

SOCIAL ENTERPRISE MARK – FULL REVIEW FORM

GUIDANCE NOTES

(3 YEARLY RE-ASSESSMENT OF ELIGIBILITY)

The Social Enterprise Mark Review Form is used to confirm your organisation's continuing eligibility to hold the Social Enterprise Mark, along with other details that the Social Enterprise Mark CIC (SEMCIC) requires in communicating with and promoting Mark Holders.

A copy of the Mark criteria along with how this is typically assessed may be found on the SEMCIC website via the following link: [Social Enterprise Mark Criteria](#). You are not required to refer to these Criteria in order to complete the form but are advised to do so if you have any reason to doubt your eligibility; the details covered within the form and this guidance should help you identify any potential concerns.

Certain Sections of the form are mandatory and you must provide answers to all points and questions posed where this is stated, in order to be successfully re-assessed.

SECTION 1 – COMPANY DETAILS & GOVERNANCE

Completing this Section is Mandatory.

You must ensure accurate details have been provided for all parts of this Section.

A. Company Details

This section of the form will normally already be complete with details that SEMCIC have on record for you. You are simply asked to check these details, amend and add to them as may be appropriate.

B. Company Governance

SEMCIC will have reviewed any information you have registered at Companies House relevant to changes in governance and if possible already answered the questions in this section for you, based on these details. If Mark eligibility criteria appears to have been affected, this will be highlighted by a "Yes" response to one or more of the three questions posed. The changes noted will be highlighted within the text section that follows and you will need to add your own response to these.

If there have been no evident changes affecting Mark eligibility criteria, the questions will be answered "No". However, you should still take care to review the questions and if you are aware of any related changes in governance you must report these within the text section. We will then review what you have reported and where necessary explore these further or confirm how your eligibility for the Mark may be affected.

If your organisation is not required to register changes in governance with Companies House, you will need to provide answers to all the questions under Part B.

C. Turnover, Trading and Profit Distribution

As above, SEMCIC will have reviewed any accounts you have submitted to Companies House (if you are required to do so). If these are up to date and provide sufficient information about your last annual turnover, sources of trade and any profit distributions made, these details will have already been completed for you.

You should still check the details concerned and if there are inaccuracies amend or update them as may be appropriate. If recent accounts were not available, they were abbreviated or lacked detail, you must answer all the questions concerned. ***In both instances (changing or adding missing details) you must provide a copy of the accounts on which your responses are based when submitting this Review form.***

You must also answer several further questions regarding your income and profit distribution. An explanation of these follows below.

“Please provide a brief summary of how any profit noted above has been, or will be used, to support social objectives?”

This question asks you to consider any specific investments you may have planned. If there are no specific plans and you simply intend to retain profit as operational surplus in support of ongoing business activities, please try and describe how you think this will help make a difference, *specific to your social objectives*.

“If profits were low (e.g. profit margin lower than 15%) or a loss was made, please briefly summarise any reasons why - particularly if there were significant areas of in-year expenditure that demonstrate your commitment to investing in the achievement of social objectives.

A defining characteristic of social enterprise is that they dedicate the principal proportion of their profits to social purposes. However, social enterprises may endeavour to minimise end of year profits - possibly for reasons of tax efficiency and to maximise expenditure in support of their social objectives during the business year. If such reasons explain any low profit margin or loss you have experienced, this question asks you to summarise the key areas of expenditure concerned; a short description will suffice, as long as it is clear how it related to social objectives.

If other business challenges explain why profits were low in the financial year covered by the accounts, please summarise the problems you encountered or other matters that came into play.

If a loss was made, what plans do you have to help the business return to profit and when?

Financial viability is a concern of any business. There may be times when grants, loans and investment are required to help a business develop, survive and thrive; ideally, these should only be temporary solutions though and social enterprises should be striving to achieve viability through how they trade.

In answering this question, you should describe any plans you have in place to help the business return to profit and when you hope this will happen (including a description of any grants, loans and investments you may be looking to secure, but focusing on your trading plans).

SECTION 2 – ASSESSING SOCIAL IMPACT (GENERAL OBJECTIVES)

**Completing this Section is Mandatory.
You must provide responses to all of parts of this section.**

A. Assessing and Reporting on Your Social Impact

This question examines how you review, measure and report on your social impact. You are asked to provide responses from a list of possible options within a table laid out in two parts:

1. We rarely reflect upon our social impact.	
2. We occasionally reflect upon our social impact.	
3. We regularly but mostly informally reflect upon our social impact.	
4. We use internal, systematic methods of assessing our social impact.	

The above four options are meant to escalate in value so you should select **ONLY ONE** that most closely describes your approach. Each statement is hopefully self-explanatory, but essentially ranges from describing an entirely unsystematic approach to assessing social impact, to employing one that is systematic.

A systematic approach implies several formal methods for collecting social impact information, reviewing this, then presenting and sharing findings with different stakeholders. The remaining options in the second part of the table summarise what these could include:

5. We use external agencies and methods when assessing and reporting our social impact.	
6. We use a range of key performance indicators that help us measure our social impact.	
7. We quantify the financial value of our social impact (and can provide figures for this).	
8. We produce detailed reports on our social impact.	
9. We publicise our social impact through sharing reports, PR materials, case-studies etc.	

You should select as many of the above options as apply to your organisation and use the open text box at the end of the table to describe your approaches in further detail should you so choose.

B. Your Social Beneficiaries and Areas of Benefit

This part of Section 2 simply asks you to consider your social purposes and the ***intended beneficiaries and benefits*** of your main trading activities or other core activities that support social objectives. This may include significant financial investments, particularly if you primarily serve social purposes through the distribution of annual profits and not directly through your trading activities. You should only focus on your core social inputs (or investments). *For example*, your organisation may be committed to recycling and reducing your carbon footprint, but these are operational values and do not define your primary social purpose.

With this distinction in mind, you should tick as many that apply in the table within this part of the form but be prepared to substantiate how your activities support what you claim in later parts of this form. *For example*, you may run a community centre that occasionally holds Arts events, but does this really mean you are in business to support “Arts, Culture & Heritage” or that the centre serves more general purposes that relate more to “Community Engagement & Empowerment”?

Please try to use the options provided within the table – even if you have very specific areas of interest. You can still use the “Other” option at the end of the table to explain such specialisms, but are encouraged to use simple labels and not long descriptions. If you are not sure how the different categories may apply to you, wherever possible SEMCIC will attempt to interpret what seems most appropriate.

C. Your Social Outcomes and Benefits

This question builds from the above but asks you to confirm ***the actual ways in which your activities have provided benefits to people and society***. Most significantly, you should only report outcomes that could be corroborated by your stakeholders (even if you do not currently collect such evidence or feedback).

Again, you should only reflect on the direct outcomes and benefits that arise from your services and social inputs (or financial investments) and tick as many that apply within the table concerned; you should also be prepared to substantiate how your activities support these claims in later parts of this form.

Please try to use the options provided within the table. If you have more specific social outcomes to report you can use the “Other” option at the end of the table to explain these, but are encouraged to use simple labels and not long descriptions. In later sections of the form you will have an opportunity to report on your social outcomes in greater detail. If you are not sure how the different categories may apply to you, wherever possible SEMCIC will attempt to interpret what seems most appropriate.

SECTION 3 – YOUR SOCIAL INPUTS, OUTPUTS AND OUTCOMES

If you are not submitting your own social impact evidence, a response to Part A of this Section is Mandatory.

In providing responses to the different parts of this section, you should only consider examples and evidence of your social impact from **the last 1 – 3 years, but concentrate on information that is current.**

A. Submitting your own Social Impact Evidence

If you produced reports or other material that helps illustrate your social impact, you are invited to attach copies of these when submitting this form. If doing so:

- please limit these to three items;
- they should not concern activities that occurred more than 3 years ago;
- you must also ensure that the material provides information that **at least** fulfils the requirements outlined under **Social Inputs and Outputs** (see part B below).

If you submit your own social impact evidence, you are not required to respond to the remaining parts of Section 3 (provided the information you submit fulfils the above requirements). However, you are encouraged to provide statements in response to all these parts, as a way of summarising your headline activities and achievements. **The evidence you submit and any statements you provide will be published via the SEMCIC website.** The purpose of this is to reinforce transparency and the robustness of Social Enterprise Mark accreditation, whilst also promoting what you do; ensuring it helps you communicate messages and key achievements that are valuable to you as a social enterprise is therefore very important.

B. What are Your Social Inputs and Outputs?

A response to this question is MANDATORY if you are not providing your own social impact evidence when submitting this form.

When describing your Social Inputs, you are being asked to **summarise specific activities that illustrate how you have strived to create social impact or create social value.** This could include:

- Ongoing services that directly serve a clear social purpose.
- New services, initiatives or projects undertaken in support of clients/stakeholders.
- Activities external to core business services (e.g. supporting charitable events – actions or donations).

When describing actions and activities, the intended social beneficiaries and benefits should be clearly evident from what you describe and you should be able to include examples that refer back to those you listed under Section 2, Part B above. You should also be able to link them with any social outcomes you go on to describe below. Your statements should summarise **the importance and value** of your activities to people, in addressing **specific social needs.**

NB: Very importantly, the **social needs** you aim to address should be clear and separate to that of the business. *For example:* simply employing people is not singularly addressing a social need, as this is what all businesses do to work; employing people from socially challenged backgrounds, who face barriers to employment in mainstream business, deliberately addresses a need that is separate to the immediate needs of your business.

In describing your Social Inputs, you should try and quantify your Social Outputs alongside them i.e. you should quantify the **levels** of your provision and delivery. It could include:

- The number of different groups and people who accessed different services/activities.
- The number of activities delivered (**not** the resulting impact, benefits or how well received they were).
- The breadth of locations/places served.

C. What are Your Social Outcomes?

Your “Social Outcomes” build upon the responses you provided under “Social Inputs and Outputs”, but should quantify what **actual differences** these have made for the people and society they served. You should be able to include examples that refer back to those you listed under Section 2, Part C above.

When describing your Social Outcomes, you are specifically being asked to provide measures relevant to the **nature of the benefits** people have experienced and observed, as a result of your Inputs and Outputs. This could:

- Be evident in what people have achieved from participating in the activity/service (people experiencing immediate gains or improvements in their personal circumstances).
- Be evident in what has changed for them following their participation (people experiencing medium to long-term gains or improvements in their personal circumstances).
- Be evident in improvements and tangible benefits created for the community and the environment (people observing short to long-term gains or improvements in their wider society and communal circumstances).

The nature of the benefits you may be able to report on will understandably vary and there may be instances where they are synonymous with the Outputs you may have already described above (in which case there is no need to repeat them). This could include:

- The number of people who improved some aspect of their social or economic circumstances. *For example:*
 - numbers from challenged backgrounds achieving a qualification or finding employment;
 - the number of homeless people housed;
 - the numbers of people in receipt of subsidised, recycled goods or furniture).

Other outcomes will relate other more tangible benefits resulting to the experiences of people after your interventions, which could include measures and examples relating to:

- How people report improvements in their quality of life. *For example:*
 - improvements in the sense of well-being for people with mental health concerns;
 - improved accessibility to community amenities for isolated people;
 - community responses to cultural/educational outputs.In the above examples, you should be trying to reflect on the nature of the responses people report, the common elements of these and *what proportion of participants all report the improvement;*
- Contextual improvements that show how effective a specific activity has been for a group of people or in addressing a particular problem or need. *For example:*
 - the percentage of ex-offenders taking part in programmes of training who achieve a qualification;
 - the percentage increase in community recycling compared to the previous year;
 - the percentage reduction in energy usage/carbon-footprint compared to the previous year;
 - the percentage improvement in different health indicators for all participants in a targeted project.
- You can also use examples and possibly case studies to illustrate the nature of benefits you report or people’s observations on these. *For example: “Since you started maintaining the park I now go for a walk every day and feel better” or “there is less graffiti and litter” or “There is a better community spirit”.* If using such examples, you should endeavour to make sure they can be substantiated as being typical of the experience people experience or observe (i.e. they should be more than an occasional, isolated example and reflect a consensus).

Simply referring to the nature of the outcome is much less meaningful. *For example:*

- “We have helped people find employment” becomes more meaningful if you can say “As a result of our work-based training and placement programmes for people with learning disabilities, we have helped 20 people find permanent employment” or better still “we have helped 20 people (75% of participants) find employment”.

NB: after considering the above requirements, you may choose to describe your Social Outcomes alongside the description of your Social Inputs and Outputs above (and not repeat them separately).

D. What Social Value/Added Social Value have you Generated?

Social enterprises are dedicated to investing the principle proportion of any profits they generate – or might generate if building profits were the driving motivation behind their business – towards social purposes. In essence, this is a large part of the “Added Social Value” they can generate. It is evident in how they distribute or reinvest end of year profits but may also be evident in how they invest ongoing income throughout the business year (which may result in limited or no profits being reported). *(You may therefore have already provided some answers to this question under Section 1, Part C above, when asked to describe how in-year expenditure may have reduced profit-margins).*

“Added Social Value” is not the same as the social value that arises from every-day trading services: it concerns what goes “above and beyond” the contractual/fee paying expectations of service provision. *For example:* Delivering a health care service inherently delivers social value – addressing health needs is a good thing! But if an organisation is actually being paid to deliver all elements of this they are simply fulfilling contractual expectations - it is not by itself “added” social value. If the same organisation were delivering above the level of outputs they are paid to deliver, this may be seen as added social value; similarly, if they were training staff in skills and techniques that are not requisite to service delivery requirements, this investment may also be seen as adding value, as it enhances the quality of care that service users may report.

In answering this question, you can describe general ways in which you may calculate the social value you create. However, in particular, try to quantify the **Added Social Value** of your activities and other investments in social purposes. In other words: ***how can you show that you have used your income and any annual profits to maximise the social outcomes and value you create?***

This could reveal itself through:

- Formal social impact reporting methodologies (e.g. Social Accounting, SROI).
- Investments in infrastructure, new activities or service enhancements that go beyond contractual requirements or fee paying expectations.
- The value of employee time that is purely dedicated towards supporting social objectives, which is not linked to income generation requirements and must therefore be covered by other income streams.
- The employment of people in specialist roles, not covered by any core income streams.
- The equivalent cost of volunteer hours in support of social outcomes (not volunteering outside work).
- Calculable savings to public services.
- The cost of contributions and donations to support charitable and social causes
- The value of any discounts you provide to certain people or causes (the difference between what others pay and what they pay) e.g. what people would have to pay if they rented a room, borrowed equipment at a full commercial rate

Arguably, the easiest types of Added Social Value to identify are those financial investments (whatever form they take) that bear little relevance to operational needs and promoting your income generation potential, ***but are purely altruistic and motivated by the desire to enhance social outcomes.***

NB: Wherever possible, try to put a financial figure to the social value you describe.