

Introduction to Social Enterprise & Cultural Organisations

“Social enterprises are businesses trading for social and environmental purposes.”

There are many organisations in the creative sector today who are operating as a social enterprise. They choose to be enterprising and generate income through trading, this profit is then reinvested into the organisation or community to support their development.

Well known examples of social enterprises include Jamie Oliver’s Fifteen Restaurants, The Eden Project and Aberdeen Foyer. These organisations generate income through trading and use profits to deliver their social aims rather than distributing them to private individuals.

In the creative industry examples include Impact Arts and The Eden Project

What are the key characteristics of a social enterprise?

- It takes an enterprising approach
- It is rooted and has a social impact in the local community
- It minimises grant dependency by generating income through trading.
- Its surpluses are re-invested to improve and increase its activities
- Ownership of its assets e.g. land, buildings and resources are locked and would be returned to the community should the organisation dissolve.

Are there any social enterprises in the creative industry?

There are a great many social enterprises across Scotland covering a range of industries including the creative sector. Organisations are involved in supporting theatre, art, gallery and studio space, film, sound, dance and music within local communities and at a national level. They have a wider social impact in areas such as youth, equality and health issues as well as supporting new talent in Scotland. Many have traditionally been run as a charity and have been forced to become more enterprising to ensure sustainability and others are run like small businesses. Organisations who already generate income and those who aspire to would be considered a social enterprises.

What is meant by social impact?

Social impact can include any of the following:

- Improving health and wellbeing

- Providing a place where local people can meet
- Promoting a sense of belonging
- Encouraging learning and education

What are the benefits of being a social enterprise in Scotland?

- less dependant on fundraising and grants
- more financially independent which can lead to greater flexibility
- seen as a positive model both by Scottish & UK governments
- more attractive to funders who are keen to support sustainable projects
- can be part of the Creative Social Enterprise Network

What characteristics might exclude an organisation from being a social enterprise?

1. They do not operate in an inclusive way
2. They distribute profits to private shareholders
3. Dissolution of the organisation would bring personal gain to one or more individuals.
4. They chose not to generate income through trading to minimise their grant dependency

Does an organisation need to change legal structure to become a social enterprise?

Not necessarily as Social Enterprises come in lots of different shapes and sizes depending on what it is they're trying to do. Possible legal structures include:

- Consituted group i.e. unincorporated organisations*
- Company Ltd by Guarantee*
- Trust*
- Community Interest Company (CIC)

*These can be with or without charitable status

Further information

Senscot has teamed up with Creative Scotland to raise awareness and encourage the development of social enterprise in the creative sector. Sarah Cameron is the Senscot Network Development Officer and can be contacted for more information on 0131 220 4104 or 07590 047638 or by e-mail at sarah@senscot.net

Case studies

Live Wire Productions is a social enterprise theatre company that designs, develops and delivers health citizenship and environmental messages for organisations committed to social change. Founded in 1994, it offers a unique resource for schools, the community and organisations seeking to improve an understanding as a prerequisite to changing attitudes through drama.

Fly Right Dance Company was set up in 1998 by Gary and Susan McDonald. It is the only professional dance performance and education company in Scotland which specialises in traditional Afro-American and original ballroom dance styles such as Ragtime, Charleston, Lindy Hop, Jitterbug and Jive. Fly Right's primary aim is to provide the opportunity to dance for everyone, regardless of age, ability, location or social circumstances.

Shetland Arts aims are to take the lead in championing art and creative people in Shetland; to promote Shetland as a world class, creative place to live, work and study; to increase the value of investment in the arts in Shetland by working with external partners to secure and generate extra resources; to develop partnerships with other key agencies to develop the scope, value and impact of the arts in Shetland. Founded in 2006 following the merger of two well established organisations, its remit is to encourage and assist people in promoting and advancing the creation, practice, presentation and study of all forms of art – visual, performing and creative. It aims to support creative people, regardless of who they are, where they live or what they do and through this, enable and empower its communities, groups and individuals to fulfill their creative potential.