



# Ashford Borough

## A Growing Social Enterprise Sector

SEPTEMBER 2019

Prepared by: Social Enterprise Kent  
With support from Ashford Borough Council

**SEK**  
Social  
Enterprise  
Kent

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# Foreword

The social enterprise sector within the Ashford Borough is experiencing exciting and rapid growth. I am delighted that Ashford Borough Council sees how important the social enterprise sector is within Ashford, Kent and wider afield, and is committed to helping it grow.

Now is the time to seize the enthusiasm within the Ashford social enterprise sector and ensure that existing and future businesses maximise social impact, whilst making a positive impact on economic regeneration of communities. Social Enterprise Kent saw the potential of the Ashford district, and moved its head office here in 2016, and others are following.

We would like to thank Ashford Borough Council for commissioning this report. A special mention to Craftship Enterprise CIC and Kent Community Foundation for their support in helping us spread the word.

***Claudia Sykes, CEO, Social Enterprise Kent***

***“The social enterprise sector in Ashford is thriving”***

I welcome this report from SEK highlighting the valuable contribution social enterprises are making to the economic and social well-being of the borough. Their business minded approach provides a diversity of services and goods to the community, employment and volunteering opportunities. In addition, the social ethos that drives each social enterprise is helping some of the most vulnerable people in our communities to overcome issues and develop skills and knowledge to empower them to live independent lives.

The council wishes to whole heartedly support this sector and to see it grow and flourish. This report is a first step towards working more closely with the social enterprises in the borough. Together we can encourage businesses, organisations, residents and communities to use social enterprises; recognising that the money spent on goods and services will be reinvested back into the community, creating a fairer more caring borough for everyone.

I will explore how the council can help provide a firm foundation for social enterprises to develop and be competitive and sustainable in the long term. This accords with our responsibility under the Social Value Act to consider how we can secure wider social, economic and environmental benefits when commissioning services.

***Tracey Kerly, CEO, Ashford Borough Council***

# The Social Enterprise Landscape

Social enterprises in Ashford and the UK are thriving, and there is a real economic reason for investing in the social enterprise sector. With over 100,000 social enterprises in the UK, the sector is rapidly growing. 47% of social enterprises grew their turnover in the last 12 months, compared to 34% of UK businesses, and 25% of social enterprises are under 3 years old, which is three times the proportion of start-ups compared to other businesses (8%). (Source: Hidden Revolution)

***“47% of social enterprises grew their turnover in the last 12 months, compared to 34% of UK businesses.”***

## WHAT IS SOCIAL ENTERPRISE?

Social enterprise is a better way of doing business. It is about trading and making a profit, but reinvesting any surplus or profit back into the communities within which they operate. It is a virtuous circle. One where the economy flourishes, but also the people within the communities also prosper through the social enterprises' social impact.

Although there are many definitions of a social enterprise, they generally have the following characteristics:

- They have an enshrined primary social or environmental mission (through legal form, governing documents or ownership)
- They principally direct their surpluses towards that mission
- They are independent of government
- They primarily *earn* income through trading, selling goods or services.

(Hidden Revolution: Social Enterprise in 2018)

Social enterprises are everywhere and often well-known and hugely successful, but their social enterprise status goes under the radar.

Some you may be familiar with include:

- THE BIG ISSUE
- DIVINE CHOCOLATE
- CO-OPERATIVE GROUP (ROOTS FROM 1844)
- LONDON SYMPHONY ORCHESTRA (ROOTS FROM 1904)
- CAFÉ DIRECT
- THE EDEN PROJECT
- BELU WATER

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## ASHFORD SOCIAL ENTERPRISES

Within Ashford, we also have so many fantastic social enterprises! Social Enterprise Kent, in conjunction with Ashford Borough Council, asked social enterprises, charities with social enterprise arms, and organisations that are trading with a social purpose in the borough a series of questions about their business. The organisations represented in our report include:



## ASHFORD CHARITABLE AND COMMUNITY ORGANISATIONS

There are a number of charities and community groups providing a range of services across the borough that aren't necessarily classified as a social enterprise, but are making a very valuable contribution to supporting local people and causes. One example of this is the Ashford Volunteer Centre who deliver a wide range of services to the community including befriending, cancer support groups, and volunteer car schemes. They also provide information on volunteering opportunities, including placements and support and advice to organisations who use volunteers.

Indeed, some of the social enterprises listed above have charity numbers and are registered with the Charities Commission, but are increasingly trading social-based products and services in order to diversify their income streams in a time where grant funding is becoming increasingly more difficult to find and sustain.

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# Social Enterprise: Stats and Facts

Social enterprises are fundamentally different from charities, but also from mainstream businesses. They are worth £60b to UK GDP, with a mean turnover of £1,129,893. They pay taxes, with Britain's top 5 co-operatives paying more tax than Amazon, Facebook, Apple, Ebay and Starbucks.

Social enterprises employ more than 2 million people and make up 5% of the UK workforce. 42% of social enterprises are led by women, 36% have a director with a disability, and 12% are led by someone from the black, Asian and minority ethnic (BAME) community. 50% of social enterprises have developed a new product or service in the past 12 months, and we are bigger than the agriculture sector in the UK. (Hidden Revolution: Social Enterprise in 2018)

Social Enterprise UK states:

***“Social enterprises are creating a disproportionately positive impact and making a critical contribution to social, environmental and economic life in the UK.”***

The wider social economy is more likely to give back to the local area. Customer owned retailers invest twice as much of their profit in local areas as their competitors. (Co-operatives UK, 2017, <http://reports.uk.coop/economy2017/>)

And the sector is growing! 58% of social enterprises are anticipating an increase in turnover in the next 12 months. The growth of brands identified as “responsible” is nearly double that of conventional brands (Smits, Vismans, van Zon and Wood), and a Gov.uk report (Mission-led Business) states that there is increasing evidence of a correlation between mission-led business and earnings outperformance.

Finally, 73% of consumers agree that they are more likely to buy from or engage with a business with a purpose beyond profit. (UnLtd)



# Case Study



## BARE BAZAAR

Kati Ramsden launched Bare Bazaar in direct response to the media coverage of plastic pollution. She was frustrated that she was not able to shop in the way she wanted, avoiding unnecessary plastic, and soon discovered she wasn't the only one. After lots of market research and number crunching, she was able to devise a stock list, with prices that were competitive with supermarkets, and started at Ashford Farmer's Market on 1 July 2018. Since then, Bare Bazaar has moved into the Made in Ashford shop, in Park Mall.

In November 2018 Bare Bazaar became incorporated as a CIC. They meet their social remit through engagement events and activities aimed at raising awareness of issues around recycling, waste and pollution.

As the youngest social enterprise who has responded to our survey, Bare Bazaar is growing rapidly. Kati is combining trading commercial sales in the store, with recent applications to funders to help grow her business more quickly. She is aiming to recruit her first staff member in the next 12 months.

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# Ashford Borough Social Enterprises

After surveying 36 Ashford Borough-based social enterprises, we discovered a wealth of information about the sector. Social enterprises in the borough are punching above their weight, producing high impact results and a strong contribution to the economy. There is a real mix of social enterprises - some we surveyed are very new and have only been trading for a few months, but some are more established; some have turnover in the millions per annum, and some turning over tens of thousands of pounds. They represent many different types of businesses, with healthcare organisations, cafes, craft businesses, educational facilities and so many more.

We asked the social enterprises:

1. Legal entity
2. Geographic location
3. If they work with participants/clients locally or further afield
4. When they began their business
5. Financial turnover
6. Growth ambition
7. Staff and volunteer numbers
8. Organisation type

We also asked what support and guidance the organisations needed going forward.

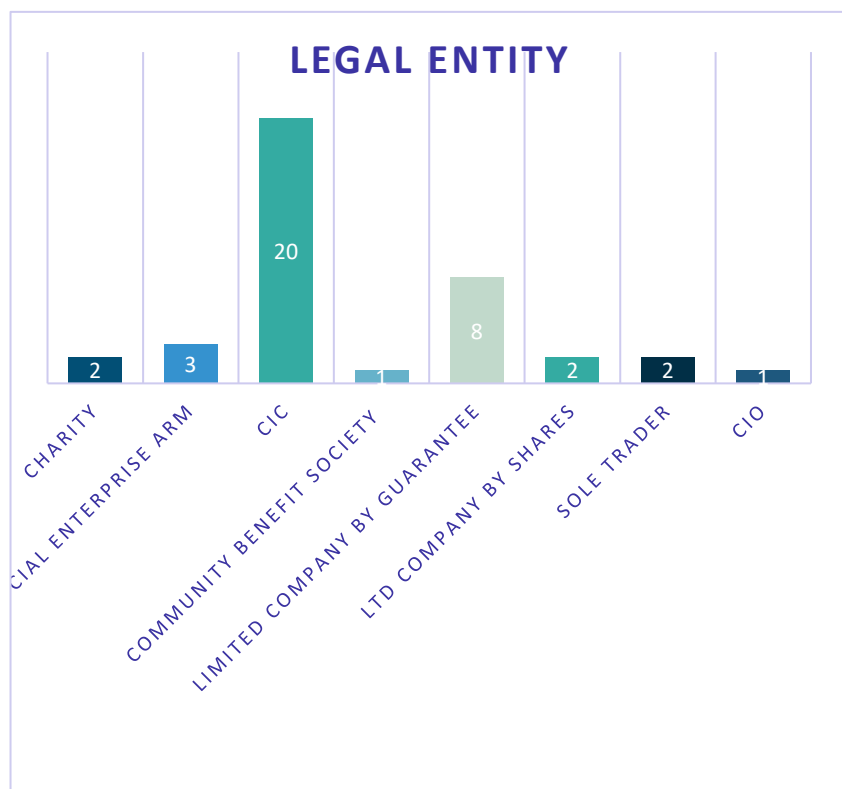


Social Enterprise Kent's annual conference held in Ashford in 2018

## LEGAL ENTITY

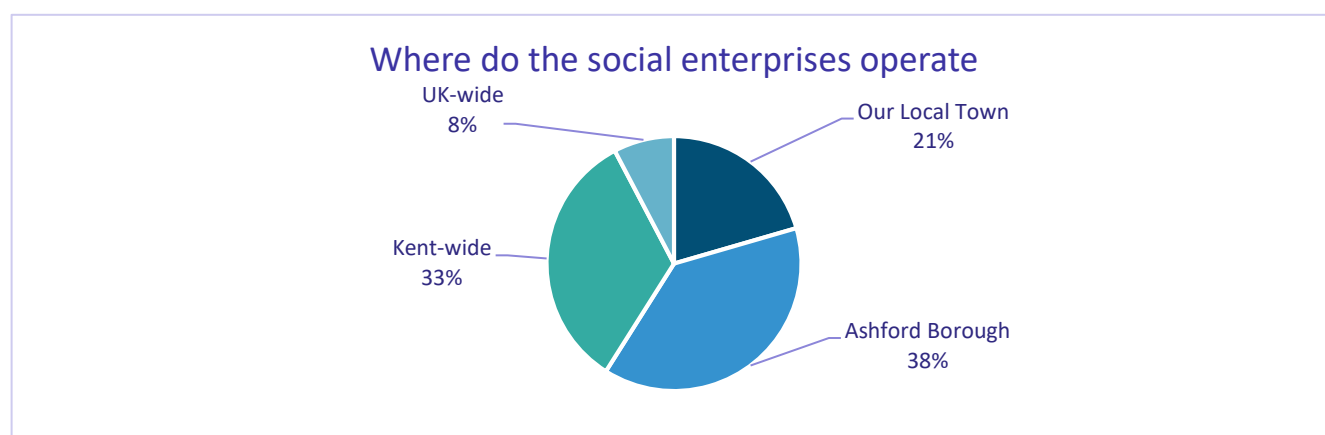
The organisations represented in the survey are predominantly Community Interest Companies (CIC). The CIC model is designed to provide an effective legal form for enterprises which aim to provide benefit to the community or to trade with a “social purpose,” rather than to make a profit.

Companies Limited by Guarantee feature as the next most popular legal entity. This may be as these organisations were the precursor to the introduction of CICs in 2005.



## WHERE DO THE SOCIAL ENTERPRISES COVER?

Most of the respondent’s social enterprises operate quite locally; either in their local town or the immediate Ashford Borough. However, 41% operate in either East Kent or Kent, one in Sussex also, some UK wide but also one respondent said that they operate globally.



This debunks a common misconception that social enterprises are always small and locally focused.

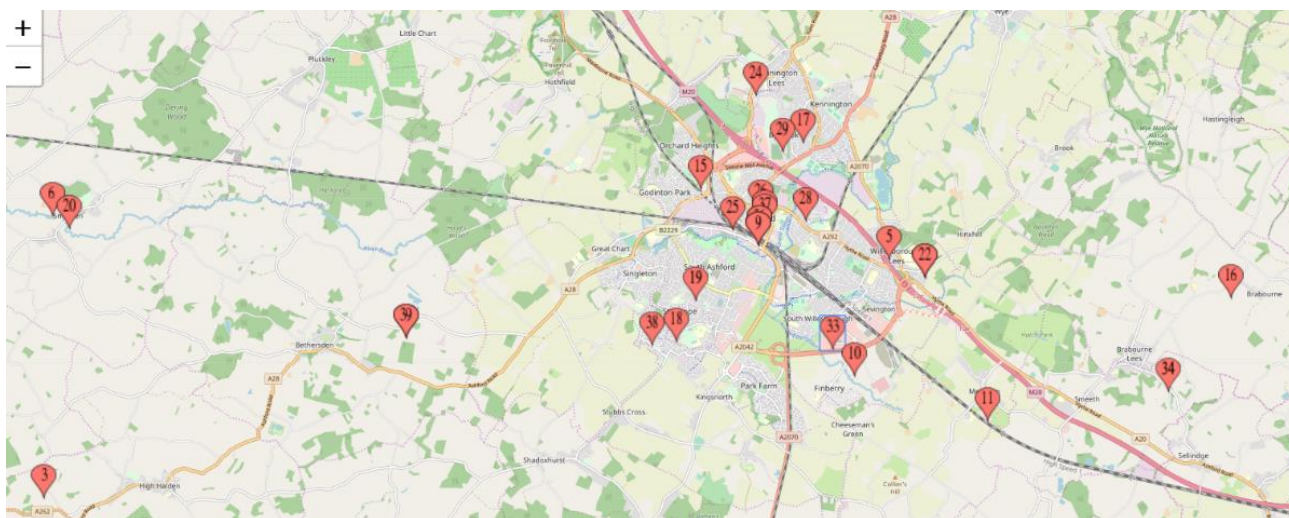


## LOCATION

As you will see from the following maps, the social enterprises are located throughout the borough, but predominantly reside in either Ashford itself or the smaller towns such as Tenterden. Some respondents don't have a head office in the Ashford Borough, but deliver services in the area and therefore responded to our survey.

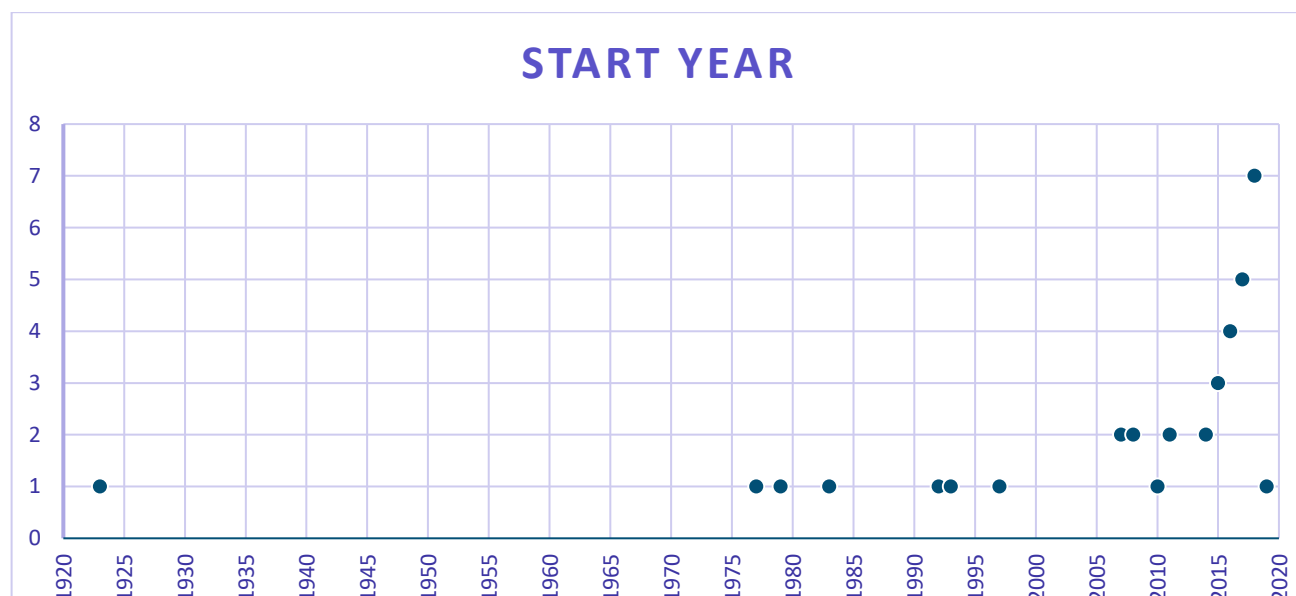


Ashford Borough includes urban areas, but mainly consists of very rural locations. It is interesting to note that such is the importance of these rural areas that Kent's rural representative organisation, Action with Communities in Rural Kent (Rural Kent) has its head office in the region.



## WHEN DID THE SOCIAL ENTERPRISES BEGIN?

Only eleven respondents (31%) are older than 2010 with the oldest social enterprise, Rural Kent, dating back to 1923. Twenty-five (69%) have therefore started in 2010 through to 2019. Thirteen social enterprises (36%) have begun in the last three years (including 2019). This is higher than the national average of 25% (SEUK) showing the level of growth in the Ashford Borough in particular.



## FINANCIAL CONTRIBUTION TO THE ASHFORD BOROUGH

Financial turnover corresponds with longevity. The social enterprises that started before 2010 have an average turnover of £12,351,067, compared with an average turnover of £ 1,795,425 for those newer than 2010. However, if we take out Pilgrims Hospice (£14m) and Project Salus CIC (£2.1m) and Social Enterprise Kent (£5.8m), and those not yet trading, we get a more accurate £60,566 turnover, showing that newer social enterprises are still very small and growing.

Of the 36 respondents, £88,469,798 of turnover is being generated in the Ashford Borough per annum. Social enterprises have a valuable contribution to the economy but social enterprises also deliver a massive amount of social impact also. This makes their contribution so much more important.

## GROWTH AMBITION

Unsurprisingly, all but two respondents said that they would like to grow their turnover. Two said they would like to stay the same, and no organisation said that they would like to reduce turnover.



# Case Study



## WOOD N WARE

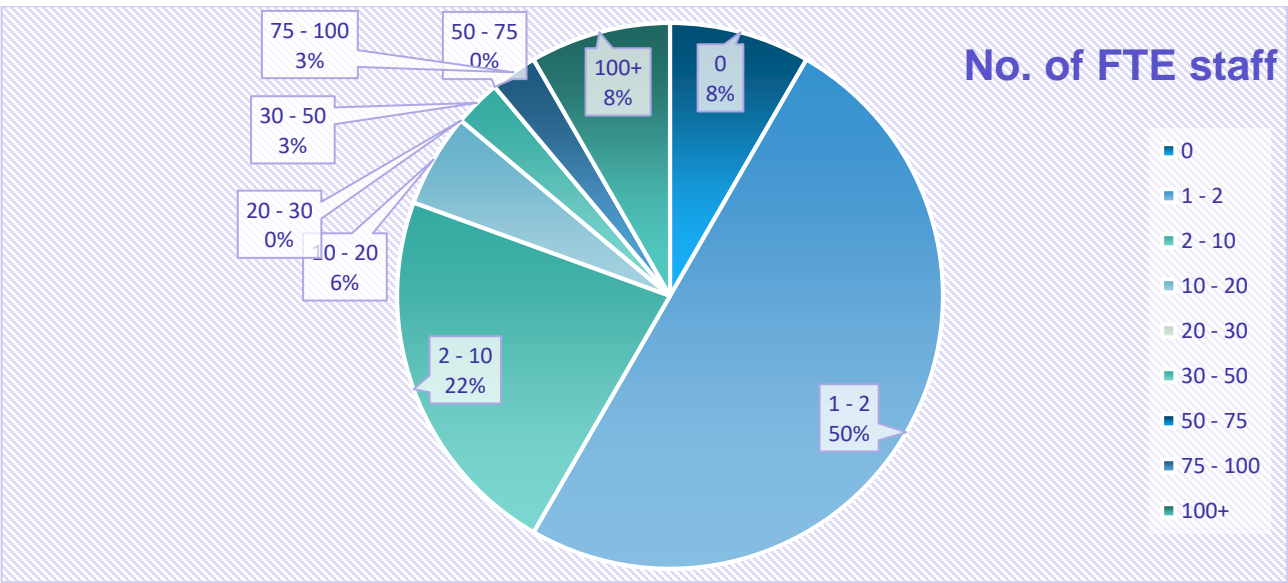
Wood n Ware is a community interest company that provides opportunities for vulnerable adults to learn woodwork skills, up-cycling, re-purposing and environmental awareness whilst building confidence, social networks, enterprise and a sense of community.

They support individuals to engage with the local community and sell their products that they have made at Wood n Ware (including the bird box pictured above) through attendance at local farmers markets, community art events, and partnership working with schools and eco gardening clubs. Members of the public are invited to the service where individuals are encouraged to showcase their designs to members of the public, often resulting in bespoke orders being made.

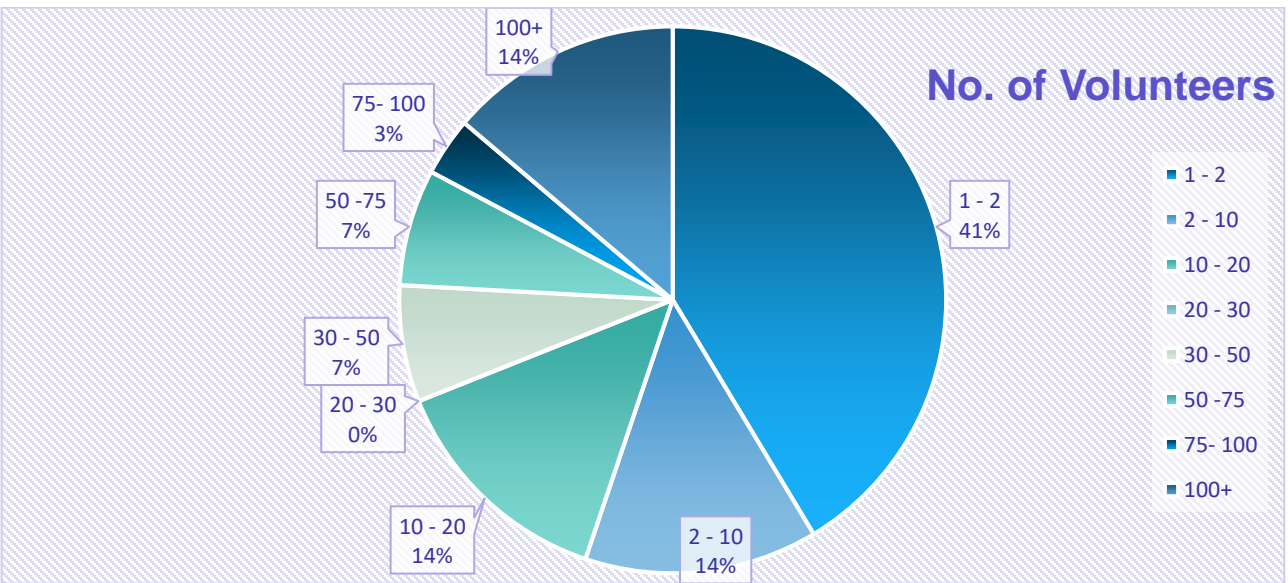
Their service is committed to the environment and teaches individuals and the community about the importance of waste and recycling. All products used are made from reclaimed materials that would otherwise end up in landfill or burnt. They deliver educational sessions to highlight the amount of waste that could be reused or repurposed in other ways. They create wildlife homes from recycled materials for animals and insects that are losing their natural habitats due to economic development.

# STAFF AND VOLUNTEER NUMBERS

The number of full-time equivalent staff numbers is small. 50% of Ashford Borough social enterprises have only 1-2 staff members, and 22% have 2-10. Only 3% have 75 – 100 staff members and 8% had over 100. Some are listed as not having any employees. This is because owners/founders are not taking a salary as yet.



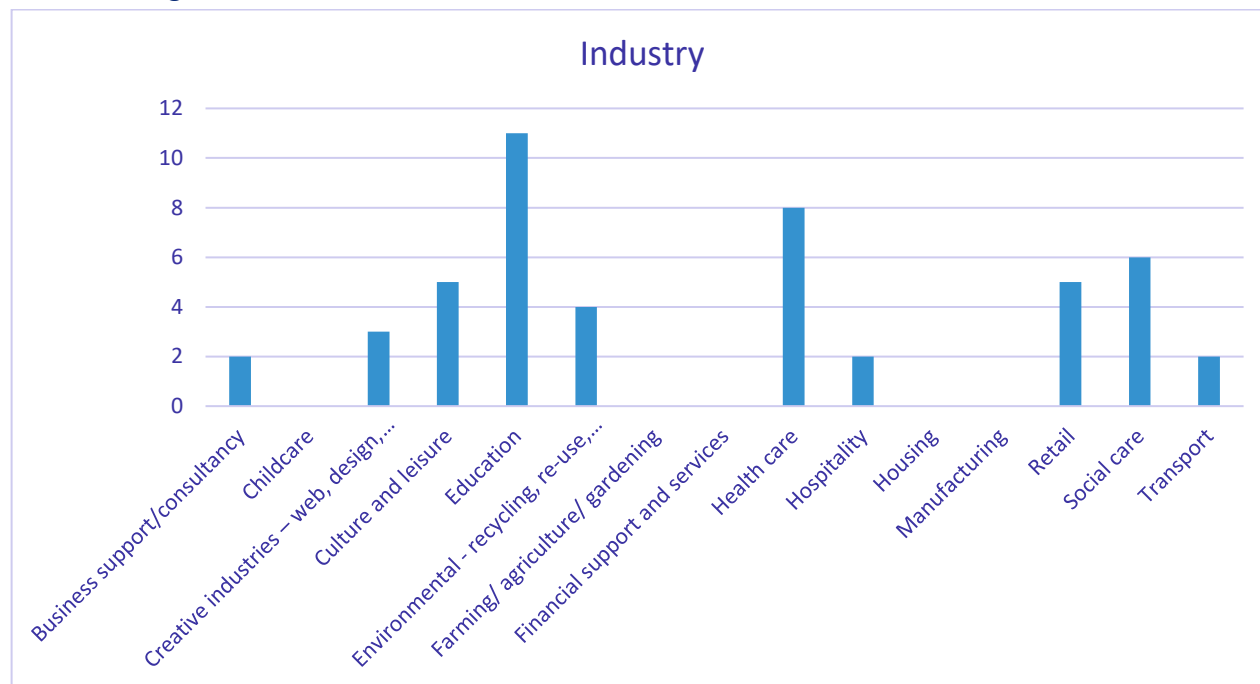
The percentages of volunteers tended to correlate with the employed staff numbers. With 41% of social enterprises having 1-2 volunteers, but at the other end of the spectrum of 14% of social enterprises having over 100 volunteers, this is a lot of people who are either volunteering for wellbeing, sense of purpose, and to reduce social isolation, or volunteering to get vital job skills in order to gain paid employment.





## ORGANISATION TYPE

Respondents were given the option to tick one or more industries and categorised themselves into the following:



Some didn't think they fell into the above categories and added the following:

Mediation and mediation training; Supporting local women and providing free clothing; Youth Engagement; Rural Community Development; Engineering; Mental health; Networking and collaboration for therapists of all types; Social problems.

Within Kent, SELEP estimates that there is between 2,135 and 2,774 social enterprises. The main areas in which social enterprises are trading, when comparing Ashford to the South East are:

	South East	Ashford
Retail	22%	10%
Creative Industries	11%	6%
Business Consultancy/Support	10%	4%
Hospitality	9%	4%
Education	9%	23%
Environmental	9%	8%
Financial Support and Services	8%	0%
Culture and Leisure	7%	10%
Social Care	7%	13%
Employment and Skills	6%	Unknown
Healthcare	4%	17%
Transport	Unknown	4%

*Please note that totals may not equal 100% due to rounding.*



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***“Education, healthcare and social care are the top three types of social enterprise in the Ashford Borough”***

Education, health care and social care were the highest, which differs to the South East Local Enterprise Partnership area where retail, creative industries and business support were the top three. There is a social enterprise for so many different types of business. With a larger sample size in the Ashford Borough, it would be interesting to see if we continue to see a breadth of social enterprise types, or if we would see the same types of social enterprise continue.

# Case Study



## INTEGRATED CARE 24

Integrated Care 24 Ltd is a social enterprise with its head office in Ashford that formed over 20 years ago, providing their six million patients and commissioners with a variety of health and care services in the South East. Like all healthcare providers they are registered with the Care Quality Commission.

IC24 predominantly provides urgent unscheduled primary care services across the south and east of England. As a social enterprise, they ensure that any surpluses are reinvested into the service and good causes. Throughout the year they have raised thousands of pounds for charity, and invested in new technology and development opportunities for their people to make sure that they are a sustainable organisation, which continues to provide great care to their patients.

IC24 employs over 1,400 people. They have members instead of shareholders which was historically made up of GPs. In 2017 they amended their Articles of Association to open up membership to their people, which gives them a greater influence in how the organisation is run.

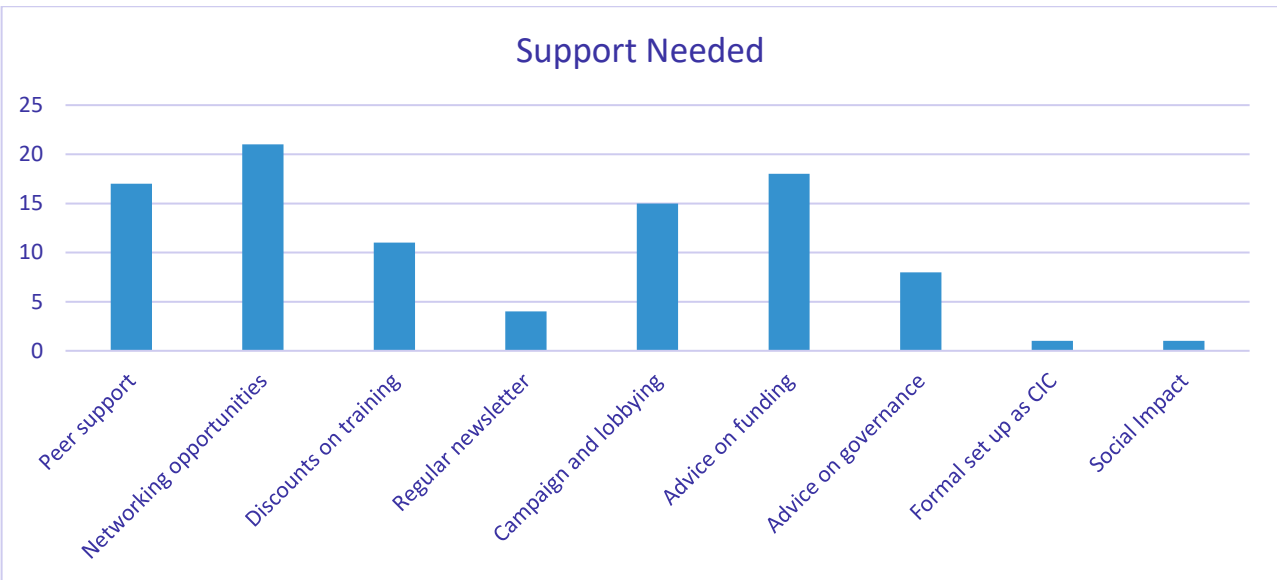
### The Year in Numbers

In 2017-2018 we have:



# Barriers and Challenges

## TYPE OF SUPPORT NEEDED



Respondents reported that they would like varying support. Networking opportunities was the top request, and since gathering this evidence, Craftship Enterprise CIC based in the Made in Ashford shop, have instigated a social enterprise networking group that meets every six to eight weeks. This is currently attended by approximately 15-20 social enterprises, and is growing with each session. Peer support also features highly and networking has been helping social enterprises to learn about each other.



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Social Enterprises have also joined together to create a Facebook group called, Ashford - A Place for Social Enterprise. It is encouraging the borough's social enterprises to network, have online discussions, and share best practice.



<https://www.facebook.com/ashfordaplaceforsocialenterprise/>

Funding advice was the next highest request. In Social Enterprise Kent's experience, this is always a major point of concern for social enterprises. Despite trading as the major way of generating income, grant income often forms part of the company's turnover. Writing applications is a skill that many businesses struggle with, and that doesn't come naturally to many social enterprise personnel.



In a report from South East Local Enterprise Partnership, social enterprises in the South East “expressed frustration that they had not been able to find good quality support to help them grow their social enterprise.” Some didn't even look for help as they did not think it was available.

Research undertaken in the South East by Middlesex University in 2008 identified that: “The majority of the [social enterprise] county networks, specialist support providers, and Business Link itself, believe that social enterprises are different and hence require both a different type of delivery and a different type of support.”

Areas in which social enterprises are most likely to need specialist support are:

- Legal structures
- Governance
- Measuring social impact
- Managing an organisation that is owned by its users
- Public sector commissioning and procurement

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However common areas that social enterprises need different support include:

- Finances: state aid rules, combining grants and trading income, restricted funds, costings social value, using social investment providers
- Marketing: Have two sets of customers (service users and commissioners/purchasers), articulating social value, marketing on a low budget
- HR: working in a democratic structure/when end users are on the board, support and supervision for senior staff when overseen by voluntary board members
- Market research: understanding public policy agenda, knowing who else is providing services.



# Case Study



## PROJECT SALUS CIC

Salus has been delivering high impact, high quality services for children, young people, families, schools, communities and other practitioners for over 20 years. Through delivery of a huge range of innovative and evidence-based services they are able to support the improvement of social skills, educational achievement, emotional health and well-being and long-term outcomes for children, young people and their families.

They are experts in this area and aim to provide innovative solutions with the ability to respond quickly and flexibly. They focus on quality in all aspects of our business and will challenge their own and others assumptions of practice and behaviour.

Based in Ashford, but covering Kent and Medway, children, young people and families also help to govern the services they deliver. Through their participation, Salus is able to ensure that they are offering the most effective service possible.

The impact of each service is understood through the collation and analysis of outputs, outcomes and feedback from participants.

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# South East Local Enterprise Partnership

The South East Local Enterprise Partnership (SELEP) is committed to social enterprise. It is their aspiration that:

***“the South East is recognised as the capital of social enterprise”.***

Within the SELEP it is calculated that there are between 4,500 and 6,300 social enterprises trading within the area (Essex, Thurrock, Southend, Kent, Medway and East Sussex). They employ between 44,000 and 62,000 people and contribute £2.3 billion to the economy. This demonstrates that social enterprises are a significant business sector with a strong economic impact.

Claudia Sykes, CEO of Social Enterprise Kent, sits on the SELEP Social Enterprise Working Group, which comprises of key personnel involved in the sector. The group ensures that there is a voice for the sector, but importantly to provide a platform for social enterprise to build momentum and a network across the South East.

It has five key themes:

1. Championing social enterprise (including Board Champion role at SELEP level).
2. Finance: maximising accessibility of SELEP and national funding for social enterprises
3. Capacity building: influencing mainstream support and opportunities for development
4. Market building: growth within the sector
5. Impact: maximising impact.

Whilst the public sector remains an important market for many social enterprises, other trading opportunities are also important. The Public Services (Social Value) Act of 2012 outlines the ways in which public bodies can make purchasing decisions on the basis of value as well as price.

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# Conclusion

The Ashford Borough is host to so many diverse social enterprises; ranging from small craft businesses, through to environmental organisations, multi-million pound healthcare businesses, and so many more. These organisations all have such a huge potential for growth and contribute to the economic development of the borough. The following three main themes came out of the research:

## 1

### RECOGNISING THE VALUE (AND ADDED-VALUE) OF SOCIAL ENTERPRISES

First and foremost, social enterprises provide a valuable contribution to the Ashford Borough economy. In the 36 social enterprises we surveyed alone, they contribute over £88m in turnover per annum. Although some social enterprises are small and just starting out, many have been running for over 10 years and turn over on average £12m. Even social enterprises that started in the last 10 years have an average turnover of £1.8m.

However, the added-value that social enterprises bring is the social impact they provide through their support for disadvantaged people and communities in the process of running their trading business. They are helping to reduce skills gaps, get people back into work, reduce isolation and loneliness, improve education, improve wellbeing, reduce plastic consumption, reduce burden on the NHS, and so much more.

Social enterprises are traditionally led by people from more diverse backgrounds (women and BAME), as well as employing and supporting more people with disabilities. Given the low overall unemployment rate, there is a real economic imperative to have an inclusive approach to business.

Social enterprises are viable businesses that trade, pay taxes, and make a substantial contribution to the economy, but at the same time successfully contribute to our communities. Continuous recognition and promotion of the benefits of social enterprise in making a positive impact to social and economic vibrancy of the borough will help accelerate the sector's growth, while increasing and improving social impact within communities.

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## 2

### **SUPPORTING SOCIAL ENTERPRISES TO GROW**

The research found that networking was crucial to help grow the sector, identify opportunities for partnership, collectively influence stakeholders and generally support each other. Staff members from ABC currently support networking events by attending which is very valued.

Social Enterprises often need 1:1 business support to help them grow. Whilst they are starting up or in their first few years of trading, they often don't have the means to pay for this support so funding is crucial for this. In SEK's experience of working with 25 social enterprises across Kent (funded through SELEP) on a 1:1 basis, we have found that it has helped improve their businesses exponentially – either through increased funding into their organisation, streamlining of processes, linking in with other like-minded organisations, improving governance and a huge range of other support opportunities.

Training is also hugely important – whether it be in traditional subjects like finance, HR or marketing, or more current training in crowdfunding, measuring social impact, or creating a theory of change. Most social entrepreneurs start their own social enterprises because of their passion to make a difference, and training can help the business owners ensure that their businesses continue to thrive in the next three, five and ten+ years.

## 3

### **RANGE AND CAPACITY OF SOCIAL ENTERPRISES**

Social enterprises cover both rural and urban parts of the Ashford Borough. Some cover their direct town or geographic location, but some cover the county and even the South East and nationally. Some employ 1 or 2 employees, but 42% employ 3 or more people. There is so much potential for social enterprises to grow.

Social enterprises exist in so many different sectors, from education, healthcare, retail, social care, transport, business support/consultancy and so many more. Social enterprises are fundamentally different to both commercial businesses and to charities - social enterprise reaches the parts of communities other companies can't reach.

# About Social Enterprise Kent

Social Enterprise Kent (SEK) provides business support and training and has recently worked with forty-five social enterprises within Kent and Medway, funded through the Growth Hub and South East Business Boost. We deliver a range of training courses to the VCSE sector including a programme designed to help write grant funding applications, and provide a wide range of business training and networking opportunities to social enterprises, SMEs and charities. We support the communities we work in through our trading and funded contracts, including employability contracts, training contracts and community development. We are passionate about the social enterprise sector, and the power of what social enterprises can achieve.



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