Social enterprises in the East Midlands: who they are, how they grow, and who joins and leaves

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Disclaimer

This analytical report is intended to inform regional policy discussion. It presents descriptive comparisons of public-register data, filed accounts and annual returns; it is not designed to establish causality. Any proposed explanations or policy implications are interpretations rather than empirically tested causal findings. The views and opinions expressed are the authors' own and do not necessarily reflect those of their respective institutions.

The findings should be interpreted in light of differences in reporting coverage, financial years and geographical definitions, as explained in the data and source notes. Financial and employment measures cover only organisations reporting the relevant information and should not be assumed to represent the sector as a whole. Registration does not, by itself, demonstrate trading activity or social impact. Within these limits, the evidence provides a descriptive basis for discussing social enterprise growth, employment and organisational survival in the East Midlands.

How to cite this report

Shaban, M., O'Connor, H. and Compson, E. (2026) *Social enterprises in the East Midlands: who they are, how they grow, and who joins and leaves*. Research note. University of Leicester Growth Hub.

November 2026

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Key message. The register-based sample contains 7,232 East Midlands organisations: 2,585 community interest companies (CICs), 4,128 incorporated charities and 519 registered societies. CIC numbers have expanded considerably faster than the region's mainstream company base. Between 1 January 2012 and 1 January 2026, the registered stock of CICs increased almost six-fold, while the mainstream company stock nearly doubled. Among CICs reporting turnover in consecutive years, median growth in the latest available year was 14.2 per cent in the East Midlands, compared with 9.7 per cent across England.

Newcomers and survival. Over 2012 to 2025, annual CIC incorporations averaged about 25 per 100 organisations registered at the start of the year, compared with 16 for mainstream companies. Exit rates were similar. Of the CICs formed between 2015 and 2020, 56.9 per cent remained registered five years later, compared with 47.2 per cent of mainstream companies. Incorporated charities operating within a single East Midlands council area formed a more stable register-based group, with an average annual removal rate below three per 100 organisations.

1. Who counts as a social enterprise

Social enterprises pursue social or environmental objectives through trading. The official Social enterprise: market trends 2019 report identifies them by an explicit mission, at least 50 per cent of annual income from trading and at least 50 per cent of annual surplus reinvested in that mission (DCMS and BEIS, 2021). The 2017 report revised the identification methodology (Stephan et al., 2017), while the 2023 report applies a decision-tree classification to the Longitudinal Small Business Survey (DCMS and DBT, 2025). These survey criteria differ from this note's register-based grouping by legal form, which does not test each organisation's trading income or surplus reinvestment.

The sample combines three public registers, counting each organisation once by its registered office. Tier 1 covers live CICs, which are subject to a statutory community interest test (Companies (Audit, Investigations and Community Enterprise) Act 2004). Tier 2 covers incorporated charities: charitable incorporated organisations (CIOs) and charitable companies. Tier 3 covers registered societies on the FCA Mutuals Public Register, including co-operative and community benefit societies. Guarantee companies identified only by name or activity are excluded. Some included organisations may not meet the survey criteria above. Table 1 covers ten East Midlands council areas. Incorporated charities account for 57 per cent of the total (2,590 CIOs and 1,538 charitable companies), CICs for 36 per cent and societies for 7 per cent. Nottingham and Leicester have 23.5 and 20.4 organisations per 10,000 residents respectively, compared with 19.2 across England.

1. Who counts as a social enterprise (continued)

Table 1. Register-based sample: organisations by legal form and area, East Midlands and England, October 2026

Area	CICs	Incorporated charities	Registered societies	Total	Per 10,000 residents
Derbyshire	384	626	119	1,129	13.7
Derby	190	c	c	440	16.0
Nottinghamshire	344	534	49	927	10.8
Nottingham	343	389	33	765	23.5
Leicestershire	338	533	88	959	12.8
Leicester	246	491	45	782	20.4
Rutland	19	c	<10	78	18.7
Lincolnshire	296	569	68	933	11.8
North Northamptonshire	169	280	42	491	12.9
West Northamptonshire	256	426	46	728	16.4
East Midlands	**2,585**	**4,128**	**519**	**7,232**	**14.2**
England	**40,486**	**65,636**	**7,011**	**113,133**	**19.2**

Source: SERN UK social enterprise dataset v1.2.3 (Companies House Basic Company Data, 1 October 2026; Charity Commission register; FCA Mutuals Public Register); ONS mid-2025 population estimates. Registered-office geography. "<10" marks fewer than 10 organisations; "c" marks a cell withheld so that a "<10" cell cannot be derived from the totals.

2. Growth and employment

Turnover and income growth are measured for the same organisations in consecutive years, rather than inferred from changes in the number registered. Among organisations with the necessary data, median growth was higher in the East Midlands than across England (Table 2). Median CIC turnover growth was 14.2 per cent, compared with 9.7 per cent across England; 63.7 per cent of reporting CICs recorded an increase, compared with 58.6 per cent nationally. These measures cover 12 per cent of CICs in each geography and should not be generalised to all CICs. For incorporated charities, median income growth was 5.4 per cent in the East Midlands and 4.3 per cent across England. Charity income-growth data cover around three-quarters of organisations in each geography.

The available employment data also show the role of these organisations as employers, although coverage varies substantially. Among CICs reporting a headcount, 42.8 per cent in the East Midlands employed at least one person, compared with 42.7 per cent across England. Across all three tiers, the corresponding shares among reporting organisations were 49.5 per cent and 46.9 per cent. Headcount data cover 19 per cent of the regional sample and 20 per cent of the England sample, so these percentages are not estimates for all registered organisations. Among charities with income above £500,000 that reported staff numbers, the median headcount was 27 in the East Midlands, compared with 22 across England.

2. Growth and employment (continued)

Table 2. Register-based sample: growth and employment among reporting organisations, East Midlands and England, latest available financial years 2024 to 2026

Measure	East Midlands	Organisations reporting (coverage)	England	Organisations reporting (coverage)
CIC turnover growth, median %	+14.2	317 (12%)	+9.7	4,819 (12%)
CICs with rising turnover, %	63.7	317 (12%)	58.6	4,819 (12%)
Incorporated charity income growth, median %	+5.4	3,090 (75%)	+4.3	50,001 (76%)
Incorporated charities with rising income, %	58.1	3,090 (75%)	57.1	50,001 (76%)
CICs with at least one employee, %	42.8	764 (30%)	42.7	12,045 (30%)
All social enterprises with at least one employee, %	49.5	1,369 (19%)	46.9	22,754 (20%)
Employees, median, charities with income over £500,000	27	595 (14%)	22	11,469 (18%)

Source: SERN social enterprise panel v1.2.3 (Companies House iXBRL accounts; Charity Commission annual returns), latest financial year 2024 to 2026. Growth compares the same organisation in consecutive years. Coverage is the share of organisations in each group with the measure. Charity employee counts are reported only by charities with income above £500,000. Medians are shown only where at least 10 organisations report.

3. Newcomers and departures

Analysis of entry and exit requires records of organisations that have left the registers as well as those that remain. We therefore combine the live registers with records of company dissolutions in the region since April 2011, charity removals from the Charity Commission register and society deregistrations by the FCA. The comparison covers 2012, the first full year in the dissolution records, to 2025, the last complete calendar year. Mainstream companies are all other companies registered in the region, excluding CICs, charities and societies. Unlike the stock counts in Table 1, the incorporated-charity series in this section is restricted to organisations declaring an area of operation within a single East Midlands council. The figures therefore describe different geographical populations and are not directly comparable.

CICs have risen almost six-fold since 2012; mainstream companies nearly doubled

Organisations registered in the East Midlands at 1 January each year, index 2012 = 100

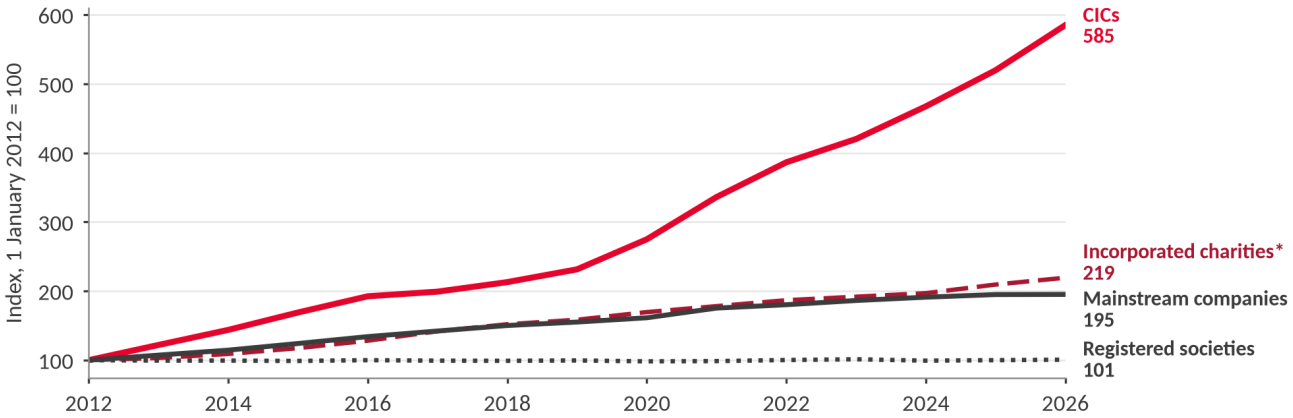


Figure 1. In numbers, CICs rose from 400 to 2,341 and mainstream companies from 156,179 to 304,806; locally focused incorporated charities rose from 800 to 1,755.

Source: Companies House (Basic Company Data, 1 October 2026; dissolved companies since 1 April 2011); Charity Commission register (November 2026); FCA Mutuals Public Register; ONS NSPL; authors' calculations. Registered-office geography, except *incorporated charities, which are placed by a declared area of operation within a single East Midlands council.

3. Newcomers and departures (continued)

CICs recorded the fastest expansion in the registered stock among the groups compared (Figure 1). Between 2012 and 2025, 3,688 CICs were incorporated and 1,747 were dissolved, with the stock increasing from 400 at 1 January 2012 to 2,341 at 1 January 2026 (Table 3). Annual entry rates averaged about 25 per 100 CICs registered at the start of the year, compared with 16 for mainstream companies; exit rates averaged about 11 per 100 in both groups (Figure 2). Five-year registered survival was also higher for CICs: 56.9 per cent of the 2015 to 2020 incorporation cohorts remained registered five years later, compared with 47.2 per cent of mainstream companies formed in the same years. Continued registration should not be interpreted as evidence of continued trading.

Table 3. Register-based entry, exit and five-year survival by group, East Midlands, 2012 to 2025 (survival cohorts: 2015 to 2020)

Group	Registered 1 Jan 2012	Registered 1 Jan 2026	Newcomers 2012–25	Departures 2012–25	Entry rate, % a year	Exit rate, % a year	Five-year survival, %
Community interest companies	400	2,341	3,688	1,747	24.9	11.3	56.9
Incorporated charities (local)	800	1,755	1,367	412	8.2	2.4	92.5
Registered societies	542	546	221	217	2.9	2.9	85.0
Mainstream companies	156,179	304,806	515,011	366,384	15.8	10.9	47.2

Source: Companies House (Basic Company Data, 1 October 2026; dissolved companies since 1 April 2011); Charity Commission register and event history (November 2026); FCA Mutuals Public Register; ONS NSPL. Registered-office geography, except incorporated charities, which are placed by a declared area of operation within a single East Midlands council. Rates are annual averages per 100 organisations registered at 1 January. Five-year survival covers organisations formed from 2015 to 2020. Society counts here come from the FCA register address field, so they differ slightly from Table 1.

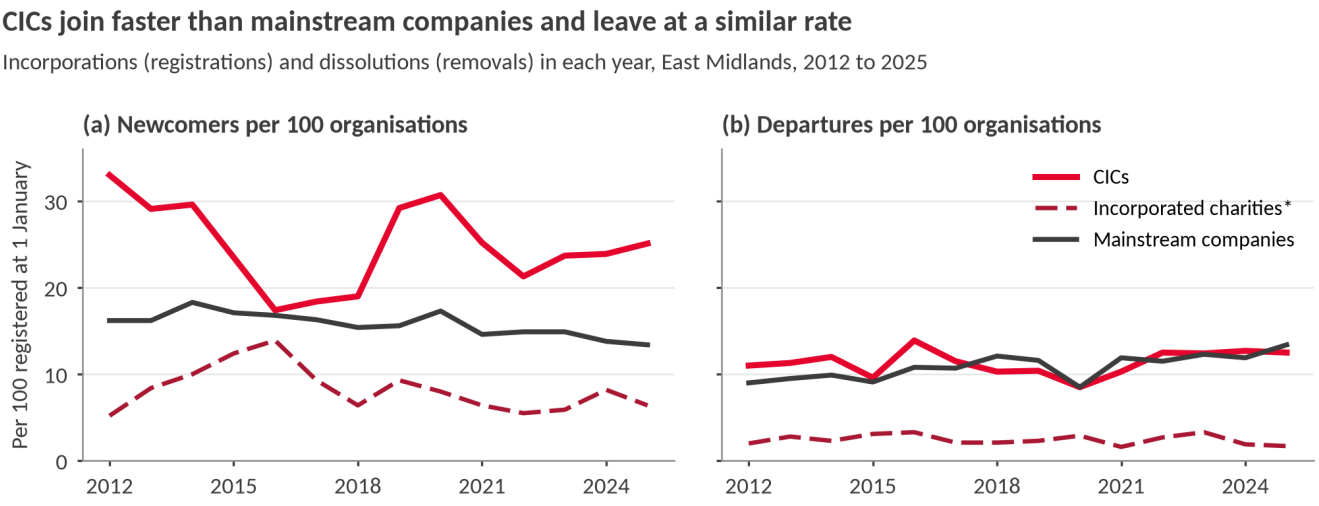


Figure 2. Rates divide the incorporations and dissolutions in each year by the number registered at 1 January. For incorporated charities they divide registrations and removals.

Source: Companies House (Basic Company Data, 1 October 2026; dissolved companies since 1 April 2011); Charity Commission register (November 2026); FCA Mutuals Public Register; ONS NSPL; authors' calculations. Registered-office geography, except *incorporated charities, which are placed by a declared area of operation within a single East Midlands council.

Incorporated charities grow more steadily. Among those whose area of operation is a single East Midlands council, 1,367 registered between 2012 and 2025 and 412 were removed, so their number more than doubled from 800 to 1,755, with an average removal rate of 2.4 per cent a year, and 92.5 per cent of those registered between 2015 and 2020 were still on the register five years later. The CIO, available since 2013, now accounts for most new incorporated charities. Registered societies form a long-established and stable core: 221 joined and 217 left over the period, and 85.0 per cent of those formed between 2015 and 2020 were still registered five years later.

4. What the evidence shows

Three findings stand out. First, the registered stock of CICs expanded much faster than that of mainstream companies, while reporting CICs in the East Midlands recorded higher median turnover growth than reporting CICs across England. Second, the expansion in CIC numbers reflects higher entry rates alongside exit rates similar to those of mainstream companies; CICs also had higher five-year registered survival in the cohorts examined. Third, locally focused incorporated charities and registered societies had lower exit rates and higher registered survival than CICs. Together, these findings describe an expanding CIC population alongside more stable charity and society populations. They do not establish the causes of these patterns, demonstrate social impact or show that financial growth among reporting organisations is representative of the whole sector.

Data note. Stock counts use the live registers at October 2026; entry, exit and survival measures use the historical records and periods specified in Section 3 and Table 3. Financial measures use the latest available filed accounts or annual returns, with reporting coverage shown in Table 2. Registered-office location does not necessarily identify where an organisation delivers its services. The register-based sample is not a direct measure of compliance with trading-income or surplus-reinvestment thresholds. All reported figures are aggregates; counts below 10 and additional cells needed to prevent their disclosure are withheld.

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Source: University of Leicester, About the Growth Hub, https://le.ac.uk/school-of-business/growth-hub/about-the-growth-hub (accessed 19 November 2026).

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