

Starting a Social Enterprise

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Have you ever considered starting a business within your community that would have a social, community or ethical purpose while providing a service or product on a not for profit basis? If the answer is yes, here is your guide to social economy business.

The social economy in Northern Ireland produces between one and eight percent of economic activity and employs over 30,000 workers – similar to the tourism or construction industries (source: www.nibusinessinfo.co.uk). It is a growing sector and is already producing economic and social benefits, including job creation, trading provision, improving the environment and building local capability. Each year people set up innovative social enterprises that meet particular needs within communities.

Social enterprises you may be familiar with in your community include:

- Credit Unions
- Local enterprise agencies
- Cooperatives
- Community businesses
- Housing associations

Social enterprises in Northern Ireland operate in a wide range of industries including:

- Health and social care
- Recycling
- Tourism
- Manufacturing
- Education and training
- Advice, support and counselling

What is a Social Enterprise?

According to the Department of Enterprise, Trade & Investment: "A social enterprise is a business with primary social objectives whose surpluses are re-invested, for that purpose, in the business or in the community rather than being driven by the need to maximise profit for shareholders or owners."

It is what a business does with its profits, rather than its specific legal structure, that determines whether it is a social enterprise. Like

mainstream businesses they are helping the economy grow by creating jobs and increasing wages and salaries in the economy. But beyond these tangible effects they make significant contributions to well-being in our society. A successful social enterprise business will be financially self-sustaining. A social enterprise should also consider whether or not to set itself up as a charity. Doing so offers a number of benefits, including significant tax reliefs, but results in increased regulation and less flexibility.

Often the main focus of a social economy business is to offer on-the-job training to people who may lack skills. This is important in helping the unemployed come back to the workplace and opens up further opportunities for them. Employment opportunities are often available to people with disabilities within a social enterprise. By contributing to both social and economic goals, social enterprises play a vital role in empowering communities and helping them become more productive.

A social entrepreneur may have previous experience as a community activist or voluntary sector worker, but anyone with a good idea and the drive to see it through can start a social enterprise.

Local Shining Examples

At the UK Social Enterprise Awards, which took place on 30 March at The O2 Arena in the London earlier this year, Northern Ireland Social Enterprise, Newington Credit Union from North Belfast was declared winner of the UK Social Enterprise of The Year Award. While John McMullan, Chief Executive of Bryson Charitable Group won the Social Enterprise Leader of the Year Award.

What Support is Out There?

Financial support can be applied for through the Ulster Community Investment Trust (UCIT) who provide loans and business support.

However, UCIT report – especially in today's climate – that more and more community enterprises are realising that grants cannot fully meet all of their funding needs. For sustainability, it is therefore a necessity to generate your own capital within a social enterprise in order to fulfil both development and cashflow requirements. Consequently loan funding, and in particular social finance, is becoming a primary tool in satisfying these needs. www.ucitltd.com

The Social Economy Network (SEN) is a membership-based organisation that

Social Enterprises make significant contributions to the economy and our society



draws its membership from social economy organisations throughout Northern Ireland. The key focus of the network is to build and strengthen the network of social economy businesses in Northern Ireland through representation, lobbying, partnerships, fostering co-operation and providing beneficial opportunities to its

members. SEN also provide information on training and support available as well as a social economy trade directory. Social economy businesses in Northern Ireland can also access a range of support from the network. They encourage members to utilise training programmes and business support initiatives to develop their social enterprise and

achieve long-term stability. Partnerships have been developed between SEN, the Department for Education & Learning, Investors In People and the Management Analysis and Planning programme to offer ongoing

training programmes with accredited courses to social economy organisations and social entrepreneurs.

www.socialeconomynetwork.org 

For more information on starting a social enterprise contact:

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