

State of Social Enterprise in the North West of England

November 2024

Headline statistics on social enterprise in the North West 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 **11,700** social enterprises in the North West, creating around **220,000** jobs for the region

These social enterprises generate around **£6bn** in turnover - equivalent to **3%** of regional GDP

They generate around **£116 million** in annual profit, re-investing **£98 million** into their social missions

Last year **56%** developed a new product or service for their business to deliver, while **19%** reported developing a new product or service for the market



Financial performance



49% of social enterprises here reported making a profit last financial year - down from **53%** in 2021 - while a further **19%** broke even

59% of social enterprises reported that their turnover had increased from the previous year - up from **35%** in 2021

Leadership

58% of social enterprises in the North West are majority-led by women

9% are majority-led by people from ethnic minority backgrounds



Mission and impact

43% of social enterprises here operate in the most deprived areas of the region



81% of social enterprises believe social and environmental friendliness are equally or more important than cost when procuring products



90% pay the real Living Wage to all staff members

68% have a target to reduce carbon emissions over the next three years

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Regional distinctions

Education focused

A higher proportion of social enterprises in the North West operate in the education and training space, and have education and literacy as their social mission, compared to the national picture.

Co-operative and co-operation heartland

A higher proportion of respondents here operate as co-operatives and are registered as Community/Co-operative Benefit Societies than across England overall. North West social enterprises are more likely to have staff and stakeholder engagement in decision-making.

Social enterprises here are more likely to provide support to other social enterprises (34% compared to 23% national average), and far more likely to be trading with other social enterprises (73% vs 53%) as well as with third sector organisations.

Public sector income

Almost a third of social enterprises in the North West said that trading with the public sector was their main source of income - and, of these, 77% said this income comes from the local or combined authority. The amount of paid work with the public sector is more likely to have increased here in the previous year.

Finance and investment patterns

North West social enterprises were far more likely than the national average to have invested in capital assets over the previous year.

Social enterprises here were more likely to be looking to raise finance for working capital - seeking and securing more than social enterprises elsewhere in the country. However, they were also much more likely than elsewhere to not apply for finance due to high costs, lack of suitable products, lack of knowledge of where to find appropriate finance, and risk aversion.

Social enterprises here are more open to considering equity and quasi-equity finance, as well as blended finance and loans - with less appetite for borrowing using mortgages or overdrafts.

Social enterprises as employers

Social enterprises in the North West have, on average, more staff than is the case nationally. However, a lower proportion of the workforce is female or from ethnic minority backgrounds.

Social enterprises here are more likely to be paying the real Living Wage than in other English regions.

Growth expectations

Growth expectations here are lower than is the case nationally; 57% expected turnover to increase in the year ahead, compared with 62% nationally.

However, in terms of green growth, the North West is more active and ambitious than England overall. 36% of social enterprises here intended to invest in products, services and processes to decarbonise as part of their growth plans, compared to 23% nationally.

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. 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.

Case study – Kindred

Kindred is a Liverpool-based social enterprise established in 2020. Initially, Kindred grew from a community reference group, with funding from the Liverpool City Region and Power to Change that allowed them to pilot a round of investment in 2021. Kindred has since become a core supporter of local socially-trading organisations - providing the money, support and property that have encouraged these businesses to grow and maximise their impact for the benefit of the local communities.

Kindred's commitment to providing money at 0% interest for socially-trading organisations has allowed it to leverage additional funds, which it can then re-invest in local socially-trading organisations. To date, Kindred has invested £2 million into 44 organisations across the Liverpool City Region, helping to create a thriving community of local social enterprise.

