

Social Enterprise for Museums, Libraries, Archives

Does your organisation have a long-term sustainable social enterprise vision? Is it robust and keen to tackle challenging organisational change? MLA South East aims to work within SEEDA's *Cultural Shift* programme with a small number of pilot museums, libraries or archives to support their transition into a social enterprise.

What is Social Enterprise?

Social enterprises are businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. There is a presumption that an organisation should acquire at least 50% of its income from commercial activity before it can describe itself as a social enterprise. Commercial activity mainly comprises the selling of services in the open market, but it is also argued to reasonably include public funding if such funding is project-specific and achieved through an open tendering process. Cultural organisations have a long history of using entrepreneurial talent to deliver social benefits to the community, in circumstances when traditional commercial organisations would not be able to survive.

SEEDA's *Cultural Shift* Programme

The South East England Development Agency (SEEDA) sponsors a programme called *Cultural Shift*, which gets funding support from EQUAL and the European Social Fund (ESF). *Cultural Shift* aims to maximise the appropriate use of the social enterprise model for organisations that need or want to shift away from relying on public or philanthropic funding, and where a purely commercial model is not a feasible option. The motivation behind this change might be a reduction in the levels of grant aid available or the need for a more sustainable business model. The requirements of the European funding mean that the *Cultural Shift* programme is restricted to social enterprises that produce a social good, that aim to employ people from disadvantaged groups or help people from disadvantaged groups to be more employable. Social enterprise is



about the nature of the organisation as much as anything. It is about what it does and how it does it.

Examples of disadvantaged people in this context are refugees, ex-offenders, people addicted to drugs or alcohol, those with disabilities (physical or learning), people disadvantaged through education, people disadvantaged by geographical location, or people with care responsibilities.

Social Enterprise - right for my organisation?

The social enterprise model is not for everybody. It is important for organisations to hold to their original ethos. Public funding is granted more and more often on a competitive bidding basis, prompted by the requirement for public bodies to demonstrate both their value for money and their impact on national public sector targets. Many organisations have learned to their cost that it is impractical and of little long term benefit simply to chase the grant, ie, to alter the service to fit the criteria laid down by a particular grant giving regime.

In a similar vein, the social enterprise model certainly does not suit all organisations in the cultural sector. Indeed the cultural sector and its development agencies need to guard against overselling the significance of the social enterprise model. For example, an organisation that works exclusively with underprivileged individuals and which has relied on grants and donations to survive over a number of years, may rightly see no benefit in moving towards charging for services and developing all of the business systems with that entails. Social enterprise is certainly a growing sector but it should not be seen as a panacea for sustainability nor for automatically achieving social inclusion. There is much vibrant and vital cultural work being done by organisations which are not social enterprises.

MLA South East's role

One of the ways the programme intends to achieve its aims is by helping cultural agencies and other services learn how to advise potential social enterprises in their sector in future. MLA South East is keen to support the sector by understanding the challenges, opportunities and issues associated with adopting the social enterprise model. *Cultural Shift* will act as a catalyst to agencies and services giving business support, with funding for this activity concluding in June 2007.

If you would like your organisation to be considered for inclusion in SEEDA's *Cultural Shift* programme please contact Elizabeth Molineux at elizabeth.molineux@mlasoutheast.org.uk for an initial discussion.

Links to further information

For examples of social enterprise in the cultural sector, see *Social Enterprise - Culture*, available from the Culture South East website.

<http://www.culturesoutheast.org.uk/media/uploads/18/Social%20Enterprise%20Culture%20Document.pdf>.

For more information about the *Cultural Shift* programme (not specific to the culture sector) follow this link to a very large file (>8mb to download):

http://www.seeda.co.uk/Publications/Social_Inclusion/docs/SocialEnterprise.pdf.

For general information about social enterprise, see the DTI's Small Business Service webpages dedicated to social enterprise:

<http://www.sbs.gov.uk/sbsgov/action/layer?r.s=tl&topicId=7000000412>.