

# State of Social Enterprise in the North East of England

November 2024

This paper sets out headline statistics on social enterprise in the North East of England, based on data from Social Enterprise UK's latest State of Social Enterprise (2023) research and wider evidence in their Social Enterprise Knowledge Centre.

## Economic contribution



There are around **4,000** social enterprises in the North East, creating around **37,000** jobs for the region

These social enterprises generate around **£3bn** in turnover - equivalent to **4%** of regional GDP

They generate around **£29 million** in annual profit, re-investing **£26 million** into their social missions

Last year **50%** developed a new product or service for their business to deliver, while **7%** reported developing a new product or service for the market



## Financial performance



**63%** of social enterprises in the North East reported making a profit last financial year, while a further **7%** reported breaking even

**70%** of social enterprises in the North East reported their turnover had increased in the last 12 months - a significant increase from **50%** in 2021

## Leadership

**55%** of social enterprises in the North East are majority-led by women

**5%** are majority-led by people from ethnic minority backgrounds



## Mission and impact

**35%** of social enterprises in the North East are operating within the most deprived areas of England



**92%** of social enterprises believe social and environmental friendliness are equally or more important than cost when buying goods and services



**71%** pay the real Living Wage to all staff members

**63%** have a target to reduce carbon emissions over the next three years

# State of Social Enterprise in the North East of England

November 2024

## Regional distinctions

### Demographics

A smaller proportion of social enterprises here are Community Interest Companies compared to the national average. There are more Community Benefit Societies, and more Companies Limited by Shares. Staff and stakeholders are less likely than the national average to be involved in decision-making here.

### Trading patterns

Social enterprises here are more likely to be trading with the public and private sectors, and with other social enterprises. For those trading with the public sector, less work comes via local and combined authorities than is the case elsewhere.

The amount of paid work with the public sector hasn't grown in the previous year, unlike the national average. This is despite a higher proportion of social enterprises here bidding for public sector contracts.

### Financial position

Social enterprises in the North East were far more likely than the national average to have made a profit in the previous

year, more likely to have increased turnover, but no more likely to be expecting growth in the year ahead.

### Finance and investment

Fewer social enterprises here considered applying for external finance, and concern about the cost of finance was much higher. Social enterprises in the North East are more likely to consider that available forms of finance are relevant for them and more confident that they have the skills to obtain finance and investment.

### Barriers to growth

Skills issues and concerns about wider economic factors are bigger concerns for social enterprises here than is the case nationally, particularly the cost of living and economic instability.

### Training

North East social enterprises are more likely to offer their staff training opportunities.

For full details of the State of Social Enterprise 2023 research methodology, sponsors and partners, see [www.socialenterprise.org.uk/social-enterprise-knowledge-centre/the-state-of-social-enterprise](http://www.socialenterprise.org.uk/social-enterprise-knowledge-centre/the-state-of-social-enterprise). Due to sample sizes, we have been unable to report on certain data in each of these regional reports. Thank you to all the social enterprises who have participated in Knowledge Centre data collection. Thank you to all the social enterprises who have participated in Knowledge Centre data collection. For any queries, contact [research@socialenterprise.org.uk](mailto:research@socialenterprise.org.uk).

## Case study – Junction Point

Junction Point was established in 2018 on the basis of one belief: that with the right support, organisations can change the world. Today, it provides support to charities, social enterprises, and other purpose-led businesses to make a difference, through providing coaching, training, and opportunities for networking.

As a resourceful consultancy, with a broad range of expertise, Junction Point offers a framework of best practice to meet the needs and desires of different organisations. This allows it to provide a more responsive and tailored service to the businesses it supports.

In the last year, Junction Point has worked with around 400 people from across the North East to explore social action and start and grow their own purpose-led organisations. On Social Enterprise Day, it brings together changemakers to celebrate its work, network, and share best practice.

While Junction Point is not bound by geography, it is proud



of its roots in the North East. It has been a founding member of the Newcastle Social Enterprise Network, is the North East British Library Expert in residence, and where possible, looks to deliver events and activities across the region for free.

The online workshops offered by Junction Point have allowed it to extend its reach. Participatory online workshops offering coaching and action learning set facilitation, are available worldwide.