

# 2019 Social Enterprise Census Data for the Highlands and Islands Region

Report for HIE



*Social Research*

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*Service Design & Innovation*

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*Strategy & Collaboration*

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*Evaluation Support*

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*Social Impact Measurement*

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October 2019



# 1. Introduction

**This report presents an analysis of the social enterprise sector in the Highlands and Islands region of Scotland, based on the data collected for the Social Enterprise Census 2019, the definitive biennial account of social enterprise activity in Scotland**

The Social Enterprise Census 2019 research consists of a number of elements:

- Identification of the population of social enterprises currently active in Scotland.
- A full and objective financial assessment of the population of social enterprises from publicly available financial accounts.
- A large-scale Census survey of social enterprises.
- An extensive financial and economic analysis of the available data, including income, employment and GVA (Gross Value Added) estimates.

This report has extracted the data for the Highlands and Islands region and where possible and sensible, comparisons with the 2017 Census and/or the entire Social Enterprise community are made.

## 2. The Composition of the Sector

6,025

Social enterprises operating in Scotland

1,270

Are located in the Highlands and Islands (2017: 1,196)

### Age

	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
0-4 years	8%	11%	15%
5-10 years	17%	17%	18%
Over 10 years	75%	72%	67%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### Average age

Highlands & Islands SEs 2019	Highlands & Islands SEs 2017	All Social Enterprises
<b>20 years</b>	<b>21 years</b>	<b>21 years</b>

### Self-Identify as "Social Enterprise"

Highlands & Islands SEs 2019	Highlands & Islands SEs 2017	All Social Enterprises
<b>52%</b>	<b>52%</b>	<b>55%</b>

### Income Band

Income	% of Highlands &	% of Highlands &	% of all Social
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	Islands SEs 2019	Islands SEs 2017	Enterprises
£0-£49,000	55%	57.8%	42%
£50,000-£99,000	14%	14.2%	13%
£100,000-£249,000	15%	13.6%	16%
£250,000-£499,000	6%	5.3%	10%
£500,000-£999,000	5%	4.7%	7%
£1,000,000-£4,999,000	4%	3.2%	8%
£5,000,000+	1%	1.1%	4%
Total	100%	100%	100%

### Legal Form

Legal Form	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
Company Limited by Guarantee	45.0%	45%	42.5%
Unincorporated	23.0%	26%	20.7%
Community Interest Company	9.9%	7%	14.7%
Scottish Charitable Incorporated Organisation	9.7%	9%	11.3%
Trust	8.6%	9%	4.8%
Registered Society	3.8%	4%	6.0%
Total	100%	100%	100%

### Charitable Status

% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2019	% of all Social Enterprises
<b>77%</b>	<b>N/a</b>	<b>72%</b>

### 3. Geographic Coverage

#### By HIE Region

	Number of All Highlands & Islands SEs 2019	% of All Highlands & Islands SEs 2019	Number of All Highlands & Islands SEs 2017	% of All Highlands & Islands SEs 2017
Argyll and the Islands	262	21%	248	21%
Caithness and Sutherland	125	10%	119	10%
Inner Moray Firth	250	20%	236	20%
Ross, Skye and Lochaber	185	15%	181	15%
Moray	151	12%	140	12%
Orkney	69	5%	64	5%
Outer Hebrides	120	9%	107	9%
Shetland	108	9%	101	8%
<b>ALL REGIONS</b>	<b>1,270</b>	<b>100%</b>	<b>1,196</b>	<b>100%</b>

#### Urban-Rural

	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of Social Enterprises
Large Urban Areas	0%	0.0%	36%
Other Urban Areas	9%	8.6%	19%
Accessible Small Towns	2%	1.6%	6%
Remote Small Towns	17%	18.0%	6%
Accessible Rural	8%	7.7%	14%
Remote Rural	65%	64%	19%
<b>SCOTLAND</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Highlands & Islands SEs 2019

RURAL	URBAN
<b>72.5%</b>	<b>27.5%</b>

### Highlands & Islands SEs 2017

72%

28%

### All Social Enterprises

22%

67%

### Deprived Communities

	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of Social Enterprises
20% Most Deprived Areas	4%	5%	17%
Rest of Scotland	96%	95%	83%

### Community Enterprises

Social Enterprises Covering a Neighbourhood/Community AND are Led by and Accountable to People in the Area

Highlands & Islands SEs 2019	Highlands & Islands SEs 2017	All Social Enterprises
<b>41%</b>	<b>N/a</b>	<b>24%</b>

## 4. Markets

### Economic Field

Economic Field	Number of Highlands and Islands SEs	% of Highlands & Islands SEs	% of All Social Enterprises
Arts & Creative Industries	110	8.7%	14%
Community Centres & Halls	344	27.1%	17%
Early Learning & Childcare	78	6.1%	11%
Education, Training & Employment	41	3.2%	5%
Environment & Recycling	47	3.7%	3%
Financial Services	5	0.4%	2%
Food, Catering & Hospitality	18	1.4%	2%
Health & Social Care	78	6.1%	13%
Housing	21	1.7%	4%
Information, Consultancy & Support	40	3.1%	4%
Property, Energy, Utilities & Land	144	11.3%	5%
Retailing	58	4.6%	4%
Sport & Leisure	64	5.0%	5%
Tourism, Heritage & Festivals	134	10.6%	6%
Transport	41	3.2%	2%
Other	47	3.7%	4%
<b>ALL SOCIAL ENTERPRISES</b>	<b>1,270</b>	<b>100%</b>	<b>100%</b>

### Widest geography across which Social Enterprises operate

Coverage	% of Highlands and Islands SEs 2019	% of Highlands and Islands SEs 2017	% of All Social Enterprises
A Single Neighbourhood or Community	42%	N/a	26%
A Local Authority Area	30%	N/a	31%
More than One Local Authority Area	10%	N/a	21%
Scotland-wide	5%	N/a	11%
Across the UK	3%	N/a	3%
Internationally	11%	N/a	8%

## International Activity

	<b>% of Highlands &amp; Islands SEs 2019</b>	<b>% of Highlands &amp; Islands SEs 2017</b>	<b>% of All Social Enterprises</b>
Have Exported/Licensed Overseas in Last 12 Months	8%	4%	6%

## Main Offering

Offering	<b>% of Highlands &amp; Islands SEs 2019</b>	<b>% of Highlands &amp; Islands SEs 2017</b>	<b>% of all Social Enterprises</b>
Mainly Goods	16%	14%	12%
Goods and Services Equally	15%	14%	11%
Mainly Services	70%	73%	76%

## Reason for starting trading

Alternative Provider	<b>% of Highlands &amp; Islands SEs 2019</b>	<b>% of Highlands &amp; Islands SEs 2017</b>	<b>% of all Social Enterprises</b>
Identified a market	69%	N/a	79%
Gap in local provision	70%	N/a	76%
Ability to compete	14%	N/a	23%
Response to service closure	19%	N/a	18%

## Customers

Customer Group	<b>% of Highlands &amp; Islands SEs 2019</b>	<b>% of Highlands &amp; Islands SEs 2017</b>	<b>% of all Social Enterprises</b>
Public Sector	42%	41%	53%
Private Sector	34%	35%	39%
Third Sector	31%	33%	47%
General Public	85%	84%	79%



## Bidding for Public Contracts

Situation	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
Did Not Bid For Contracts	85%	87%	79%
Unsuccessful in Bidding for Contracts	2%	2%	4%
Won a Contract	12%	11%	17%

## Reason for Not Submitting a Tender for Public Contracts

Reported reason	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
Insufficient Capacity, Capability or Experience to Deliver	53%	N/a	56%
Published Requirements Do Not Match Products/Services	44%	N/a	41%
Unable to Find Suitable Partners/Consortia Members	16%	N/a	14%
There Are Too Many Potential Risks	11%	N/a	12%
Unrealistic Budget	7%	N/a	9%
Unrealistic Contract Timetable	6%	N/a	8%

## 5. Business Practices

### Good Governance

#### Highlands & Islands SEs 2019

<b>8</b>	<b>98%</b>	<b>83%</b>
The average number of Trustees/Directors in overall management and control of social enterprises	Of social enterprises report a minimum of 3 unrelated Directors/Trustees in place	Of social enterprises are led by and accountable to people in a particular neighbourhood / community
Highlands & Islands SEs 2017		
7	96%	85%
All Social Enterprises		
7	97%	69%

### Diverse Leadership

<b>DIVERSITY ON BOARDS</b>	<b>% of Directors/ Highlands &amp; Islands SEs 2019</b>	<b>% of Directors/ Highlands &amp; Islands SEs 2017</b>	<b>% of Directors/ All Social Enterprises</b>
Women	50%	49%	54%
People from Black and Minority Ethnic Communities	1%	2%	3%
Young People (Aged Under 25 Years)	2%	3%	2%
People with a Disability or Long Term Health Condition	8%	6%	11%

**At Least Half Directors are Female**

Highlands & Islands SEs 2019	Highlands & Islands SEs 2017	All Social Enterprises
<b>57%</b>	<b>50%</b>	<b>60%</b>

**Profile Of Salaried Social Enterprise Leaders/Managers**

**Highlands & Islands SEs 2019**

<b>67%</b>	<b>1%</b>	<b>2%</b>	<b>10%</b>
Female	Black and Minority Ethnic	Young person (aged under 25 years)	Disability or long-term health condition
Highlands & Islands SEs 2017			
62%	1%	3%	15%
All social enterprises			
65%	3%	3%	16%

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## Pay Equity

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### Highlands & Islands SEs 2019

**1: 2.2**

The average differential between the highest and lowest paid employee

**96%**

Of social enterprises have a pay differential not exceeding 1:5

### Highlands & Islands SEs 2017

1:2.1

92%

All social enterprises

1:2.5

94%

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## Living Wage

	<b>% of Highlands &amp; Islands SEs 2019</b>	<b>% of Highlands &amp; Islands SEs 2017</b>	<b>% of All Social Enterprises</b>
Pay at Least the Living Wage in Scotland for All Employees	<b>76%</b>	<b>74%</b>	<b>75%</b>

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## Secure Work

	<b>% of Highlands &amp; Islands SEs 2019</b>	<b>% of Highlands &amp; Islands SEs 2017</b>	<b>% of All Social Enterprises</b>
Make Use of Zero Hours Contracts	<b>18%</b>	<b>18%</b>	<b>15%</b>

## Targeted Employment

	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
Employ More Than Half Their Workforce Locally	95%	88%	79%

## Balanced Workforce

Social Enterprises With At least One Employee from the Group	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
Female	95%	N/a	97%
Disability or Long-term Condition	48%	N/a	55%
Minority Ethnic background	12%	N/a	27%

## Progressive Workforce Development

### Highlands & Islands SEs 2019

<b>75%</b>	<b>57%</b>	<b>31%</b>	<b>58%</b>
Have a Policy and Budget for Staff Training and Development	Employ Previously Unemployed People	Employ Previously Unemployed Young People (Aged Under 25)	Provide training or support intended to improve employability
Highlands & Islands SEs 2017			
N/a	N/a	32%	53%
All social enterprises			
79%	69%	42%	69%

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## Prompt Payment

	<b>% of Highlands &amp; Islands SEs 2019</b>	<b>% of Highlands &amp; Islands SEs 2017</b>	<b>% of All Social Enterprises</b>
Paying All Bills Within 30 days	84%	N/a	86%

## 6. Financial Performance

### Share of Sector Income by Source

#### Highlands & Islands SEs 2019

Trading Activity	Grant Funding	Other Source
<b>58%</b>	<b>23%</b>	<b>19%</b>

#### Highlands & Islands SEs 2017

58%	23%	19%
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#### All Social Enterprises

70%	16%	14%
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### Total Income to the Social Enterprise Sector

Type	Highlands & Islands SEs 2019	Highlands & Islands SEs 2017	All Social Enterprises
Registered Social Landlords	£80.0m	£63.2m	£1,817m
Credit Unions	£0.4m	£0.5m	£38m
Other Social Enterprises	£239.2m	£224.1m	£2,509m
<b>Total</b>	<b>£319.6m</b>	<b>£287.8m</b>	<b>£4,364m</b>

### Two-Year Change in Income at Organisation Level

Change (2017-19)	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
Income Has Increased	55%	55%	57%
Income Has Decreased	45%	45%	43%

## Total Trading Income

Value of Social Enterprise Activity Highlands & Islands SEs 2019	Value of Social Enterprise Activity Highlands & Islands SEs 2017	Value of Social Enterprise Activity All Social Enterprises
<b>£185m</b>	<b>£181m</b>	<b>£3,059m</b>

## Breakdown of Trading in the Sector

Trading Level	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
<b>Mature Group</b> (50%+ Income From Trading)	58%	56%	62%
<b>Aspiring Group</b> (25-49% Income From Trading)	20%	21%	17%
<b>Emerging Group</b> (<25% Income From Trading)	22%	23%	22%

## Median Trading by Age of Organisation

Highlands & Islands SEs 2019				
0-4 Years	5-10 Years	Over 10 Years	ALL	
<b>£13,400</b>	<b>£22,200</b>	<b>£30,700</b>	<b>£28,000</b>	
Highlands & Islands SEs 2017				
£8,000	£25,800	£36,200	£31,500	
All social enterprises				
£11,700	£28,000	£62,300	£46,800	



## Trading Level and Contribution by Economic Field

Economic Field	Median Trading Income	Average % Income from Trading	Share of All Sector Trading Income
Arts & Creative Industries	£22.500	52%	6.7%
Community Centres & Halls	£14.100	49%	1.7%
Early Learning & Childcare	£50.300	68%	2.8%
Education, Training & Employment	£114.700	46%	3.3%
Environment & Recycling	£21.800	56%	5.7%
Financial Services	£40.300	87%	0.1%
Food, Catering & Hospitality	£7.000	5%	0.5%
Health & Social Care	£105.400	60%	14.3%
Housing	£1,917.100	75%	37.7%
Information, Consultancy & Support	£70.200	39%	1.8%
Property, Energy, Utilities & Land	£22.100	57%	6.5%
Retailing	£46.300	87%	5.1%
Sport & Leisure	£42.600	58%	6.5%
Tourism, Heritage & Festivals	£27.800	44%	4.4%
Transport	£17.000	54%	0.9%
Other	£43.600	46%	2.0%
<b>ALL SOCIAL ENTERPRISES</b>	<b>£28,000</b>	<b>58%</b>	<b>100%</b>

## Total Expenditure of the Social Enterprise Sector

Type	Total Expenditure Highlands & Islands SEs 2019	Total Expenditure Highlands & Islands SEs 2017	Total Expenditure All social enterprises
Registered Social Landlords	£65.4m	£54.2m	£1,527m
Credit Unions	£0.4m	£0.4m	£32m
Other Social Enterprises	£226.2m	£213.6m	£2,408m
<b>Total</b>	<b>£292.0m</b>	<b>£268.2m</b>	<b>£3,968m</b>

## Two-Year Change in Costs at Organisation Level

Change (2017-19)	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
Costs Have Increased	55%	59%	60%
Costs Have Decreased	45%	41%	40%

## Staff Cost Ratio<sup>1</sup> of Social Enterprises

Staff Cost Ratio Highlands & Islands SEs 2019	Staff Cost Ratio Highlands & Islands SEs 2017	Staff Cost Ratio All Social Enterprises
<b>35.3%</b>	<b>40.7%</b>	<b>49.4%</b>

## Surplus Generated by The Social Enterprise Sector

Type	Total Surplus Highlands & Islands SEs 2019	Total Surplus Highlands & Islands SEs 2017	Total Surplus All social enterprises
Registered Social Landlords	<b>£14.6m</b>	£9.0m	£289m
Credit Unions	<b>£0m</b>	£0m	£6m
Other Social Enterprises	<b>£13.0m</b>	£10.6m	£101M
<b>Total</b>	<b>£27.6m</b>	£19.6m	£396m

## Profitability Ratio<sup>2</sup> of Typical Social Enterprises

Profitability Ratio Highlands & Islands SEs 2019	Profitability Ratio Highlands & Islands SEs 2017	Profitability Ratio All Social Enterprises
<b>5.6%</b>	<b>4.3%</b>	<b>4.1%</b>

## Social Enterprises Making a Surplus/Deficit

Last Financial Year End	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
Making a Surplus	<b>55%</b>	55%	57%
Breaking Even	<b>0%</b>	1%	1%
Making a Deficit	<b>45%</b>	44%	42%

<sup>1</sup> The Staff Cost Ratio is the percentage of actual expenditure among social enterprises which is allocated to staffing costs. The formula is Staffing Costs/ Total Expenditure x 100.

<sup>2</sup> The Profitability Ratio tells us the amount of surplus per £1 of income social enterprises have earned after taking account of all expenditure. The formula is Net Surplus (Deficit) /Total Income x 100.

## Profitability Ratio by Economic Field

Economic Field	Profitability Ratio 2019
Arts & Creative Industries	10.7%
Community Centres & Halls	8.9%
Early Learning & Childcare	5.0%
Education, Training & Employment	0.5%
Environment & Recycling	8.5%
Financial Services	N/A
Food, Catering & Hospitality	9.6%
Health & Social Care	2.6%
Housing	3.4%
Information, Consultancy & Support	9.2%
Property, Energy, Utilities & Land	10.9%
Retailing	-0.6%
Sport & Leisure	0.8%
Tourism, Heritage & Festivals	2.6%
Transport	3.0%
Other	9.5%

## Current Assets and Liabilities of The Sector

Type	Current Assets 2019	Current Liabilities 2019
Registered Social Landlords	£50.6m	£75.0m
Credit Unions	£7.0m	£6.5m
Other Social Enterprises	£149.3m	£42.8m
<b>Total</b>	<b>£206.9m</b>	<b>£124.3m</b>

## Current Ratio<sup>3</sup> of Social Enterprises

	Highlands & Islands SEs 2019	Highlands & Islands SEs 2017	All Social Enterprises
Registered Social Landlords	0.7	1.3	1.4
Credit Unions	1.1	1.0	1.1
Other Social Enterprises	3.3	3.1	2.8
<b>All</b>	<b>1.7</b>	<b>2.4</b>	<b>1.7</b>

<sup>3</sup> The Current Ratio provides an indication of social enterprises ability to meet short term obligations (those obligations due within 1 year or less). The formula for the Current Ratio is Current Assets/Current Liabilities.

### Debt Turnover Ratio<sup>4</sup> of Typical Social Enterprises

Debt Turnover Ratio Highlands & Islands SEs 2019	Debt Turnover Ratio Highlands & Islands SEs 2017	Debt Turnover Ratio All Social Enterprises
<b>52 days</b>	<b>49 days</b>	<b>48 days</b>

### Aggregated Balance Sheet for the Sector

Type	Total Assets 2019	Total Liabilities 2019	Net Assets 2019
Registered Social Landlords	£824.6m	£681.8m	£142.8m
Credit Unions	£7.2m	£6.6m	£0.6m
Other Social Enterprises	£508.7m	£103.7m	£405.0m
<b>Total</b>	<b>£1,340.5m</b>	<b>£792.1m</b>	<b>£548.4m</b>

### Self Sufficiency Ratio<sup>5</sup> of Social Enterprises

Self Sufficiency Ratio Highlands & Islands SEs 2019	Self Sufficiency Ratio Highlands & Islands SEs 2017	Self Sufficiency Ratio All Social Enterprises
<b>55.2%</b>	<b>57.8%</b>	<b>69.9%</b>

### Grants Ratio<sup>6</sup> of Social Enterprises

Grants Ratio Highlands & Islands SEs 2019	Grants Ratio Highlands & Islands SEs 2017	Grants Ratio All Social Enterprises
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<sup>4</sup> The Debt Turnover Ratio provides an indication of how long debtors take to pay their account. The formula is Debtors / Total Income x 365.

<sup>5</sup> The Self Sufficiency Ratio provides an indication of the extent to which social enterprises are able to cover their costs through trading. The formula is Earned Income / Total Expenditure x 100.

<sup>6</sup> The Grants Ratio provides an indication of the extent to which social enterprises are making use of grant funding. The formula is Grants / Total Income x 100.

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**26.1%****38.3%****20.2%**

### Total Unrestricted Reserves of Typical Social Enterprises

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**Unrestricted Reserves  
Highlands & Islands SEs  
2019****Unrestricted Reserves  
Highlands & Islands SEs  
2017****Unrestricted Reserves All  
Social Enterprises**

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**£168m****£149m****£2,008m**

### Survival Ratio<sup>7</sup> of Typical Social Enterprises

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**Survival Ratio Highlands  
& Islands SEs 2019****Survival Ratio Highlands &  
Islands SEs 2017****Survival Ratio  
All Social Enterprises**

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**36 Weeks****37 Weeks****33 Weeks**

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<sup>7</sup> The Survival Ratio provides an indication of how long social enterprises could survive with no income. The formula is Total Unrestricted Reserves / Total Income.

## 7. Contribution to Scotland

**£165m**

**£144m**

**£ 2.30bn**

Estimated Gross Value Added to the Highlands and Islands Economy 2019	Estimated Gross Value Added to the Highlands and Islands Economy 2017	Gross Value Added to the Scottish Economy
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### GVA BREAKDOWN BY ECONOMIC FIELD

Economic Field	GVA 2019	GVA 2017
Arts & Creative Industries	£11.4m	£9.2m
Community Centres & Halls	£4.4m	£3.0m
Early Learning & Childcare	£6.4m	£5.6m
Education, Training & Employment	£6.6m	£5.4m
Environment & Recycling	£12.7m	£10.2m
Financial Services	£0.2m	£0.2m
Food, Catering & Hospitality	£4.2m	£0.8m
Health & Social Care	£35.9m	£31.8m
Housing	£33.9m	£27.2m
Information, Consultancy & Support	£5.9m	£6.6m
Property, Energy, Utilities & Land	£12.0m	£16.0m
Retailing	£3.9m	£2.8m
Sport & Leisure	£11.5m	£9.4m
Tourism, Heritage & Festivals	£9.7m	£7.8m
Transport	£2.1m	£2.4m
Other	£3.7m	£5.8m
<b>ALL SOCIAL ENTERPRISES</b>	<b>£164.6m</b>	<b>£144.2m</b>

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**7,294****6,171****88,318**

Full-time Equivalent (FTE)  
employees in the  
Highlands and Islands  
social enterprise sector  
2019

Full-time Equivalent (FTE)  
employees in the  
Highlands and Islands  
social enterprise sector  
2017

Full-time Equivalent (FTE)  
employees in the social  
enterprise sector

#### EMPLOYMENT BREAKDOWN BY ECONOMIC FIELD

<b>Economic Field</b>	<b>Employment (FTE) 2019</b>	<b>Employment (FTE) 2017</b>
Arts & Creative Industries	512	444
Community Centres & Halls	491	342
Early Learning & Childcare	590	404
Education, Training & Employment	403	290
Environment & Recycling	348	282
Financial Services	6	6
Food, Catering & Hospitality	70	34
Health & Social Care	1,932	1,718
Housing	617	516
Information, Consultancy & Support	280	266
Property, Energy, Utilities & Land	386	331
Retailing	249	183
Sport & Leisure	616	523
Tourism, Heritage & Festivals	466	396
Transport	118	186
Other	210	248
<b>ALL SOCIAL ENTERPRISES</b>	<b>7,294</b>	<b>6,171</b>

## Main Social and Environmental Objectives Pursued

	<b>% of Highlands &amp; Islands SEs 2019</b>	<b>% of Highlands &amp; Islands SEs 2017</b>	<b>% of All Social Enterprises</b>
Providing volunteering opportunities	59%	59%	59%
Enabling people to participate in local community	59%	60%	55%
Addressing social isolation/exclusion	48%	42%	52%
Improving health and wellbeing	47%	43%	58%
Promoting learning or education	47%	44%	50%
Creating employment opportunities	44%	45%	41%
Promoting cultural participation	44%	46%	36%
Protecting or improving the environment	40%	40%	28%
Promoting rural development	40%	42%	19%
Providing opportunities for young people	39%	42%	41%
Supporting other organisations	32%	31%	31%
Improving built or natural heritage	30%	32%	18%
Providing training for employment	24%	24%	31%
Reducing waste	22%	24%	20%
Promoting equality and human rights	22%	22%	30%
Tackling poverty and financial exclusion	18%	16%	32%
Supporting children in their early years	18%	18%	26%
Producing renewable energy	14%	16%	6%
Providing care to adults and older people	13%	10%	13%
Providing affordable housing	10%	7%	6%
Rehabilitating of offenders	5%	4%	7%
Improving urban neighbourhoods	3%	4%	12%



## Reported Beneficiaries

Reported beneficiaries	Highlands & Islands SEs 2019	All Social Enterprises
People with mental illness or mental health problems	73%	76%
Individuals with a learning disability	72%	68%
Individuals with a physical disability	67%	65%
Older people losing independence	51%	41%
Long-term unemployed	49%	58%
Young parents	37%	49%
Alcohol or drug addiction / dependency	29%	41%
Young people leaving care	23%	33%
People with convictions	22%	35%
Homeless / coming out of homelessness	18%	31%
Refugees and asylum seekers	15%	28%
Veterans / ex-military	15%	20%

## Measuring Social Impact

### REPORTED EXTENT TO WHICH ORGANISATIONS MEASURE THEIR SOCIAL IMPACT

Response	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
A Large Extent	15%	12%	19%
Some Extent	49%	52%	50%
Not Very Much	24%	19%	21%
Not at All	12%	17%	10%

## 8. Prospects and Needs

### Economic Climate

Reported Effect of The Economic Climate Over the Last 12 Months on the Prospects of Social Enterprises	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
Positively	10%	7%	9%
Neither Positively or Negatively	51%	58%	48%
Negatively	39%	35%	43%

### Business Confidence

Reported Confidence in Economic Prospects	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
More Confident	20%	18%	20%
As Confident	47%	49%	42%
Less Confident	33%	34%	38%

### Changes Forecast

	% All Highlands & Islands SEs Forecasting Increase for 2020	% All Highlands & Islands SEs Forecasting Increase for 2018	% All Social Enterprise Forecasting Increase for 2020
Total income	53%	45%	42%
Proportion of income from trading	45%	32%	36%
Contracts with the public sector	23%	8%	18%
Geographic coverage	30%	20%	24%
Product/service range	53%	46%	47%
Demand for services	75%	53%	61%
Operating costs	78%	72%	73%
Joint working with others	64%	51%	56%
Reliance on grants	29%	25%	27%
Total employees	37%	26%	%

## Key Challenges

Obstacle/barrier	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
Insecure or Declining Grant Funding	49%	55%	50%
Lack of Time/Capacity to Develop Trading Potential	45%	54%	46%
Increasing Costs	45%	49%	47%
Recruitment and Retention Difficulties	20%	19%	18%
Skills Gaps or Shortages	19%	25%	18%
Difficulty Accessing Finance	17%	21%	17%
Cashflow Difficulties	16%	21%	20%
Difficult Market/Trading Conditions	14%	20%	20%
Public Awareness or Preconceptions of Social Enterprise	12%	18%	17%
Difficulty Complying With Regulations or Legislation	12%	15%	10%
Difficulties Securing Public Contracts/Service Level Agreements	11%	10%	16%
Competition Within the Market	9%	11%	16%
Inadequate Business Support	9%	8%	11%

## Access to Finance

### REPORTED AWARENESS, ATTITUDES AND USE OF REPAYABLE FINANCE

Reported Position	Highlands & Islands SEs 2019	Highlands & Islands SEs 2017	All Social Enterprises
Aware of the Options	54%	54%	56%
Willing to Consider	31%	30%	30%
Able to Access	38%	34%	38%
Currently Making Use of	17%	13%	16%

Types of Finance Applied for in Last 12 Months	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
A Loan	10%	9%	10%
A Grant	70%	74%	72%
An Overdraft	4%	4%	4%
Equity Finance	0%	0%	1%
Leasing/Hire Purchase	4%	2%	4%
Community Share Capital	1%	1%	1%
None of the Above	25%	25%	25%

### Support Needs

Forms of Support That Social Enterprises Might Benefit from in the Next 12 Months	% of Highlands & Islands SEs 2019	% of Highlands & Islands SEs 2017	% of All Social Enterprises
Attracting New and Young Talent	33%	40%	27%
Developing Your Marketing Strategy	32%	36%	34%
Measuring Social Impact	31%	44%	37%
Collaborating with Others to Succeed	30%	36%	32%
Researching New Opportunities	30%	39%	32%
Developing Your Workforce	28%	38%	32%
Developing New Products or Services	26%	35%	28%
Developing Digital Capabilities	24%	31%	29%
Preparing a Business Plan for Growth	23%	33%	26%
Planning for Business Change and Succession	21%	28%	23%
Improving Environmental Sustainability	19%	17%	16%
Improving Your Business Practices	17%	33%	21%
Developing Leadership Capabilities	16%	30%	22%
Learning New Business Skills	16%	23%	18%
Finding Property Solutions	15%	15%	15%
Tendering for Public Sector Contracts	13%	11%	20%
Finding a Business Mentor	11%	17%	16%
Starting up a New Business Venture	8%	11%	9%
Managing Your Intellectual Property	8%	10%	9%
Attracting Repayable/Loan Finance	6%	10%	7%
Recovering from Business Difficulties	4%	4%	7%
Doing Business in International Markets	3%	7%	4%

Find out more  
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