social enterprises where it was possible to determine a gross value added (GVA) figure, GVA was approx. 58% of turnover.
- Employment is often sustained amongst hard-to-reach groups. Most of the social enterprises interviewed drew their employees from the local community and offered flexible working hours for those with family commitments. Some had provided pathways to employment for volunteers and trainees. Some social enterprises exist to provide training and employment for those with learning disabilities.

### ***Border Links***

*Border Links offers a high quality day service for people with learning difficulties and/or disabilities in the heart of their own communities in Cornhill and the Scottish borders*

*It has 11 paid staff – mostly part time - and 6 work experience trainees. Six of the paid staff were unemployed before joining Border Links and have been supported back to work through flexible working arrangements*

*All staff and trainees receive vocational training. 5 are currently studying for further qualifications.*

- Social enterprises often lever in new money to a community in the form of employment or capital grants. Collectively the social enterprises featured in the case studies have successfully levered in some £2.2 million [more than their annual turnover] in grants and loans to expand their work. Future expansion plans may see inward capital flows of another £5million (or more) in the next three years.

Although no formal exercise was undertaken as part of this study to demonstrate the local economic multiplier effect of social enterprises using the LM3<sup>4</sup> methodology, several examples were given during the interviews as to how the social enterprise benefited the local economy.

The Pebbles Art Cafe & Gallery (Allendale) buys its ingredients from local suppliers and during its open week-end in October 2008 was able to demonstrate increased sales for many of the local traders.

Border Links purchases from local suppliers for its 'veggie box' scheme. The value of its purchases was more than £8,000 in 2008/9.

WATBus, a community transport initiative serving Wansbeck, operates a policy of buying goods and services locally wherever possible in order to maximise the benefit returned to the community. Fuel, vehicle maintenance, marketing materials and office supplies are all sourced from local suppliers, adding more £50,000 back to the local economy each year.

The Credit Union for South East Northumberland prevents money leaking out of hard pressed local economy in the form of interest and repayments to money-lenders. The interest paid on its loans is returned to local savers. The benefit to the local economy is likely to be in excess of £15,000 per annum.

An LM3 study undertaken for Amble Development Trust in 2008 demonstrated that it generated £2.23p of local economic activity for every £1 of expenditure passing through the Trust.

---

## **Sustainable Enterprise**

---

The case studies drew out some of the challenges faced by social enterprises in achieving economic sustainability.

East Ashington Development Trust had launched two trading enterprises – Grass Roots (a garden maintenance business) and a timber recycling enterprise (modelled on a similar project in Brighton). Both received seedcorn funding, but neither was able to achieve sustainability from trading income, and the Trust was obliged to close them. Alnwick Community Development Trust experimented with a Road Train, but this failed to reach revenue targets. Amble Development Trust sold its bakery business (The Bread Bin) because of declining profitability as production costs increased.

---

<sup>4</sup> LM3 was developed by New Economics Foundation (nef) to provide an accessible and understandable way to measure economic impact. nef wished to facilitate the debate about local money flows and how to practically improve an organisation's local economic impact, as well as influencing the public sector to considering the value of social enterprise. Further background is available from: [www.pluggingtheleaks.org](http://www.pluggingtheleaks.org)

Lynemouth Resource Centre has found its office and room rental income badly affected by local government re-organisation, and a change in practice in terms of local service delivery. At the same time the core grant for the salary of the centre manager has come to an end, placing a double squeeze on the Centre's resources.

Other enterprises – such the Credit Union for South East Northumberland – are heavily dependent on core funding to meet salary and administration costs.

At a time when there will be growing pressure on public sector budgets, and on the budget of trusts and foundations, social enterprises will need plan for less reliance on core funding and to ensure that their forecasts of trading revenue are soundly based.

### Closures & False Starts

By virtue of using multiple data sources, the study identified 27 enterprises (just over 10% of the database) which had either ceased trading (12) or had failed to progress beyond the development stage.

The average length of life of those organisations which had ceased trading was just under 5 years.

Although the number failing to progress beyond the development stage is probably understated, the very low business failure rate is consistent with anecdotal data about third sector organisations and compares very favourably with the same data for private sector businesses. [In the North East approx 1/3 of private sector businesses fail or are bought-out within their first 3 years of trading <sup>5</sup>]

---

<sup>5</sup> Source data – State of the Region Report - NERIP

---

## Social Impact

---

The measurable impact of social enterprises is as diverse as the people and communities which they serve.

Some common themes are discernible from the case studies, and other data.

Social enterprises typically come into existence as a community response to market failure – they fill gap in service provision left by the private and public sectors. Examples covered by this study include:

- lack of suitable provision for learning disabled adults (eg Border Links, Hextol Foundation or Natural Ability)
- a co-operative response to create a viable sales or supply chain where margins/volume are insufficient to attract the private sector (eg Village Co-operative, Community Transport)
- solutions to local economic regeneration or the promotion of tourism (eg Kielder Village)
- social enterprise providing a trusted and cost-effective means of delivering a public service (eg financial awareness training through the credit union or fall prevention through the handyman scheme)
- social enterprise as the chosen vehicle for holding community assets (eg development trusts, community centres, social housing)
- the promotion of arts, leisure and culture (eg Blyth Valley Arts)
- the collective provision of childcare or after-school facilities
- 'green' social enterprises responding to environmental or climate change concerns (eg Natural Allies, CoRE)

The primary social impact, therefore, of all of these social enterprises is to make available goods, services or facilities which (but for the existence of the social enterprise) might not be accessible to user-group.

The evidence from this study tends to confirm that social enterprises in Northumberland are often a response to the problems of rural isolation – providing a vehicle for services where those services might not otherwise exist. In Wansbeck and Blyth Valley the challenge relates more to low incomes and low educational achievement.

### ***North Tynies***

*North Tynies operates a Children's Centre on the school site in Bellingham in the North Tyne Valley. It provides pre-school and after school activities on site, and offers pre-school activities at 4 nearby satellite sites to 188 young people.*

*It is the only such provision in the vicinity – the nearest alternative being Hexham, 18 miles away with virtually no public transport.*

*Other county-based parenting support services are now delivering services at the Children's Centre.*

In providing a collective response to market failure the social enterprises have a greater impact than mere service provision. The case studies re-inforce the effectiveness of social enterprises to

- a) mobilise social capital and latent talents. They bring together diverse skills in their boards; they attract volunteers. Through their governance processes they enable the community to participate in providing the solutions to its own needs. Not only does the use of volunteers help to reduce operating costs and therefore transaction costs to the end user, but volunteering is also good for the volunteer. It contributes towards well-being and sense of purpose for those engaged with the enterprise.

From the evidence of the case studies most social enterprises have on average between 6 and 10 volunteer board members. Many (like Pebbles or CUSEN) engage other volunteers in the delivery of their programmes.

- b) empower communities. Isolated communities often feel marginalised in a market economy where services are centralised in towns and cities. Developing local solutions to local needs (eg pre-school childcare in the North Tyne Valley through North Tynies, or the Pebbles Art Cafe in Allendale, or community renewable energy solutions through CoRE) builds self-confidence and self-esteem within a community. It enhances the quality of community life and attracts residents.
- c) raise aspirations and achievement – especially amongst young people. Social enterprises often pick up where statutory provision has failed – thus a project like Border Links is able to offer tailored skills training to those with learning disabilities; Skills 4 U offers construction trades training to young people who have been excluded from mainstream education; the Learning Chest will make available play and learning equipment to schools and clubs which would otherwise not have access to it.

#### **Skills 4 U**

*Established in 2006 Skills 4 U delivers construction trades training and qualifications to young people from Cramlington, Ashington, Bedlington and Morpeth who have been excluded from mainstream education or have failed to achieve qualifications by the time of leaving school.*

*Working in partnership with Buzz Training in Ashington it is now delivering courses to more than 300 young people each year, offering the prospect of a BTEC qualification for some trainees.*

- d) leveraging in funds. Effective solution enterprises lever new funds into communities, creating spin-offs and new possibilities. In aggregate the social enterprises covered by these case studies have levered in more than £2 million in grant and loan funding to their communities – more than the value of their annual trading turnover.

## Contribution to Local Area Agreement Targets

From within the cadre of case studies, social enterprises were identified as contributing to 17 of Northumberland's County 22 LAA targets.

Most social enterprises contribute directly to achievement in at least two of the target areas.

|  |                        |                                |                        |                        |                        |
|--|------------------------|--------------------------------|------------------------|------------------------|------------------------|
| Educational attainment and early years | ✓<br><b>6</b> soc ent. | Domestic violence and bullying |                        | Sexual health          |                        |
| Worklessness and income deprivation    | ✓<br><b>6</b> soc ent. | Climate change                 | ✓<br><b>2</b> soc ent. | Tourism                | ✓<br><b>2</b> soc ent. |
| Business growth                        | ✓<br><b>3</b> soc ent. | Road safety                    | ✓<br><b>1</b> soc ent. | Alcohol misuse         |                        |
| Accessibility                          | ✓<br><b>1</b> soc ent. | Environmental quality          | ✓<br><b>1</b> soc ent. | Cultural participation | ✓<br><b>3</b> soc ent. |
| Pathways to Services                   | ✓<br><b>1</b> soc ent. | Affordable housing             | ✓<br><b>2</b> soc ent. | Volunteering           | ✓<br><b>8</b> soc ent. |
| Mental health                          |                        | Waste management               |                        | Community empowerment  | ✓<br><b>8</b> soc ent. |
| Independent living                     | ✓<br><b>4</b> soc ent. | Healthy living                 | ✓<br><b>2</b> soc ent. |                        |                        |
| Anti-social behaviour                  | ✓<br><b>1</b> soc ent. | Smoking cessation              | ✓<br><b>1</b> soc ent. |                        |                        |

Thus, even if the scale of many rural social enterprises is small and their focus specialised, they can be effective partners in reaching those parts of the community 'which others cannot reach'.

---

## Accessing Support

---

Given that the case studies were identified in discussion with the staff of SEN, it is not surprising that all had received support of some kind from SEN.

Three aspects of SEN's support were especially valued by those interviewed:

- knowledge and understanding of the social enterprise model – the ability to guide newcomers through the logic steps of establishing a social enterprise at a pace appropriate to the client
- governance advice and the facilitation of 'strategy away days' for Boards
- acting as a 'critical friend' regarding business plans and business developments  
[Often the burden of management within a social enterprise falls upon one person, and in those cases the Manager can feel somewhat overwhelmed]

The cash support from SEN was also appreciated, when it had been available. However, the access to advice was valued more highly.

Some social enterprises had used Business Link services. Others had drawn on training or support from their professional bodies/ sector specialists. Two had received support through the Adventure Capital Fund, two through Lankelly Chase and one through the Plunkett Foundation.

### ***Pebbles Gallery & Art Cafe***

*Allendale Creative Artists CIC (established in 2007) operates the Pebbles Gallery and Art Cafe in Allendale. Open 7 days per week it offers a sales venue for some 40 local artists and craft-workers.*

*It also supports local tourism: 1 in 3 of its customers are day visitors to Allendale, 1 in 10 is from outside the North East.*

*With co-ordinated support from SEN and CapitaliSE and a development grant from the Adventure Capital Fund, the CIC has secured in more than £750,000 of funding towards the construction of a new suite of artists workshops and gallery space on a derelict garage site in the town square and for its youth projects.*

## Comparative Analysis – Published data from outside the County

Two recent studies have been published which allow comparison with the findings of this study:

- Baseline mapping of social enterprise activity across the West Midlands – undertaken for Advantage West Midlands by WM Enterprise (November 2007)
- Baseline mapping of social enterprise activity across Wales – undertaken for the Welsh Assembly Government by Sector Projects, Geoeconomics and The Research Unit (July 2009)

Key findings can be summarized as follows:

|                                     | <b>West Midlands</b> | <b>Wales</b>   | <b>Northumberland</b>   |
|-------------------------------------|----------------------|--|---|
| No: of Social Enterprises in study  | 5,554                | 3,056  | 235   |
| Population                          | 5,270,000            | 2,980,000  | 310,000   |
| Social Enterprises per 100,000 pop  | 105                  | 102  | 75  |
| Principal Activities                | n/a                  | Education & Training<br>Art & Leisure<br>Regeneration/<br>Employment<br>Children, Health & Social Care | Childcare<br>Arts & Leisure<br>Regeneration/<br>Employment<br>Community/Co-op |
| Median Turnover                     | n/a                  | circa £50,000  | <i>estimated</i><br>£60,000 - £75,000   |
| Employment                          | 125,000 (FTE)        | 28,533 (FTE)   | <i>estimated</i><br>800 (FTE)   |
| Av no. of FTE jobs per Soc Ent      | 22.5                 | 9.3<br>(3.3 if adjusted)   | 3.5   |
| Av. Number of years established     | n/a                  | 14   | 10  |
| Aggregate GVA of Social Enterprises |                      |  | <i>estimated</i><br>£9,000,000  |

The narrative for the West Midlands and Wales studies suggests that their data collection techniques will have included some categories of organisation explicitly excluded in this study (see page 5). Thus the number of social enterprises per 100,000 of population derived from this study appears lower than for the others.

The three reports offer widely differing findings in terms of the estimated number of jobs sustained by each social enterprise. Further detail is not available to explain the West Midlands employment estimates.

The data for the Wales study includes one very large enterprise (the national water company - Glas Cymru – turnover £623m) and 17 other social enterprises with a turnover of more than £10 million. The report notes a concentration of larger social enterprises in and around the capital city, Cardiff. Including these larger enterprises skews the average upwards/

If the largest 150 social enterprises in Wales are excluded, the average number of FTE employees per social enterprise falls to 3.3 (which is in line with the estimates for Northumberland). Some 50% of the (predominantly rural) social enterprises in the Wales survey have no employees at all

In the Wales report, the organisations covered by their study have been established for an average of 14 years; almost 40% of those studied had been established for more than 20 years. In this study the proportion established for more than 20 years is only 7%. Many of the social enterprises are more recently established; 36% have been formed in the past 5 years, the average lifespan being just over 10 years.

Earlier sub-regional social studies quoted in the Angier Griffin mapping exercise undertaken for NESEP (2007) <sup>6</sup> suggest average turnover of £50,000 - £95,000 per social enterprise, jobs sustained of 5 – 15 per social enterprise, and an average length of trading of 5 – 13 years.

The Wales study notes that rural social enterprises tend to be more local in the scope and impact, typically serving a community within a 10 miles radius. The majority of Northumberland's social enterprises will be more typical of those serving rural areas – smaller in size, fewer paid employees, greater reliance on volunteer directors, more local in terms of impact.

The comparative analysis suggests that:

- The size and distribution of social enterprises across Northumberland mirrors the findings for other sub-regional studies and for rural Wales
- The typical social enterprise in Northumberland serves a smaller more local market, has a turnover of less than £100,000, sustains a small number of full-time and part-time jobs, supported by volunteer directors and supporters
- The rate of social enterprise formation in Northumberland in recent years has led to a younger 'stock' of social enterprises than may be found elsewhere in the UK.

---

<sup>6</sup> Available to download – [http://www.angier-griffin.com/downloads/2007/october/Mapping\\_Report.pdf](http://www.angier-griffin.com/downloads/2007/october/Mapping_Report.pdf)

## Northumberland Prosperity Case Study List

| <b>Organisation</b>                        | <b>Activity</b>                     | <b>Location</b>        | <b>Established</b> | <b>Website</b>   |
|--|-------------------------------------|------------------------|--------------------|--|
| Allendale Creative Artists CIC             | Arts Café<br>Artists Studios        | Allendale              | 2007               | <a href="http://www.pebblesartcafe.co.uk">www.pebblesartcafe.co.uk</a>                     |
| Alnwick Community Development Trust        | Development Trust                   | Alnwick                | 2001               | <a href="http://www.alnwickdevelopmenttrust.org.uk">www.alnwickdevelopmenttrust.org.uk</a> |
| Border Links                               | Day Care Services<br>Veg Box Scheme | Cornhill               | 2006               |  |
| Community Renewable Energy Ltd             | Renewable Energy                    | Berwick & Countywide   | 2007               | <a href="http://www.core.coop">www.core.coop</a>   |
| Credit Union for South East Northumberland | Credit Union                        | Ashington              | 1990's             |  |
| East Ashington Development Trust Ltd       | Development Trust                   | Ashington              | 2003               | <a href="http://www.eastashington.co.uk">www.eastashington.co.uk</a>                       |
| Learning Chest                             | Outdoor Play                        | Blyth                  | Forming            |  |
| Lynemouth Community Trust                  | Community Centre                    | Lynemouth              | 2000               |  |
| Natural Ability                            | Supported Housing                   | Spartylea              | 2009               |  |
| North Tynies                               | Childcare                           | Bellingham             | 2005               |  |
| Northumberland STARS                       | Handyman Service                    | Ashington & Countywide | 2003               | <a href="http://www.northumberlandstars.org.uk">www.northumberlandstars.org.uk</a>         |
| Skills 4U NE                               | Employment Training                 | Cramlington            | 2006               |  |
| Tynedale Community Radio                   | Community Radio                     | Hexham                 | 2008               | <a href="http://www.tynedalecommunityradio.co.uk">www.tynedalecommunityradio.co.uk</a>     |
| Watbus                                     | Community Transport                 | Ashington              | 1998               |  |

**Northumberland County Council – LAA Targets**

|  |                                |                        |
|--|--------------------------------|------------------------|
| Educational attainment and early years | Domestic violence and bullying | Sexual health          |
| Worklessness and income deprivation    | Climate change                 | Tourism                |
| Business growth                        | Road safety                    | Alcohol misuse         |
| Accessibility                          | Environmental quality          | Cultural participation |
| Pathways to Services                   | Affordable housing             | Volunteering           |
| Mental health                          | Waste management               | Community empowerment  |
| Independent living                     | Healthy living                 |                        |
| Anti-social behaviour                  | Smoking cessation              |                        |



Angier Griffin  
Loavine House  
Percy Terrace  
Alnwick  
NE66 1AF  
[www.angier-griffin.com](http://www.angier-griffin.com)