

## A Social Revolution

*Jo-ann Hodgson*

*August 01st 2006*

There's a revolution going on in the voluntary sector at the moment," says Brighton & Hove Community Partnership's (BCP) Oliver Maxwell. "Brighton is a very community-focused place, and we manage a project on behalf of the council to make it a flagship community for social enterprises. At the moment many organisations in the voluntary sector are moving into the social enterprise business model, and at the same time more businesses are helping out communities and community organisations."

Revolution, community and business: this all sounds very exciting, but what exactly is a social enterprise business? According to the Department of Trade and Industry, "A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or community, rather than being driven by the need to maximise profit, shareholders and owners."

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A mapping exercise carried out by the South East Development Agency in 2003 found that there were 76 social enterprise-type organisations in Brighton & Hove. It's difficult to state the exact number of SEBs, partly because different agencies disagree on an absolute definition, but it's estimated that this number has more than doubled in the past three years. The BCP – which links organisations together socially as well as financially – is helping to develop 150 potential social enterprises and has a core membership of 55 businesses and 60 community voluntary organisations.

The flagship enterprises on the tip of even the most socially unaware Brightonian's tongue are Magpie Recycling, the Wood Recycling Project and Infinity Foods. These three businesses each provide a service for the community, work with local people and sell ethical goods. As co-operatives and not-for-profit businesses, workers share profits between themselves and reinvest the surplus to ensure their business grows and can do more for the community it serves.

Money is tellingly absent from the list of incentives to set up Social Enterprise Businesses. SEBs do not benefit from tax cuts, and since they're not allowed to re-distribute profits to shareholders, there's no cash to be pocketed. Instead the co-operatives exist to fulfil social aims, produce goods and services for the local community, reinvest surplus into social objectives and increase community business ties. "It's a bit of a mind-bender for some people; they struggle to understand that it's sometimes wise to encourage businesses not to concentrate on profits for individuals to put in their wallets but instead to run the business so that all the money goes back into wages, development, training and expansion," says Melanie Hickford of the Wood Recycling Project. "The idea is that we are financially productive; we generate money and employment and stimulate the economy, but we serve society as a whole, rather than line the pockets and purses of individuals."

## **Wood Recycling Project, Circus Street**

Brighton & Hove Wood Recycling Project (WRP) began almost by accident in 1998. Founder Richard Mehmed had taken some time out of his high-stress sales job, and while looking for leftover wood to build a playhouse for his daughter he discovered that companies were regularly sending tonnes of perfectly good timber to landfill sites – an estimated 6,000 tonnes in Brighton & Hove at present. With the help of a core of four volunteer members, Richard set up the WRP to feed unwanted and otherwise wasted wood back into the community and the economy. Rescued wood is graded into three categories and is either sold back into the DIY/builders market, made into wood products – ranging from compost bins to high quality furniture – or sold as firewood and kindling.

Eight years on and the project makes enough money to employ staff, and has won national acclaim as the overall winner of the National Social Enterprise Award 2002, beating off competition from more than 70 entries and many larger and much longer-established finalists. The judges recognised the “great entrepreneurial spirit demonstrated in setting up and developing the project”, and acknowledged the WRP as a model for similar groups nationwide.

Although the project earns money as a not-for-profit organisation and staff are paid to manage the business, volunteers still play a huge part in the enterprise’s ongoing success, and also benefit from the social support the WRP provides. “For volunteers who are coming out of a difficult situation, such as ex-offenders or those with mental health issues, it is a very supportive, non-judgemental environment,” says Melanie Hickford, WRP’s marketing officer.

“We’re really fortunate in having a lot of different skills and practical abilities in both volunteers and paid workers, but really the main skill is a belief in and enthusiasm for what the project is aiming to do: reduce waste.”