

Thinking of Social Enterprise, workshop – Matthew's Yard

ARCC organised a session for those interested in social enterprise.

"The world is waking up to social enterprise and the UK is way ahead of the curve," enthused Uday Thakkar of Red Ochre, the social enterprise working with ARCC. Individuals and groups who attended the workshop Thinking of Social Enterprise, held on 31 August at Matthew's Yard, were introduced to the concept and how it can offer new ways of working for those organisations who are grant dependent. Unlike organisations receiving grants where funding is given according to funders' priorities social enterprises are very much "masters of their own destiny" as they are taking decisions about where the trading profit is spent in accordance with its social mission.

"Social enterprises are changing the infrastructure of this country," exclaimed Uday, naming Jamie Oliver's Fifteen and Big Issue as the more well known examples. They are generally defined as businesses who derive 50% or more of their income from trade and address the three Ps – People, Planet and Profit. "It's about making money and it'll be hard work," continued Uday. The difference is what you do with the profits which get reinvested which determines your social good. Can you earn a living from setting up a social enterprise was one question from the floor. "Yes, this isn't about punishment," Uday urged. Red Ochre, for example, generate income through contracts which includes running training courses, speaking at conferences, consultancy to local authorities looking to set up social enterprises known as 'spin-outs.' They are even working in China with the British Council, promoting the model of social enterprise. How long does it take to set up a social enterprise another participant wanted to know. "24 hours if you know what it is you want to create. Can social enterprises apply for grants? Uday stated it depended on the type of legal structure you are opting for. And what are your three top tips for social entrepreneurs? Be passionate, be dedicated and work with other people who are better than you. Don't let your ego get in the way!

Uday and Red Ochre will be back in October with the launch of the social enterprise bootcamp, a training programme for those setting up their social enterprises. Watch this space! If you want to know more contact Nicky at socialenterprise@arccLtd.com or call the office on 020 8684 3784



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Social Enterprise in Croydon

Alex Murray
Economic Development Adviser
Planning & Environment
Croydon Council

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www.croydon.gov.uk

Croydon Council recognises that there is a need to provide a broad range of support to the social enterprise sector if we are to nurture and develop the sector within the borough. In the July edition of the newsletter we noted that we had set up an Officer Group within the Council that will evolve into a wider Croydon Social Enterprise Network over the coming months.

There is currently ongoing work to support the sector across a number of council service areas but we recognise that when combined and coordinated this will have a greater overall impact than support services delivered in isolation from one another.

Croydon Council therefore plans to adopt a broader approach that combines a number of themes within one overall policy framework; these include a leadership role across the council to support the coordination of the wider network. Additionally the Council will be examining its procurement policies to include, where appropriate, clauses relating to 'social value', looking at the 'outsourcing' opportunities that will be attractive to social enterprises and an assessment under the new 'Right to Challenge' legislation and an exploration of consortia models of service delivery.

The results of ARCC's 'social enterprise mapping exercise' will contain much valuable information and insights into the sector in Croydon that will hopefully provide a clear indication of the support and development needs of the sector that can be brought together within an overall framework that the Council and its key partners, such as ARCC, can develop into an operational delivery plan for the sector in Croydon.



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Living Water Satisfies

Interview with Janet Bakar, Manager

46-48 Westow Street, Crystal Palace, London, SE19 3AF
www.livingwatersatisfies.org.uk



Your organisation defines itself as a social enterprise. Can you tell us briefly what is a social enterprise?

A social enterprise to us as a charitable organisation is when your trustees decide to dance to a different drum beat – the drum beat of trading to sustain its work. The current economic climate makes you choose to either close down or sustain your work. We are choosing to generate income and using the profits to help our clients.

What is your organisation's social purpose and how does fulfil that?

Our work focuses on women who have experienced domestic violence. The joy has always been to see them settle in the communities we operate in and be able to empower/train them with new skills and practical support.

How does it generate its own income?

LWS generates its income through enterprise. We run 2 shops in Crystal Palace - a cafe and a charity bookshop. We also seek out funders who will be interested in our work albeit domestic violence has always been a topic to shy away from.

Can you tell us why you opted to stay as a charity and not, say, adopt another legal structure for a social enterprise?

We believe in testing an idea before rushing to change your legal structure. That is why we opted for this route. We are researching and consulting whether the CIC set up will favour our work and what other modes are out there.

Is there a process a charity needs to take before it starts trading?

A charity will need business consultants to help, especially for exploring what kind of trading to branch out in to. A good business plan is essential.

What's your Unique Selling Point?

One of our major selling points is serving our community, meeting the needs of members whilst still being able to reach out to our clients.

Where will LWS be in three years' time?

LWS has a business plan which, in 3 year's time, will see us grow and be self sustaining, have better services for our clients and also assist us in spreading our ideas to other parts of the country.

What three tips do you have for those social entrepreneurs about to take the plunge of setting up a social enterprise?

My advice to social entrepreneurs is

- do a lot of research before leaping out
- speak to many enterprises doing the same kind of work
- never give up even when funding is not available

Interview with Raghu Shetty, co-founder of Asian cooperative (in 1990s)

1. What was the name of the cooperative and when was it founded?

Croydon Translation & Interpretation CO-OP. It was founded around 23 years ago.

2. What was the purpose of the cooperative?

As the title suggests above, the purpose was to provide Translation and interpretation services to public and private sector. Languages were mainly Asian Languages and Arabic.

3. What motivated you and the founding members to establish the co-op?

The members were concerned about the widespread unemployment among the ethnic minorities which stood above the national average. There were a lot of people with skills for this service within the community.

4. Were there many co-ops at the time? Why did you choose that model?

No, there were hardly any one providing this service. Our initial survey showed that the judiciary, police and Councils were in desperate need especially from an organised community Group. The demand always oustripped the supply. We worked across boroughs.

5. What services did it provide? How did you decide which services to focus on?

The Co-op only specialised in translation and interpretation which needed very specialized skills. It was very easy to choose our service product. We worked hard to focus on this.

6. How did it generate income and how was surplus spent?

The Coop Board decided the yearly Bonus . Income was generated from our contractual work done for the various clients.

7. What edge did you have over similar services?

None, there were no competition at that time.

8. What 3 key lessons did you learn from establishing the co-op?

Most important thing is the COMMITMENT of the Board or the members of the Co-op. Secondly the relevant and efficient organisation for the purpose. Lastly Cooperation, Cooperation and cooperation among the Board members and other members. Team and community spirit.

9. There is a lot of interest currently in co-ops, mutuals etc. What advice would you give to anyone thinking of setting one up?

Choose members who are committed, willing to cooperate and work hard for the co-op. Success can bring more than bonus or profit but a great deal of satisfaction and achievement.

CIC Regulator

The CIC regulator (Community Interest Company) came to address an audience at Matthews Yard on 10 September. She spoke about the growth in CICs which are businesses with a social purpose. Currently 7,000 are registered in the last seven years since this legal form of a company was introduced. One growth area in particular are "spin outs" from local authorities. In Croydon there are 130 CICs alone which is the highest of all London boroughs. Other countries are also showing interest in CIC model. One problem remains though – that the public still doesn't know exactly what a CIC is.

CICS work in all areas of life including social care, radio, regeneration, working with ex offenders, films, football, festivals, sport, health, tourism and many more. It is not about not making profit but the opposite – the more profit you make the more help you give to the community. In terms of its advantages it is flexible, transparent and organisations have to pass the community interest test by submitting an annual report to the Regulator. CICs are able to receive grant funding as well as generate own income.

How it spends its profits goes on public record. Unlike charities there are no tax benefits however. If you reach the VAT threshold you pay VAT.

Asian Resource Centre of Croydon

2nd Floor, Day Lewis House,
324-340 Bensham Lane, Thornton Heath,
Surrey, CR7 7EQ

T: 020 8684 3784 | F: 020 8683 7021

E: info@arcold.com | W: www.arcold.com

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