



There is a wealth of discussion, dialogue and activity around community and social enterprises and social investment. Some are operated by Churches within the Anglican structures and other denominations have seized opportunities too, as well as a number of secular charities and agencies. More opportunities could be on the horizon in the field of health; education; employment training; tourism and many others. But what are community enterprises? What are social enterprises?

Basically they are trading operations for community good and/or with a social purpose. A community enterprise is one owned by the community (be that community of place or community of interest) whereas a social enterprise is one that could be owned by anyone. Just to confuse matters it is possible to be one and not the other or both!

An Overview

Community Ownership is where the surplus income (profits) are distributed or reinvested in the community. This could be a geographic area (community of place) or a specific group of people (community of interest). Examples of the latter include John Lewis and the Co-Op and it extends downwards to Church Halls where surplus income is used to enhance the mission and ministry of the local Church.

A social enterprise may well be a community enterprise. But, it can deliver social purposes yet be owned by a profit distributing company. Action for Employment (A4E) is an example of a social enterprise that is not a community enterprise. BUPA is an example of a social enterprise that is a community enterprise.

The area that they all have in common is that enterprises deliver goods and services that are sold by them and bought by customers. Money changes hands! And, as the Health Bill progresses into an Act of Parliament (expected by July 2012) there will be an increasing range of opportunities to sell services to GP's and other health commissioning bodies. (Commissioning is another word for contracting). There are political implications of this policy but they are beyond the scope of this leaflet.

So, how could we make this work for our project? The short answer is to ask for help. A document such as this cannot begin to address all of the issues. For example, you may need to be a company limited by guarantee and/or a registered charity; perhaps a Community Interest Company is the best structure; may be you need to create an Industrial and Provident Society or even a subsidiary company of the PCC which then gift aids profits to the PCC. Circumstances vary so advice must be sought.

What can we sell / provide?

The list can be endless. For example Ealing Community Transport provides London Bus Routes; Park and Ride Services in Bristol; community transport in Dorset, Buckinghamshire and Cheshire and have provided recycling services in West Bromwich and elsewhere.

Consortia of health professionals provide health services - the Young Foundation has undertaken large amounts of work in that area. Their web-site <http://www.youngfoundation.org> does provide a large amount of information relating to various areas of operation.

You will need to ensure that you comply with all relevant legislation and have a suite of policies that comply with tendering/procurement processes by local/national and EU government. (The author of this document was CEO of

a community enterprise which included a childcare operation and worked for local government as well as for the private sector. The local government side of the business required 63 different documented policies and procedures – more than 50 of which were over and above the requirements of OFSTED).

Day Care Centres will need to comply with Care Quality Commission Standards; recycling with the Environment Agency etc. This does seem quite an extraordinary amount of paperwork, and it is. However, if you work with some one already involved in the industry in which you wish to work (they may well be in your congregation already) the process becomes far easier.

Do they make any money?

They generally can and should do, but the primary motivation for starting a social enterprise should be to meet a need in your community and to further your local mission and ministry.

Don't over-estimate how much money you will be able to make; often, if something has significant commercial potential than a commercial provider will already be providing it. You'll need to keep costs are under control and charges realistic. The former can cause problems for Christian Organisations – we perhaps want to pay employees a 'respectful' wage which is higher than the minimum wage. This is not easy in a competitive environment in an industry where low wages are common place. We should always try to do this. The challenge is how!

Charges can also create difficulty. If we compete on price then it is likely that some one else will try and undercut. If we compete on quality we may fare better. However, we will need to make sure that we stress the 'added value' when tendering for contracts. The e-procurement processes used by much of the public sector make it harder to stress quality in what is a price sensitive process. Working outside of government procurement processes makes it easier to stress quality.

Where else can we find help and advice?

The following organisations may be able to assist.

- 1) **Locality:** Locality is the UK's leading network for community-led organisations. 'We believe that every community is a place of possibility.'
<http://locality.org.uk>
- 2) **Social Enterprise Coalition:** <http://www.socialenterprise.org.uk>
- 3) **Start Ups:** A site that shows various forms of company structures
<http://www.startups.co.uk>
- 4) **Community Builders Fund:** Occasional source of funding for operation and feasibility studies. <http://www.communitybuildersfund.org.uk>

The information (including web links) here has been provided in good faith. It does not replace the need for bespoke professional advice. Further, broad brush, advice may be available in your Diocesan office.