



This report is a snapshot in time of what was happening in March 2021 and things may be different now, though it does give a good indication of the bigger picture for social enterprises.

Duncan Thorp, Policy and Public Affairs Manager
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2021 MEMBER CALLS

Insights from conversations
with social enterprise members
Social Enterprise Scotland - March 2021



  Social Enterprise Scotland  @SocEntScot

Social Enterprise Scotland is an independent, Scottish, membership-led organisation, built and governed by social enterprises. We're the first point of contact for the media and public and promote a positive vision for social enterprise.

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BACKGROUND & OVERVIEW

This report has been prepared by Social Enterprise Scotland to provide insights into what our social enterprise members are sharing regarding challenges and recovery from Covid-19 at the start of 2021.

Social Enterprise Scotland first called our members at the start of the Covid pandemic to assess their outlook and support needs. As 2021 arrived with a third lockdown for most of Scotland we revisited a calling schedule. We wanted to hear directly how organisations had coped through the last year, determine if they had been able to access financial schemes, consider what challenges they were still facing and point them towards support available.

While we couldn't get hold of everyone over the space of a few weeks, we spoke to over a hundred of our members personally and emailed everyone with a PDF resource that included links to a range of funding support across sectors, business support and mental health support. Considering this sample of respondents:

- **58% were negatively impacted by the pandemic and two thirds had applied for financial support.**
- **11% had increased sales with a similar percentage reporting they had adapted existing project income.**
- **5% had increased their funding income and the delivery of projects associated with it.**

Key points to note

While this data is helpful in providing a general outlook, we must remember that statistically this is still a small sample size across our membership and additional intelligence may also need to be sought to build on these insights.

FURTHER INSIGHTS

For many businesses, it will be the timeliness of being able to ease lockdown as well as an understanding of trade returning that will help them to assess their situation and next steps with more clarity. For those who also use grant funding and local authority income as part of their financial mix, there will be a need to understand how funders and local authorities will operate as lockdown eases and if some support will remain.

We can point to the following insights from our member calls as a way to continue the conversation around the recovery efforts from Covid-19:

Social Enterprise Startups

- Significant challenges still remain for those enterprises that are at an early stage of development. For those that had started trading but then lost income almost overnight they have found they are ineligible for many of the support schemes available. For those at 'launch' stage, many opted to put their enterprise on hold until a more normal situation ensues when they can better focus their efforts.

Financial Support Access

- Access for organisations with CIC status has been noted as a barrier given less schemes seem to be available for enterprises with this legal set up.
- Challenges in accessing some of the sector-specific support were also noted by organisations with higher levels of reserves. They felt penalised for their business/enterprise approaches where developing financially sustainable models – often seen as key – was working against them in the current circumstances.
- Social enterprises without premises also noted that some of the financial support available were related to organisations with a physical base.

Delivery models

- While many organisations have changed their delivery model (new products and services, change to their delivery systems), those that were running practical or face to face initiatives including training and events have sometimes found the transition to digital delivery much harder in terms of set-up and engagement.
- With a large proportion of retail sales moving online rather than in physical premises, trading social enterprises selling to B2C consumers have noted a significant drop in their yearly sales turnover.
- Logistics and supply challenges were named by a few organisations, with Brexit posing additional complications to those that order, operate, and deliver outside the UK (additional paperwork, increased costs, delays in delivery of supplies, or having to make big changes to their manufacturing and supply chain).

Future support

- Some organisations are anxious regarding the end of the furlough scheme and many are nervous in relation to future funding opportunities with so many resources having been used during the past year by funders and local authorities to deal with the immediate repercussions of Covid-19.

Sustainability

- While it's positive to note that some organisations have reported growth during the last year, or those that note the pandemic has been a catalyst to launch their social enterprise or to adapt their model and service delivery, there is also concern that organisations have had to be very reactive and step up to answer the crisis, dramatically increase local services. With tight resources this has reduced their capacity to consider longer term financial sustainability.
- As such, organisations will need to find a balance between their strategic goals, their capacity of delivery, and the expectations that have now been placed on them and which might be unsustainable to keep up with in the longer term.

Key points to note

We hope these insights from our member calls are helpful to learn more about the outlook from a sample of social enterprises in our membership at the start of 2021. We intend to keep the conversation going with our members to continue to offer support depending on their challenges ahead.

Do you have a perspective that is not reflected in this feedback report or want to have a personal phone call from our team if we couldn't reach you at the time? Please contact us at admin@socialenterprise.scot. We're always keen to hear your perspectives and experience.

Consult and bookmark our regularly updated resource pages:

Current Funding Opportunities - socialenterprise.scot/social-investment-funding

SES Policy News & Resources - socialenterprise.scot/policy-update-2

SES Weekly Webinars & Events - members.socialenterprise.scot/events

SES Weekly Blog Articles & News - socialenterprise.scot/category/news

Sector Events & Webinars - socialenterprise.scot/webinars-and-online-learning

Sector Jobs - socialenterprise.scot/jobs



Learn more about social enterprise in Scotland:

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