# Enabling Social Innovation in the United Kingdom

## Country Snapshot

Government Council for Social Innovation
Advancing Social Impact
POWERED BY 1Family Foundation

**Social innovation: "the processes and outcomes of developing novel approaches to address societal challenges facing people and planet." [1]**

This snapshot represents a descriptive, non-exhaustive overview of key highlights from the United Kingdom's social innovation ecosystem.

✓ Direct focus on social innovation  🔗 Connected but indirect focus on social innovation  ✗ No focus on social innovation

# INSTITUTIONAL FRAMEWORK

### Official Definition of Social Innovation 🔗

The UK has no formal legal definition of social innovation. The term is widely used across government, academia, and civil society to describe innovative responses to social and environmental challenges, often framed through social enterprise, public service innovation, and mission-led business. [1] [2]

### Government Body for Social Innovation ✓

Rather than a dedicated body, responsibility is distributed across departments. The Office for Civil Society (Department for Culture, Media and Sport) leads policy on social enterprise and social investment.[3] Other departments support innovation through sector-specific initiatives, while devolved administrations operate parallel structures. [4]

### Government Strategy for Social Innovation ✓

The UK does not have a standalone social innovation strategy. Relevant priorities are embedded in broader frameworks, including the Civil Society Strategy (2018), inclusive growth agendas, and public service reform policies emphasizing cross-sector collaboration and outcomes-based approaches. [5]

### Policies, Laws & Regulations ✓ 🔗

Key frameworks directly or indirectly enabling social innovation include:

- **Community Interest Company (CIC) legal form (2005):** Provides legal recognition and asset lock for social enterprises. [6]
- **Public Services (Social Value) Act (2012):** Requires public procurement to consider social value, facilitating innovative service delivery. [7]
- **Dormant Assets Scheme (2008; expanded 2022):** Redirects unclaimed financial assets to social investment. [8]
- **Social Investment Tax Relief (2014–2023):** Incentivized private investment into social enterprises. [9]

### Official Statistics 🔗

- The UK does not collect social-innovation-specific statistics. However, official surveys estimate over 100,000 social enterprises employing around 2 million people, representing a significant component of the social economy. [10]

### Government Programs

Support is delivered through multiple programs, including:

- **Big Society Capital (2012–):** Wholesale social investment institution capitalized via dormant assets. [11]
- **Social Impact Bonds and outcomes funds**: Payment-by-results mechanisms supporting innovative social services. [12]
- **Social Incubator and Challenge Funds**: Past grant programs supporting early-stage social innovations. [5]

## ECOSYSTEM

### Stakeholders

The UK hosts a dense ecosystem of non-governmental enablers, including:

- **Social Enterprise UK**: National advocacy and research body for social enterprises. [13]
- **UnLtd**: Grant-making and incubation foundation for social entrepreneurs. [14]
- **Big Issue Invest, Social Investment Business**: Key social finance intermediaries. [11]
- **Ashoka UK, Social Innovation Exchange (SIX):** International networks supporting systems-level innovation. [2]

### Support Initiatives

Common non-financial support includes incubation, acceleration, research, and challenge prizes. Prominent actors include:

- **Nesta**: Innovation foundation running social and public-sector innovation programs. [15]
- **The Young Foundation**: Research and applied social innovation support. [2]
- **School for Social Entrepreneurs**: Nationwide education and incubation programs. [16]

### Collaboration

Cross-sector partnerships are well-established. Social Impact Bonds exemplify collaboration between government, investors, and service providers. Knowledge-sharing platforms and policy labs further support co-creation and scaling. [12] [15]

### Events & Awards

Key ecosystem-building mechanisms include:

- **UK Social Enterprise Awards**: National recognition of social enterprises. [13]
- **Skoll World Forum (Oxford):** Global convening on social innovation and entrepreneurship. [17]
- Local and thematic innovation challenges led by cities, foundations, and corporates.

## FINANCE

### Financing Schemes

The UK has one of the world's most developed social investment markets:

- **Big Society Capital**: Anchors the market with wholesale capital. [11]
- **Impact investment funds**: Including Bridges Fund Management and Big Issue Invest. [11]
- **Grant funding**: Provided by the National Lottery Community Fund and foundations.

The UK social impact investment market exceeded £10 billion by 2023. [18]

## Financing Inclusivity

Many schemes target disadvantaged groups and regions. However, reviews highlight persistent access barriers for small, grassroots, and minority-led organisations, despite relatively high diversity among social enterprise leaders. [10] [19]

# SOCIETY

## Public Awareness of Social Innovation

While the term "social innovation" is not widely used by the general public, awareness of social enterprise and mission-led business is growing through campaigns, awards, and high-profile initiatives. [13]

## Research

The UK is a global research hub for social innovation. Key academic and applied research centres include:

- **Skoll Centre (Oxford), Cambridge Centre for Social Innovation, Yunus Centre (Glasgow).**
- Practitioner research by Nesta, the Young Foundation, and government-linked evaluation units. [2] [15]

## Education & Human Capital

Formal education includes specialized master's programs and business-school modules on social innovation and entrepreneurship. Informal learning is widespread through accelerators, fellowships, and practitioner-led training. [16] [17] No official data exist on graduate proportions.

## Entrepreneurship

**--th / --** countries

**Business Environment**

**--th / ---** countries

**Innovation Capacity**

The UK ranks among global leaders in innovation capacity (GII top 5).

**Social entrepreneurship prevalence**

Over half of early-stage entrepreneurs report social or environmental motivations, indicating strong alignment between entrepreneurship and social innovation. [20]

## Social & Environmental Consciousness

**Solidarity**

High interpersonal trust relative to international peers. [21]

**Political participation**

**--%** population

**Volunteering**

Moderate and declining, with renewed policy focus. [22]

**--st / ----** countries

**Sustainability**

Strong environmental performance; ranked 2nd globally in the Environmental Performance Index (2022). [23]

This snapshot was developed, with the use of AI, for the Government Council for Social Innovation by One Family Foundation. Updated May 2026.
Learn more about the Global State of Social Innovation here: https://governmentcouncil.org/