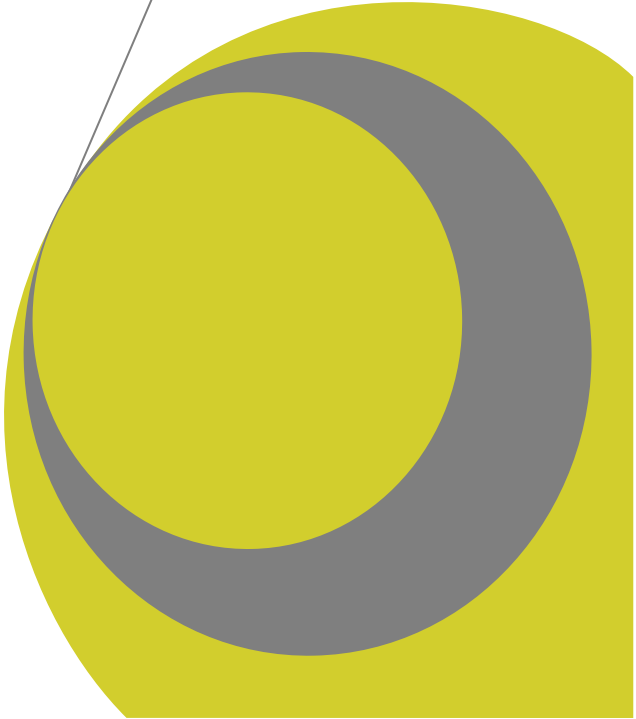


**SOCIAL ENTREPRENEURSHIP PROGRAMME  
EVALUATION - FINAL**



**22<sup>nd</sup> March 2016**



# SOCIAL ENTREPRENEURSHIP PROGRAMME

## EVALUATION - FINAL

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## EXECUTIVE SUMMARY

### Introduction

Invest Northern Ireland (Invest NI) has commissioned Cogent Management Consulting LLP ('Cogent' or the Evaluation Team) to undertake an independent evaluation of its Social Entrepreneurship Programme ('SEP'), covering the period January 2013 to the 3<sup>rd</sup> July 2015.

The evaluation has been undertaken in line with national and regional requirements and is compliant with Central Government guidance including:

- "The Green Book: Appraisal and Evaluation in Central Government", HM Treasury 2003;
- "The Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE), Current Edition", Department of Finance and Personnel;
- "The Magenta Book: Guidance for Evaluation"; and
- Invest NI Economic Appraisal Methodology (EAM) guidance.

### The Social Entrepreneurship Programme

The SEP was established in June 2006 as part of the Northern Ireland Executive's three year strategic plan<sup>1</sup> to develop and strengthen the Social Economy sector within Northern Ireland. The first phase of the SEP was delivered between June 2006 and April 2009, whilst a second phase was delivered between June 2009 and March 2012, both of which were to support new and existing social enterprises. For the purposes of the SEP, a social enterprise was defined as:

*"A business that operates to commercial models but whose primary purpose relates to social orientated objectives. Within social enterprises any surpluses generated are principally reinvested in the business to further advance the social enterprise, or alternatively are re-invested in the wider community. Social enterprises differ from conventional enterprises in that they are not predominately driven by the need to maximise profit for shareholders/ owners. However, it is important to note that a social enterprise does have a business focus and does operate as a commercial entity".*

As stated in the Economic Appraisal, the aim of the SEP during the period under review (i.e. January 2013 to July 2015) was to:

*"Contribute positively to economic development in Northern Ireland by supporting the creation of viable social economy businesses, which will predominately be based in disadvantaged areas or support marginalised groups".*

The associated objectives of the SEP, as set out in the Economic Appraisal, were to:

- Provide early stage support to groups/ social entrepreneurs who are starting a social enterprise;
- Ensure high survival rates for new social economy enterprises starts;
- Encourage social economy enterprises growth in export markets;
- Feed the Invest NI client bank with 'pull through' social economy enterprises; and
- Deliver sustainable employment and wealth creation in areas of deprivation.

Whilst the overall aims and objectives of the SEP have largely remained the same since 2006, according to the Economic Appraisal, the focus of the Programme during the period under review was to provide support to new (rather than new and existing) social enterprises and to leverage other forms of support provided by key stakeholders.

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<sup>1</sup> 'Developing a Successful Social Economy: NI Government's Three Year Strategic Plan 2004-2007' (Department of Enterprise, Trade and Investment, 2004).

Following completion of a competitive procurement process, in January 2013 Invest NI awarded three separate contracts to Enterprise Northern Ireland (ENI) to manage and deliver the SEP across the following three geographical sub-regions:

- Eastern region;
- Southern and Western region; and
- North East and North West region.

The purpose of the SEP was to support and encourage new social enterprises to operate under commercial business models, in order to maximise their economic impact (in terms of jobs and wealth creation), whilst maintaining a focus on wider economic and social benefits. The SEP provided three autonomous, but interrelated, strands of support, which had a number of entry and exit points. These were:

- **Lead In Capability Support** - to provide groups with well-defined social enterprise projects and ideas;
- **Core Capability Support** – to provide tailored one-to-one support to focus on the development and implementation of a social enterprise’s business plan; and
- **Start-up Grant** - to assist with those costs that were associated with establishing their social enterprise.

The SEP was to be overseen by the Employment and Enterprise team within Invest NI, with the Programme being delivered and managed, on a sub-regional basis, by ENI through five Local Enterprise Agencies (LEAs).

### Strategic Context and Rationale

In line with the strategic imperatives of the Northern Ireland Government that existed during the period under review, the Evaluation Team’s analysis indicates that the SEP has positively contributed towards:

- Investing in social enterprise growth in order to increase sustainability in the broad community sector;
- Supporting the establishment of new social enterprises; and
- Creating employment opportunities.

At the time of approval, there were a number of market failures (including asymmetric information, growth externalities, equity and distribution, co-ordination failures and capital market failure) identified that were inhibiting the growth of the social economy sector in Northern Ireland and therefore necessitating the need for intervention. Indeed, the SEP was seen as being an important piece of the ‘jigsaw’ in terms of creating employment opportunities, improving services, cutting costs and tackling disadvantage.

### Operation and Delivery

Between January 2013 and July 2015, a total of 234 groups/ organisations were provided with support through the SEP. The nature of the support that was ultimately delivered was tailored to the specific needs of individual groups/organisations. Monitoring information provided by Invest NI indicates the following activity:

- 234 unique groups/ organisations received a total of 328 interventions (i.e. an intervention being defined as an interaction with an individual strand of the SEP).
- In line with the targets stipulated within the ‘Benefit Realisation Plans’ for each of the three sub-regional contracts (and contract variations therein), over two fifths (45% - N=328) of the total interventions were delivered in the Eastern region, through Work West Enterprise Agency.
- Over two fifths (44% - N=328) of the interventions were delivered between April 2014 and March 2015.
- There were 143 unique groups/ organisations that had 151 interactions with the Lead In Capability support strand of the SEP, with over two fifths (43% - N=143) being delivered to unique groups/ organisations in the Eastern region.
- There were 153 unique groups/ organisations that had 158 interactions with the Core Capability support strand of the SEP.

- As of September 2015, there were 157 business plans developed, across the three sub-regions and there were 154 social enterprises that had commenced trading.
- There were 24 modular training sessions delivered across the three sub-regions, with a total of 218 individuals from 171 groups/ organisations in attendance.
- There were 19 start-up grants awarded during the period January 2013 to 2<sup>nd</sup> April 2014. Discussion with Invest NI indicates that the start-up grant was no longer available as part of the Programme from the 2<sup>nd</sup> April 2014 onwards.
- Invest NI expressed its view that both Invest NI and ENI referred groups/ organisations, when appropriate, to other forms of mainstream support (e.g. other forms of support within Invest NI's portfolio of programme offerings).
- On an overall basis, 85% (N=234) of the total unique groups/ organisations that participated on the SEP were from, or were proposing to operate in, disadvantaged areas<sup>2</sup>, whilst 55% (N=234) were from, or were proposing to operate in, Neighbourhood Renewal Areas (NRAs).
- Nearly a third (30% - N=234) of the unique groups/ organisations that participated on the SEP were located with the Belfast City Council area (or the eastern region).

The Evaluation Team's analysis suggests that groups/ organisations were, on the whole, highly satisfied with the support provided through the SEP. Specifically, the feedback from participants in receipt of SEP support suggests that (amongst other things):

- The content, structure and duration of support was, on the whole, appropriate to meet the needs of participants; and
- The SEP Advisors had an understanding of participant's needs, they were technically proficient and they had knowledge of other types of support that the organisations could avail of.

Reflecting the quality of the support received and subsequent impact that it made on recipients of support, almost all of the organisations would be willing to recommend the SEP support to other organisations/ groups and nearly three quarters would be willing to pay for the support if they required similar support and advice in the future.

Given the levels of demand for the SEP, participants' high levels of satisfaction with the Programme, the positive contribution of the Programme to the Northern Ireland economy and the variations that were made to the Programme during the period under review to maintain its efficacy, the Evaluation Team suggests that Invest NI's overall approach to risk management was robust and proportionate.

There were a range of output/ activity and outcome targets established for the SEP. At this stage, the vast majority have either been achieved, or in the Evaluation Team's view, are likely to be achieved given more time to elapse.

Based upon monitoring information provided by Invest NI, the total cost incurred by Invest NI to deliver the SEP was circa £1.45m. Over three quarters (76%) of the total actual costs related to programme delivery costs (which were payable to ENI).

## Performance and Impact

Based on the feedback from those groups/ organisations in receipt of support, the following key conclusions can be drawn in relation to the impact made by the SEP:

- The levels of activity (45.4%) and impact (54.2%) additionality should be considered quite favourably. In the Evaluation Team's view, this is based on the fact that the level of activity deadweight (54.6%) is lower (by 25.4 percentage points) than the level of deadweight calculated within the start-up strand of the Enterprise Development Programme (EDP) (where the level of deadweight was calculated at 80%). This is likely to reflect the fact that the support provided through the SEP was targeted at attracting those groups/ organisations who would be typically less likely to have started a social enterprise anyway i.e.

<sup>2</sup> Disadvantaged areas were defined as areas within the top 300 Super Output Areas within Northern Ireland.

involving those individuals that are more distant from the labour market, those in more disadvantaged areas etc.

- The analysis indicates that the majority of groups/ organisations would not have established their social enterprise (or would have started at a different scale and/or timescale) due to full (10%) or partial market failure factors (57%), typically in the form of asymmetric information.
- From a **quantitative perspective**, the analysis suggests that the SEP has:

**Actual Impacts**

- Contributed £1.5m in net additional Gross Value Added (GVA) to the Northern Ireland economy.
- Created a total of 373 gross or 129 net additional jobs, of which:
  - 156 of the gross jobs or 54 of the net additional FTE jobs were potentially filled by individuals from disadvantaged areas; and
  - 67 of the gross jobs or 23 of the net additional FTE jobs that were created had salaries in excess of the private sector median of circa £18,000 during the period under review.
- Created 189 volunteering opportunities, of which 6 were full time volunteer positions and 183 were part time positions.

**'Anticipated' Impacts**

- The potential to contribute a further £4m in net additional GVA to the Northern Ireland economy over the benefits realisation period (i.e. post SEP finishing).

- Positively, given the overarching aims of the SEP, it was reported that the support provided through the SEP contributed towards the achievement of the following **wider social outcomes**:
  - Developing enterprise culture and awareness;
  - Enhancing the quality of life for beneficiaries in disadvantage areas;
  - Improving employment prospects;
  - Supporting vulnerable people;
  - Enhancing community empowerment; and
  - Reinvesting into the local community.
- Encouragingly, the support provided through the SEP led to a number of unexpected impacts/ achievements e.g. it contributed towards enhancing the reputation of the social enterprises outside of the UK; and it assisted the development of relationships with other social enterprises in order to share experiences and advice.
- On an overall basis, the majority of groups/ organisations suggested that, in the absence of the SEP, they would not have been able to get the same or similar support elsewhere. Based on this feedback, along with a review of the broader marketplace, the Evaluation Team concludes that the risk of the SEP duplicating other similar initiatives was minimal during the period under review.
- The SEP has contributed to providing the Northern Ireland economy with a number of other wider and regional benefits including: Entrepreneurship; Knowledge Transfer; Skills development; Labour Market Impacts (in areas of disadvantage); and Addressing distributional issues (e.g. Areas of Disadvantage).



## Return-on-Investment and Value for Money

Given the level of net additional GVA (i.e. £1,535,914) that has been provided by the Programme to date (i.e. for a 2.5 year programme period), and the full economic cost of delivering the Programme (i.e. £1,446,960), then **the GVA return-on-investment is £1:£1.06<sup>3</sup>**.

It is the Evaluation Team's view, and one shared by Invest NI, that this represents only an intermediate position of the SEP's potential ultimate impact (in terms of gross and net additional GVA and therefore a GVA return-on-investment). In agreement with Invest NI, in order to calculate a GVA return-on-investment figure allowing for five years of benefits for each participant, the Evaluation Team has summed the actual net additional GVA (£1,535,914) and the 'anticipated' net additional GVA (£4,033,699), which equates to a total net GVA of £5,569,613. Given there are no additional costs associated with delivering the SEP, this results in a **5 year GVA return-on-investment of £1:£3.85<sup>4</sup>**.

It is the Evaluation Team's view, based upon all available evidence, that the SEP delivered VFM in respect of the costs incurred.

## Recommendations

1. Given the reported positive impacts that the SEP has had on groups/ organisations, social enterprises and the wider Northern Ireland economy, and evidence of continued need for support, it is recommended that this type of intervention should continue to be provided to the social economy sector moving forward.
2. The Evaluation Team recommends that the following key considerations are factored into any decision making processes relating to any future intervention of this nature:
  - The sub-regional approach that was adopted and implemented by Invest NI and ENI to deliver the SEP was effective and should be considered as a potential delivery option moving forward.
  - It is recommended that groups/ organisations seeking to establish social enterprises should continue to be provided with support that is separate and distinct from mainstream business support (such as the Regional Start Initiative).
  - It is recommended that any future model of delivery should continue to demonstrate flexibility in terms of the levels of support provided to programme participants, similar to that which was evident as part of the most recent phase of the SEP. This will allow tailored support to be provided to programme participants linked to their specific requirements.
  - The continuance of the Social Economy Stakeholder Reference Group, or some form of it, should be considered moving forward for the purposes of, *inter alia*, knowledge and information sharing and raising awareness of issues within the social economy sector.
  - The merits and demerits of introducing charging for similar types of support should be factored into any decision making processes relating to any future intervention of this nature.
  - Based on the feedback from Programme participants, the potential to provide some form of additional aftercare type support, perhaps during years two or three of trading, should be factored into any decision making processes relating to any future intervention of this nature.
3. The conclusions and recommendations from this evaluation should be shared with all relevant stakeholders in order to help inform policy and support for the social economy sector moving forward.

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<sup>3</sup> Return-on-investment is based on actual outcomes derived to date i.e. excludes outturns anticipated to be derived by businesses in the future.

<sup>4</sup> i.e. (£1,535,914 + £4,033,699) divided by £1,446,960.

## 1. INTRODUCTION AND BACKGROUND

### 1.1 Introduction

Invest Northern Ireland (Invest NI) has commissioned Cogent Management Consulting LLP ('Cogent' or the Evaluation Team) to undertake an independent evaluation of its Social Entrepreneurship Programme ('SEP'), covering the period January 2013 to the 3<sup>rd</sup> July 2015.

The evaluation has been undertaken in line with national and regional requirements and is compliant with Central Government guidance including:

- "The Green Book: Appraisal and Evaluation in Central Government", HM Treasury 2003;
- "The Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE), Current Edition", Department of Finance and Personnel;
- "The Magenta Book: Guidance for Evaluation"; and
- Invest NI Economic Appraisal Methodology (EAM) guidance.

### 1.2 The Social Entrepreneurship Programme

#### 1.2.1 Background to the SEP

The SEP was established in June 2006 as part of the Northern Ireland Executive's three year strategic plan<sup>5</sup> to develop and strengthen the Social Economy sector within Northern Ireland. The first phase of the SEP was delivered between June 2006 and April 2009, whilst a second phase was delivered between June 2009 and March 2012. During the initial two phases, the purpose of the SEP was to support and encourage new *and* existing social enterprises to operate under commercial business models, in order to maximise their economic impact (in terms of jobs and wealth creation), whilst maintaining a focus on wider economic and social benefits.

For the purposes of the SEP, a social enterprise was defined as:

*"A business that operates to commercial models but whose primary purpose relates to social orientated objectives. Within social enterprises any surpluses generated are principally reinvested in the business to further advance the social enterprise, or alternatively are re-invested in the wider community. Social enterprises differ from conventional enterprises in that they are not predominately driven by the need to maximise profit for shareholders/ owners. However, it is important to note that a social enterprise does have a business focus and does operate as a commercial entity".*

In August 2011, Invest NI commissioned an evaluation of the SEP covering the period June 2009 to October 2011 (SQW, February 2012), which concluded that there was *"a robust and credible case for the continuation of the SEP"*. In June 2012<sup>6</sup>, Invest NI sought (and was subsequently granted) approval to fund a new phase of the SEP for the period January 2013 to July 2015 (30 months).

As stated in the Economic Appraisal, the aim of the SEP during the period under review was to:

*"Contribute positively to economic development in Northern Ireland by supporting the creation of viable social economy businesses, which will predominately be based in disadvantaged areas or support marginalised groups".*

<sup>5</sup> 'Developing a Successful Social Economy: NI Government's Three Year Strategic Plan 2004-2007' (Department of Enterprise, Trade and Investment, 2004).

<sup>6</sup> Following completion of an Economic Appraisal of the SEP (KPMG, June 2012).

The associated objectives of the SEP, as set out in the Economic Appraisal, were to:

- Provide early stage support to groups/ social entrepreneurs who are starting a social enterprise;
- Ensure high survival rates for new social economy enterprises starts;
- Encourage social economy enterprises growth in export markets;
- Feed the Invest NI client bank with ‘pull through’ social economy enterprises; and
- Deliver sustainable employment and wealth creation in areas of deprivation.

Whilst the overall aims and objectives of the SEP have largely remained the same since 2006, according to the Economic Appraisal, the focus of the Programme during the period under review was to provide support to new (rather than new and existing) social enterprises and to leverage other forms of support provided by key stakeholders.

### 1.2.2 Procurement of an External Delivery Organisation

The Economic Appraisal suggested that a sub-regional approach to the delivery of the SEP would aid the transfer of functions, including the responsibility for encouraging the formation and growth of social enterprises, to Councils as part of Local Government Reform in Northern Ireland (post April 2015). It was also suggested that it would offer a more tailored ‘fit’ in order to address sub-regional issues. At the time of approval, this approach also reflected Invest NI’s commitment (as per its Corporate Plan at that time) to achieve sub-regional impacts and its continued commitment to work with Councils in terms of local economic development.

Approval for the SEP was based upon it being delivered via this sub-regional approach and being aligned with Invest NI’s regional office network at that time<sup>7</sup>.

In October 2012, Invest NI issued Terms of Reference<sup>8</sup> to the marketplace, which stated that the SEP would be managed and delivered through three separate contracts. Following completion of a competitive procurement process, in January 2013 Invest NI awarded three separate contracts to Enterprise Northern Ireland (ENI) to manage and deliver the SEP across the following three geographical sub-regions:

<b>Table 1.1: Region and Local Authorities</b>		
<b>Region</b>	<b>Local Authorities<sup>9</sup></b>	
<b>Eastern region</b>	<ul style="list-style-type: none"> <li>• Ards Borough Council</li> <li>• Belfast City Council</li> <li>• Castlereagh Borough Council</li> </ul>	<ul style="list-style-type: none"> <li>• Lisburn City Council</li> <li>• North Down Borough Council</li> </ul>
<b>Southern and Western region</b>	<ul style="list-style-type: none"> <li>• Armagh City and District Council</li> <li>• Banbridge District Council</li> <li>• Cookstown District Council</li> <li>• Craigavon Borough Council</li> <li>• Down District Council</li> </ul>	<ul style="list-style-type: none"> <li>• Dungannon District Council</li> <li>• Fermanagh District Council</li> <li>• Newry and Mourne District Council</li> <li>• Omagh District Council</li> <li>• Strabane District Council</li> </ul>
<b>North East and North West region</b>	<ul style="list-style-type: none"> <li>• Antrim Borough Council</li> <li>• Ballymena Borough Council</li> <li>• Ballymoney Borough Council</li> <li>• Carrickfergus Borough Council</li> <li>• Coleraine Borough Council</li> <li>• Derry City Council</li> </ul>	<ul style="list-style-type: none"> <li>• Larne Borough Council</li> <li>• Limavady Borough Council</li> <li>• Magherafelt District Council</li> <li>• Moyle District Council</li> <li>• Newtownabbey Borough Council</li> </ul>

<sup>7</sup> Please note, Invest NI’s regional office network at that time is depicted in Appendix I.

<sup>8</sup> The Central Procurement Directorate (CPD) facilitated the procurement process.

<sup>9</sup> As they existed prior to the reform of local Government in Northern Ireland in April 2015.

### 1.2.3 Eligibility Criteria for the Programme

As stated in Invest NI’s operating guidelines for the SEP<sup>10</sup>, the following ‘broad’ eligibility criteria were established for the SEP (with more specific criteria applicable to each strand of support):

- Groups were required to display community ownership. That is, that they were owned or controlled by local communities;
- Groups were required to demonstrate that they intended to target social need and promote equality of opportunity; and
- Social enterprise projects supported had to promote economic business activity within a disadvantaged area or to a disadvantaged group.

Invest NI’s operating guidelines also state that each group participating on the SEP was required to be constituted in an appropriate and recognised legal/ organisational structure for a social enterprise (e.g. a company limited by guarantee with the formation of its own Board of Directors<sup>11</sup>).

### 1.2.4 Programme Strands

As stated in the Economic Appraisal, the SEP was to provide three autonomous, but interrelated, strands of support, which had a number of entry and exit points. These are described in detail in the following subsections (as per the Economic Appraisal).

#### Lead In Capability Support

<b>Table 1.2: Lead In Capability Support</b>	
<b>Overview</b>	<p>The Lead In Capability (pre-business) support aimed to provide advice and guidance to those groups that were interested in establishing a social enterprise but did not have a clearly defined business start-up idea. As part of this strand, each group could avail of up to 3.5 days of one-to-one support from a SEP Advisor, which was to provide them with basic advice and guidance on topics such as:</p> <ul style="list-style-type: none"> <li>• Developing a business idea;</li> <li>• Research to inform the feasibility of the business idea e.g. competitor/ customer research, cost analysis, stimulation of ideas etc.</li> <li>• Product development;</li> <li>• Legal structure;</li> <li>• Marketing;</li> <li>• Prioritising local community needs;</li> <li>• Developing networks e.g. facilitating the introduction to other social enterprises;</li> <li>• Identification of potential funding sources;</li> <li>• Guidance and assistance with the preparation of funding applications; and</li> <li>• Guidance on procedures and reporting mechanisms.</li> </ul> <p>The purpose of this strand was to provide groups with well-defined social enterprise projects and ideas.</p>
<b>Eligibility</b>	<p>The following eligibility criteria was established for this strand of the SEP:</p> <ul style="list-style-type: none"> <li>• The specific social economy start-up idea must not have been supported/ developed to date through any pre-start capability support;</li> <li>• The project should have continued growth potential after the start-up phase in terms of sales and employment. It must also have had the potential to achieve an annual turnover of £50,000 per annum by year two; and</li> <li>• Individuals or groups must be committed to the time requirements involved and must demonstrate intent to progress to the Core Capability support strand of the SEP.</li> </ul>

<sup>10</sup> Which were developed by Invest NI at the outset of the Programme and were designed to guide Invest NI and ENI with the management and delivery of the SEP.

<sup>11</sup> In this example, the Board was required to comprise at least five members.

<b>Application and approval process</b>	<p>Each group was required to complete a short application form in order to, amongst other things, assess their eligibility for this strand of the SEP and to ascertain the potential for the business idea to deliver economic benefits (e.g. Gross Value Added and employment). The completed application forms, and any supporting documentation, were reviewed and quality assured by ENI and then forwarded to Invest NI for approval. The Invest NI Programme Manager would then review and subsequently approve/ reject the application within 5 working days. The outcome of this process was communicated to applicant groups by a representative from ENI.</p> <p>Once a group was accepted onto this strand of the SEP, they were required to complete a baseline social capital assessment of their area/ target market. The purpose of this assessment was to capture any anticipated social gains/ benefits as a result of their participation on the SEP (e.g. including benefits such as enhanced financial management/ sustainability, operational and cultural changes etc.).</p>
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### Core Capability Support

<b>Table 1.3: Core Capability Support</b>	
<b>Overview</b>	<p>As stated in the Economic Appraisal, the Core Capability Support strand of the SEP included the following:</p> <ol style="list-style-type: none"> <li>1. A SEP Advisor provided groups with up to 7 days of <b>mentoring support (which included one-to-one mentoring and modular training) in order to produce a business plan</b> or potentially further develop a pre-existing business plan that had not been previously implemented. In line with Invest NI’s requirements, each business plan was to include details of the following: <ul style="list-style-type: none"> <li>➤ Executive summary</li> <li>➤ Business details</li> <li>➤ Key Personnel</li> <li>➤ Nature of Social Enterprise</li> <li>➤ Business goals</li> <li>➤ Market research</li> <li>➤ Profiling customers/ competitors</li> <li>➤ Staff</li> <li>➤ Managing operational risks</li> <li>➤ Start-up costs</li> <li>➤ Profit and loss forecast</li> <li>➤ Sourcing finance</li> <li>➤ Managing financial risks</li> <li>➤ Cash flow forecast</li> </ul> </li> <li>2. Once a business plan was completed and a social enterprise had commenced trading<sup>12</sup>, a SEP Advisor provided a ‘fixed’ 8 days of <b>aftercare support during each participant’s first year of trading</b> (which included one-to-one mentoring and modular training).</li> <li>3. Whilst the one-to-one support was focused on the development and implementation of a social enterprise’s business plan, the modular training (which was optional) was to provide advice and guidance on topics such as: <ul style="list-style-type: none"> <li>➤ Recruitment and selection</li> <li>➤ Legal aspects of business</li> <li>➤ ICT training</li> <li>➤ Marketing and sales strategy</li> <li>➤ Applying for funding/ fund raising</li> <li>➤ Health and safety</li> <li>➤ Sector specific training</li> <li>➤ Peer to peer training</li> <li>➤ Financial management/ control</li> <li>➤ Progress towards business plan targets and business regulations</li> </ul> </li> </ol> <p>It was anticipated that five modular training sessions would be facilitated per annum, which would be delivered across three locations.</p>
<b>Eligibility</b>	<p>The following eligibility criteria was established for this strand of the SEP:</p> <ul style="list-style-type: none"> <li>• Groups were required to display community ownership (that is they were owned or controlled by local communities);</li> <li>• Groups were required to demonstrate that they intended to target social need and promote equality of opportunity;</li> </ul>

<sup>12</sup> Invest NI anticipated that groups supported under the SEP would commence trading within three months of the completion of its business plan.

	<ul style="list-style-type: none"> <li>• Social enterprise projects supported had to promote economic business activity within a disadvantaged area or group;</li> <li>• Social enterprise projects supported had to have the potential to commence trading within 3 months of acceptance on to the SEP;</li> <li>• The social enterprise project had to demonstrate continued growth potential after start-up in terms of sales and employment and had to demonstrate the potential to achieve annual turnover of £50,000 per annum by year 2; and</li> <li>• Participating groups were required to ‘sign-up’ to the time commitments of all aspects of this strand of the SEP.</li> </ul>
<p><b>Application and approval process</b></p>	<p>Each group was required to complete an application form in order to, amongst other things, assess their eligibility for this strand of the SEP and to capture key information such as details on the group, the area/ target market served, equality/ Section 75 data, the social enterprise project concept, details as to whether some form of business plan existed etc.</p> <p>Of note, the application process for this strand included those groups that may have availed of Lead In Capability Support. The rationale for this was to capture any additional details that may not have been available at the time of completing the Lead In Capability Support application form.</p> <p>Similar to the application stage of the Lead In Capability Support, the completed application form, and any supporting documentation (e.g. Memorandum and Articles of Association, evidence of legal status etc.), were reviewed and quality assured by ENI and then forwarded to Invest NI for approval.</p> <p>A due diligence checklist was also completed for each participant on this strand of the SEP, which aimed to capture details on aspects relating to the internal controls in place for the social enterprise (e.g. ascertaining if job descriptions were in place for any new posts, if relevant bank accounts were established, if SMART (Specific, Measurable, Achievable, Realistic and Time bound) objectives were established for the social enterprise etc.). The Invest NI Programme Manager would then review and subsequently approve/ reject the application within 5 working days. The outcome of this process was communicated to the applicant groups by a representative from ENI.</p>

### Start-up Grant

<p align="center"><b>Table 1.4: Start-up Grant</b></p>	
<p><b>Overview</b></p>	<p>As stated in the Economic Appraisal, groups that participated on the Core Capability Support strand of the SEP could apply for a start-up grant (of up to £7,000), which was to assist with the costs associated with establishing their social enterprise. The eligibility criteria established by Invest NI for the start-up grant was:</p> <ul style="list-style-type: none"> <li>• The applicant’s Business Plan had to be approved by Invest NI;</li> <li>• The social enterprise had to be export focused i.e. exports being greater than 15% of the turnover of the social enterprise; and</li> <li>• The social enterprise had to demonstrate an annual turnover of £100,000 by the third year of trading.</li> </ul> <p>Once approved, the start-up grant was payable by Invest NI to recipients in a single ‘tranche’, with a Letter of Offer issued to the social enterprise within 10 days of approval of a Business Plan.</p> <p>For those social enterprises that were not eligible for the start-up grant under the SEP (i.e. potentially not export focused), they were ‘sign posted’ and were eligible to apply for a similar type of grant (of up to £3,000) that was to be administered, funded and approved separately (i.e. outside of the SEP) by Lloyds TSB Foundation Northern Ireland (Lloyds). Although it is noted that business plans had to be signed off by Invest NI in advance of any application being submitted to Lloyds for this grant.</p> <p>In order to facilitate this process, in November 2012, a legally binding agreement was established between Invest NI and Lloyds, which stated that Invest NI would provide Lloyds</p>

	<p>with pertinent details of participants on the SEP who qualified for its grant assistance (i.e. those that were not eligible for the start-up grant available under the SEP).</p> <p>The details provided by Invest NI included: name of social enterprise; its business plan; contact person and associated contact details. A separate application form for this grant was put in place and Lloyds required the relevant SEP Advisor to complete a ‘summary submission’ of the social enterprise, which was to draw upon key information contained within an applicant’s business plan. For groups/ organisations to be eligible for this grant assistance, they had to be categorised as having charitable status and also not have availed of support from Lloyds in the 12 months prior to their application submission.</p>
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1.2.5 Programme Management

During the period under review, the SEP was overseen by the Employment and Enterprise team within Invest NI, with the Programme being delivered and managed, on a sub-regional basis, by ENI through five Local Enterprise Agencies (LEAs). These included:

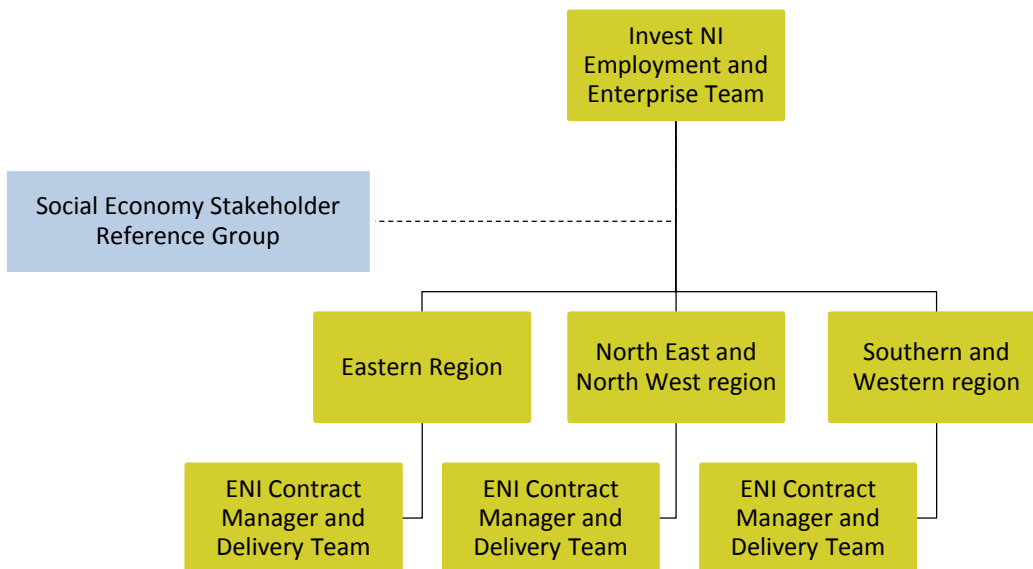
- **Eastern region** - Work West Enterprise Agency, Belfast;
- **Southern and Western region** - Newry and Mourne Enterprise Agency, Newry and Omagh Enterprise Company; and
- **North East and North West region** – LEDCOM in Larne and Workspace Ltd. in Draperstown.

A dedicated contract manager was appointed by ENI, who was responsible for ENI’s delivery of the SEP across the three regions (and five LEAs) and for the monitoring of progress against those targets stipulated within the Economic Appraisal<sup>13</sup>.

Similar to the previous phases of the SEP, a Social Economy Stakeholder Reference Group, comprising various stakeholders from across the Social Economy sector<sup>14</sup>, acted as a ‘reference point’ during the implementation of the Programme.

An overview of the SEP’s management and delivery structure is depicted in the diagram below, whilst specific details on the roles and responsibilities of Invest NI and ENI are set out in Appendix III.

**Figure 1.1: Overview of the SEP’s Management and Delivery Structure**



1.3 Invest NI’s Requirements

<sup>13</sup> The Economic Appraisal included suggested ‘Benefit Realisation Plans’ for each of the three sub-regional contracts, which are included as Appendix II.

<sup>14</sup> For example, Social Enterprise NI (SENI), Business in the Community (BITC), Lloyds Bank Foundation NI, Ulster Community Investment Trust (UCIT) Ltd., Belfast City Council, Mid Ulster District Council etc.

Invest NI requires an Evaluation of the SEP covering the period January 2013 to July 2015. Full details of Invest NI’s specific requirements are detailed in Appendix IV.

#### 1.4 Methodology

In responding to Invest NI’s Terms of Reference, the Evaluation Team’s methodology has included:

- A robust desk-based analysis of pertinent materials relating to the SEP for the period January 2013 to July 2015.
- In-depth telephone and face-to-face consultations with<sup>15</sup>:
  - The Evaluation Steering Group that was established for the evaluation. This included representation from Invest NI’s Employment and Enterprise Team and its Strategy Group;
  - The SEP Programme Manager within Invest NI;
  - Enterprise Northern Ireland’s SEP Contract Manager;
  - The regional SEP Coordinators within the five LEAs (across the three sub-regions);
  - A range of strategic stakeholders including the Department for Social Development (DSD), Department of Enterprise, Trade and Investment (DETI), Department for Employment and Learning (DEL), Department of Agriculture and Rural Development (DARD), Social Enterprise NI (SENI), Business in the Community (BITC), Lloyds Bank Foundation NI, Ulster Community Investment Trust (UCIT) Ltd., Social Enterprise Hubs (x2), Belfast City Council and Mid Ulster District Council; and
  - Representatives involved in supporting the development of the Social Economy Sector in Great Britain (N=4).
- In-depth telephone surveys with 155 businesses that received support through the SEP. The following table provides a summary of the Evaluation Team’s primary research, including all associated response rates and confidence intervals.

<b>Table 1.5: Survey Response Rates by Strand of Support</b>				
<b>SEP Strand</b>	<b>Unique businesses receiving support</b>	<b>Business Responses</b>	<b>Business Response rate</b>	<b>Business Confidence Interval</b>
Lead In Capability Support <i>only</i>	81	54	67%	+/- 7.75%
Core Capability Support <i>only</i>	74	53	72%	+/- 7.22%
Lead In Capability and Core Capability Support	60	33	55%	+/- 11.54%
Core Capability Support and start-up grant	17	13	76%	+/- 13.59%
Lead In Capability, Core Capability Support and start-up grant	2	2	100%	+/- 0 %
<b>Total</b>	<b>234</b>	<b>155</b>	<b>66%</b>	<b>+/- 4.6%</b>

<sup>15</sup> Full details of those consultees participating in the research process is included at Appendix V.



## 2. STRATEGIC CONTEXT & RATIONALE

### 2.1 Introduction

Section 2 provides a high-level summary of the rationale that was approved for supporting the SEP during the period under review, along with reviewing the strategic context within which the Programme operated.

### 2.2 Original Rationale

A review of the approval documentation<sup>16</sup> provided by Invest NI suggests that a number of factors combined to provide a strong rationale for Government intervention. These included:

- The role of the Social Economy Sector in supporting economic recovery and tackling deprivation** – At the time of approval, it was reported that the Northern Ireland Gross Value Added (GVA) per head of population was 76.4% of the corresponding UK figure, with Wales reported to be the only region of the UK that had a lower GVA per head of population than Northern Ireland. Research commissioned by DETI suggested that the unemployment rate at the time of approval was lower than the overall UK average (and the second highest across the 12 UK regions) and that the business birth rate in Northern Ireland was the lowest across all of the UK regions. The approval documentation cited the findings from the Independent Review of Economic Policy (IREP)<sup>17</sup>, which outlined the potential role of the Social Economy sector in contributing towards reducing deprivation and increasing economic activity in disadvantaged areas. It was also suggested that the social enterprise sector was, at the time of approval, seen as being an important piece of the ‘jigsaw’ in terms of creating employment opportunities, improving services, cutting costs and tackling disadvantage.
- Market failures (asymmetric information, growth externalities, equity and distribution, co-ordination failures and capital market failure)** - It was noted that there were a number of market failures that were inhibiting the growth of the social economy sector in Northern Ireland and therefore necessitating the need for intervention. It was highlighted that the fear of failure and the risk aversion associated with starting an enterprise equally applied to the establishment of a social enterprise. It was further suggested that information asymmetries could be more pronounced in relation to the development of social enterprises e.g. disadvantaged areas were suggested to have a higher prevalence of individuals distant from the labour market and with a lower skill/capacity base, which in turn may limit their awareness of the information/ advice available to them in terms of starting a social enterprise and their processing of the risks in relation to the same. Furthermore, the approval documentation cited that social enterprises also provided positive impacts within areas of economic disadvantage e.g. by generating sources of income, promoting innovation and entrepreneurship, assisting to create sustainable and cohesive communities etc. In addition, the approval documentation also cited that the social economy sector did not, at the time of approval, have the same range of financial products as private sector organisations within Northern Ireland, and that this provided a rationale for intervention (in the form of the start-up grant) through the SEP.

On the basis of these points, Invest NI highlighted the following (in its casework documentation):

*“SEP aims to contribute positively to economic development in Northern Ireland by supporting the creation of viable social economy businesses, which will predominantly be based in disadvantaged areas or support marginalised groups. In implementation, the purpose of the Social Entrepreneurship Programme is to provide support based on commercial business modelling. The Programme seeks to address the market/other failure issues and inefficiencies facing social economy business start-ups particularly regarding access to tailored business support”.*

<sup>16</sup> Economic Appraisal of the SEP (KPMG, June 2012) and Invest NI’s Board Casework Documentation (June 2012).

<sup>17</sup> Which was commissioned by the Minister of Enterprise, Trade and Investment in December 2008.

## 2.3 Strategic Context

Subsection 2.3 provides a succinct overview of the strategic context within which the SEP operated during the period under review. In doing so, the subsection considers (amongst other things) the ‘fit’ of the Programme with the DETI and Invest NI Corporate Plans that operated at that time.

### 2.3.1 HM Government: ‘The Coalition – ‘Our Programme for Government’ – May 2010

This document set out the Coalition Government’s priorities for the period 2010-2015, which included a specific priority relating to ‘Social Action’. Under this priority, the document states that “*we will support the creation and expansion of mutuals, co-operatives, charities and **social enterprises**, and enable these groups to have much greater involvement in the running of public services*”. It is the Evaluation Team’s view that the SEP offered the potential to contribute towards the achievement of this priority.

### 2.3.2 HM Government: ‘The Compact’ – December 2010

This document set out the agreement between the Coalition Government, and its associated Non-Departmental Public Bodies, Arm’s Length Bodies and Executive Agencies, and civil society organisations (which includes charities, **social enterprises** and voluntary and community groups) in England. The agreement aimed to ensure that the Government and civil society organisations worked effectively in partnership to achieve common goals and outcomes for the benefit of communities and citizens in England.

The document states that the Coalition Government was of the view that strong and independent civil society organisations were central to achieving the Government’s vision, through their role in encouraging social action and campaigning for social change, through playing a bigger part in designing and delivering public services and through driving community empowerment.

### 2.3.3 HM Government: ‘Growing the Social Investment Market: A Vision and Strategy’ – February 2011

This document set out the Coalition Government’s vision of a thriving social investment market, where social ventures can access the capital they need to grow, allowing them to do more to help build a bigger, stronger society. It states that “*social entrepreneurs and the social ventures they lead bring innovative solutions by combining social mission with sustainable business models*” and that “*social ventures are also making a big contribution to economic growth in what remains a challenging economic and fiscal environment, and can play an important role in helping to re-balance the economy*”. However, the Coalition Government recognised within the document that social ventures could do even more if they had better access to finance, as new social ventures ‘struggle to get going’ without start-up capital. It is the Evaluation Team’s view that the grant provided through the SEP offered the potential to contribute towards providing social enterprise with initial start-up capital.

### 2.3.4 Northern Ireland Programme for Government (2011-2015)

The Programme for Government (PfG) 2011-2015 set out that the Executive has taken the important step of making the economy the top priority. The PfG contains 5 key priorities, one of which is: “*Growing a Sustainable Economy and investing in the Future*”. The primary purpose of this Priority is to achieve long term economic growth by improving competitiveness and building a larger and more export-driven private sector. To do this, the PfG notes that we must *rebuild* the labour market in the wake of the global economic downturn and *rebalance* the economy to improve the wealth and living standards of everyone. The SEP offered the potential to contribute towards the achievement of the following two key commitments under this Priority:

- Contribute to rising levels of employment by supporting the promotion of over 25,000 new jobs; and

- Invest in social enterprise growth to increase sustainability in the broad community sector.

### 2.3.5 Northern Ireland Economic Strategy (March 2012) - Priorities for Sustainable Growth and Prosperity<sup>18</sup>

Within its Economic Strategy, the Northern Ireland Executive has established an overarching goal to improve the economic competitiveness<sup>19</sup> of the Northern Ireland economy. In order to achieve this, the Executive is committed to strengthening our competitiveness through a focus on export led economic growth. The Strategy suggests that this can only be achieved by rebalancing and rebuilding our economy. In line with the strategic imperatives identified within the Economic Strategy, the SEP offered the potential to contribute towards rebalancing and rebuilding the Northern Ireland economy by increasing employment levels and improving the skills and employability of the prospective labour force.

Of note, under the ‘rebalancing measures’, there was a commitment to “invest in social enterprise growth to increase sustainability in the voluntary and community sector” and to “support 160 Social Economy start ups”.

### 2.3.6 DETI Corporate Plan 2011-2015

In line with the Northern Ireland PfG and Economic Strategy, DETI’s current Corporate Plan places focus on creating wealth and employment through a focus on export-led economic growth. In reflection of this, the Department’s goal over the life of the Plan is to “promote the growth of a competitive and export led economy”.

The Plan highlights the need for the Northern Ireland Government to place focus on *rebalancing* and *rebuilding* the Northern Ireland economy i.e. focusing on actions that will deliver the necessary rebalancing of the economy over the longer term, while taking immediate steps to rebuild the local labour market after the recession. Specifically, in line with the economic priorities established within DETI’s Corporate Plan, it is the Evaluation Team’s view that the SEP offered the potential to encourage business growth (specifically within the social economy sector) and improve employability prospects.

### 2.3.7 Department for Social Development (DSD) Corporate Plan 2011- 2015

DSD’s mission is “together, tackling disadvantage, building sustainable communities”. Over the Corporate Plan period, it is stated that DSD would work with the Executive, through the PfG, “to get people into work; and to ensure that our poorest communities can participate in the growth of our economy and help lift them out of poverty, looking at ways of **building the social economy and social enterprise** and exploring new models for urban regeneration”.

The Plan states that DSD would contribute towards a number of commitments outlined in the PfG, including the commitment to “invest in **social enterprise growth** to increase sustainability in the voluntary and community sector”. It is the Evaluation Team’s view that the SEP offered the potential to contribute towards the achievement of this commitment.

### 2.3.8 Invest NI Corporate Plan 2011 – 2015

In line with the Northern Ireland PfG and DETI’s Corporate Plan, Invest NI’s Corporate Plan for the 2011-2015 period states that the organisation will contribute to the rebalancing and rebuilding of the

<sup>18</sup> The NI Executive prepared a draft of the Economic Strategy in late 2010, which was subsequently issued for public consultation in January 2011 (with the final version published in March 2012).

<sup>19</sup> Economic competitiveness is defined by the World Economic Forum as “the set of institutions, policies and factors that determine the level of productivity of a country”.

Northern Ireland economy to increase the overall standard of living by driving productivity growth and increasing employment. Of note, the Corporate Plan states that “*recognising the valuable role played by social economy businesses, we will put in place specific measures to support the establishment and growth of **social economy enterprises** and those groups or individuals currently under-represented in the labour market*”. It also states that Invest NI “*will continue to support the significant role played by **social enterprises** in the regeneration of areas of high social need, in generating sources of income, promoting innovation and entrepreneurship and helping to create sustainable and cohesive communities*”.

The Corporate Plan states that Invest NI will, through its actions:

- Support 160 Social Economy Start-Ups, with 25% having the capability to move to mainstream Invest NI support; and
- Promote 340 new jobs in Social Enterprises by March 2015.

### 2.3.9 Office of the First Minister and Deputy First Minister (OFMDFM) - Lifetime Opportunities: Government’s Anti-Poverty and Social Inclusion Strategy for Northern Ireland

Lifetime Opportunities was the Northern Ireland Executive’s Anti-Poverty and Social Inclusion Strategy for Northern Ireland. It was structured around a number of general challenges, which became the priorities for future policy and action, including:

- Eliminating poverty;
- Eliminating social exclusion;
- Tackling area based deprivation;
- Eliminating poverty from rural areas;
- Tackling inequality in the labour market;
- Tackling health inequalities; and
- Tackling cycles of deprivation.

It is the Evaluation Team’s view that the SEP contributed towards addressing those challenges set out in the Strategy, particularly in terms of creating employment opportunities in areas of deprivation, and of tackling the cycles of deprivation and eliminating poverty.

## 2.4 Summary Conclusions

The preceding analysis suggests that:

- At the time of approval, the Northern Ireland economy was underperforming relative to other regions within the UK, which was demonstrated by low levels of business formation rates, high levels of economic inactivity and long-term unemployment, and low levels of productivity per head of population. The findings from IREP outlined the potential role of the social economy sector in contributing towards reducing deprivation and increasing economic activity in disadvantaged areas. It was also suggested that the social enterprise sector was, at the time of approval, seen as being an important piece of the ‘jigsaw’ in terms of creating employment opportunities, improving services, cutting costs and tackling disadvantage.
- A number of market failures (including asymmetric information, growth externalities, equity and distribution, co-ordination failures and capital market failure) were inhibiting the growth of the social economy sector in Northern Ireland and therefore necessitating the need for intervention.
- There was clear alignment between the aims and objectives of the SEP and the strategic imperatives of the Northern Ireland Government (including with DETI and Invest NI’s Corporate Plans). Specifically, in line with the Government’s strategic focus, the activities supported by the SEP offered the potential to:

- Invest in social enterprise growth in order to increase sustainability in the broad community sector;
- Support the establishment of new social enterprises; and
- Create employment opportunities.

Please note that the Evaluation Team's analysis of the degree to which there continues to be a need for Government intervention (including the nature and extent of market failure that currently exists) can be found in Sections 5 and 9.

### 3. PROGRAMME ACTIVITY

#### 3.1 Introduction

Section 3 provides a summary of the activity that was supported through the SEP between January 2013 and July 2015.

#### 3.2 Programme Marketing and Promotion

The SEP was marketed and promoted under the umbrella of Invest NI's 'Go for it' campaign, whilst ENI also undertook a range of more targeted activities across the three sub-regions in order to raise awareness of, and stimulate demand for, the SEP. This included the following types of activities:

- Meetings with representatives from a range of organisations in order to, amongst other things, provide an overview of the SEP, highlight the key successes of the Programme, and discuss mechanisms to stimulate demand on the Programme etc. Organisations included, but were not limited to, the following:
  - Various Councils e.g. Belfast City Council, Derry City Council, Lisburn City Council, Castlereagh Borough Council, Down District Council etc.;
  - Various Further Education Colleges e.g. Belfast Metropolitan College, South West College, North West Regional College etc.
  - Social Enterprise NI;
  - Various Local Actions Groups (LAGs) that operated in rural areas;
  - Ulster University Business School;
  - Lloyds TSB Foundation;
  - Business in the Community (BITC);
  - Rural Development Council NI; and
  - Ulster Community Investment Trust Ltd.
- Pertinent information relating to the SEP was regularly posted onto various social media websites.
- Attendance at various events/ seminars/ fairs across the three sub-regions in order to promote the SEP e.g. Jobs Fair South West College, BITC's Community Awareness evening etc.
- Presentations to various stakeholders/ groups across the three sub-regions e.g. Craigavon Borough Council Funding Resource Fair, Lough Shore Partnership in Stewartstown, Women's groups from counties Down and Armagh, Senior Citizens Consortium etc.

In addition to the above, discussion with Invest NI indicates that, when appropriate, ENI also undertook localised marketing activities within each of the three sub-regions, which included the following types of activities:

- Referrals and one-to-one meetings;
- Information seminars and networking events;
- Promotion through digital and social media;
- Press Releases and Editorials;
- Group Profiles and Testimonials; and
- Networking.

During consultation, representatives from the five LEAs indicated that there were high levels of interest in the Programme from the outset, which was suggested to be based on the awareness raising that was being undertaken by ENI and at an overarching level by Invest NI. A representative from one of the LEAs indicated that, whilst Invest NI had no dedicated marketing budget for the SEP, this did not adversely impact on the LEAs ability to recruit prospective participants onto the Programme.

During consultation, a number of key stakeholders expressed their views that the Social Economy Stakeholder Reference Group also served as a useful mechanism, at strategic level, to promote and raise awareness of the SEP.

### 3.3 Variations in Programme Delivery

#### 3.3.1 Discontinuation of the Start-Up Grant

In early 2014, a decision was made to discontinue the start-up grant that was offered as part of the SEP. It is understood that, at that time, it was Invest NI's view that those social enterprises that were eligible for the grant could avail of Invest NI's mainstream grant supports (e.g. Innovation Vouchers, Management Information Systems (MIS) grant, Export Start Grant/ GAP etc.). As such, the start-up grant was no longer made available as part of the Programme from the 2<sup>nd</sup> April 2014 onwards.

A collective view expressed amongst stakeholders during consultation was that the decision to discontinue the start-up grant had no material impact on the delivery of, or the levels of participation on, the SEP. It was suggested that, whilst the social enterprises welcomed the ability to potentially access a grant when it was available, they continued to value the support and guidance available as part of the Programme. Indeed, one respondent suggested that *"the grant support was good when it was available, but it was not necessarily an essential part of the Programme"*. In the absence of the start-up grant, representatives from the five LEAs indicated that, where appropriate, they assisted social enterprises to identify alternative funding sources (e.g. Lloyds grant, Rural Development Programme, the Big Lottery: Awards for All etc.).

#### 3.3.2 Contract Variation 1

By March 2014, both Invest NI and ENI recognised that, whilst the SEP was delivering against its established targets, analysis of Programme activity was indicating that there were a relatively high proportion of micro businesses participating on the Programme. It was considered that the relatively high level of micro business participation was limiting the opportunity for groups with greater growth potential to participate on the Programme. At that time, it is understood that in-depth discussions took place between Invest NI and ENI in order to ascertain how best to facilitate the recruitment of more groups with greater growth potential onto the Programme.

In light of the above, a number of amendments to the delivery of the SEP were agreed between Invest NI and ENI. Analysis of monitoring information provided by Invest NI indicates that these amendments included the following:

<b>Table 3.1: Details of Contract Variation 1</b>	
<b>Amendments to Lead In Capability Support Strand</b>	The eligibility criteria relating to the Lead In Capability (pre-business) support strand of the SEP was amended in order to focus on those enterprises that had the potential to achieve higher turnovers. More specifically, the eligibility criteria for this strand was re-stated as follows: the project must have the potential to achieve an annual turnover of £75,000 (rather than £50,000) per annum by year two. All other eligibility criteria for this strand of the SEP remained unaltered (as per Section 1.2.4).
<b>Amendments to Core Capability Support Strand</b>	<p>The Core Capability Support strand of the SEP was redefined in order to provide additional support to those social enterprises with the largest growth potential. Essentially, this strand was 'split' to focus on:</p> <p><b><u>Growth Social Enterprises</u></b></p> <p>Growth Social Enterprises were defined as enterprises with the potential to meet one or more of the following eligibility criteria:</p> <ul style="list-style-type: none"> <li>• Annual turnover of £150,000 by year three;</li> <li>• Five or more employees; or</li> <li>• Exports being greater than 15% of the turnover of the social enterprise.</li> </ul> <p>Under this strand, the support for Growth Social Enterprises remained unaltered i.e. up to 7 days of mentoring support in order to produce a business plan and a 'fixed' 8 days of aftercare.</p>

**Table 3.1: Details of Contract Variation 1**

	<p><b><u>Micro Social Enterprises</u></b></p> <p>Micro Social Enterprises were defined as enterprises that did not meet the criteria to be categorised as a Growth Social Enterprise (as per above) but did have the potential to achieve an annual turnover of £75,000 per annum by year two.</p> <p>Under this strand, the support for Micro Social Enterprises was reduced i.e. up to 5 days of mentoring support in order to produce a business plan and up to 5 days of aftercare. During consultation, Invest NI expressed its view that the rationale for this reduction was based on the average level of support received by Micro Social Enterprises up until March 2014 and also the view that a small number of Micro Social Enterprises may receive support through other sources (e.g. the Social Enterprise Hubs<sup>20</sup>).</p>
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**Table 3.2: Details of Contract Variation 1 – Amendments to Targets**

		Eastern region		Southern and Western region		North East and North West region		Total	
		Original Target	Revised Target	Original Target	Revised Target	Original Target	Revised Target	Original Target	Revised Target
Core	Capability Support	63	66	40	44	35	39	138	149

The above amendments were set out in an official contract variation between Invest NI and ENI, which was agreed, in conjunction with CPD, by both parties in March 2014.

During consultation, key stakeholders expressed their views that the above variations to the Programme had no material impact on participant’s experience of the SEP, with a representative from one of the LEAs suggesting that, whilst the terminology that was used by ENI relating to Growth and Micro Social Enterprises changed, this “*did not have any implications for the delivery of the Programme on the ground*”.

### 3.3.3 Contract Variation 2

In November 2014, there was a second variation made to the contract between Invest NI and ENI. According to Invest NI, this variation was based on the following:

- Invest NI undertook an exercise to re-profile the activity supported under the Programme, which included a review of actual participation and expenditure levels up to that point, along with undertaking a comparison between the original projections (as per the contract) and forecast participation levels, outputs and expenditure for the remainder of the Programme period.
- Following on from the above, according to Invest NI, a number of the targets that were set out in the benefits realisation plans for each of the three sub-regions (as per Appendix II) were amended as follows:

<sup>20</sup> At that time, Invest NI understood that 11 Social Enterprise Hubs were anticipated to be operational from April 2014 and that these would potentially provide a small number of micro social enterprises with guidance and support in terms of developing their business idea.



	Eastern region		Southern and Western region		North East and North West region		Total	
	Original Target	Revised Target	Original Target	Revised Target	Original Target	Revised Target	Original Target	Revised Target
No. of groups participating on the Lead In Capability	68	65	45	44	38	37	151	146
No. of business plans completed	63	69	40	46	35	39	138	154
No. of new business starts	63	69	40	46	35	39	138	154

- Discussion with Invest NI also indicates that as part of the contract variation, there was an emphasis placed on ensuring that there was greater flexibility in the aftercare support that was provided to each participant during their first year of trading. From a practical perspective, this resulted in a participant being provided with up to 8 days of aftercare support, rather than being a ‘fixed’ 8 days of support which was previously the case.

### 3.4 Support provided under the Programme

#### 3.4.1 Overview

Analysis of monitoring information provided by Invest NI indicates that, between January 2013 and the 3<sup>rd</sup> July 2015 (30 months), a total of 234 unique groups/ organisations received support under the SEP. This is illustrated in the following tables:

Region	Unique groups/ social enterprises in receipt of support	% receiving support
Eastern region	95	41%
Southern and Western region	70	30%
North East and North West region	69	29%
<b>Total</b>	<b>234</b>	<b>100%</b>

Nature of support availed of	Unique groups/ social enterprises in receipt of support	% receiving support
Lead In Capability Support <i>only</i>	81	35%
Core Capability Support <i>only</i>	74	32%
Lead In Capability and Core Capability Support	60	25%
Core Capability Support and start-up grant	17	7%
Lead In Capability, Core Capability Support and start-up grant	2	1%
<b>Total</b>	<b>234</b>	<b>100%</b>

The table above indicates that nearly two thirds (61% - N=234) of the groups/ organisations received Lead In Capability (pre-business) support<sup>21</sup>, whilst over two thirds (65% - N=234) received support under the Core Capability strand of the SEP<sup>22</sup>. A small proportion (1% - N=234) of groups/ organisations progressed through each of the different strands of the SEP, namely Lead In Capability (pre-business) support, Core Capability and received a start-up grant.

<sup>21</sup> Which is made up of: Lead In Capability Support *only* (N=81); Lead In Capability and Core Capability Support (N=60); and Lead In Capability, Core Capability Support and start-up grant (N=2).

<sup>22</sup> Which is made up of: Core Capability Support *only* (N=74); Lead In Capability and Core Capability Support (N=60); Core Capability Support and start-up grant (N=17); and Lead In Capability, Core Capability Support and start-up grant (N=2).

Further analysis of monitoring information provided by Invest NI indicates that the 234 unique groups/ organisations received a total of 328 interventions (i.e. an intervention being defined as an interaction with an individual strand of the SEP), as follows.

Time period	Eastern region	Southern and Western region	North East and North West region	Total Interventions	
	No.	No.	No.	No.	%
Jan 13 – Mar 13	21	13	9	43	13%
Apr 13 – Mar 14	52	45	35	132	40%
Apr 14 – Mar 15	71	39	34	144	44%
Apr 15 – Jul 15	4	2	3	9	3%
<b>Total</b>	<b>148</b>	<b>99</b>	<b>81</b>	<b>328</b>	<b>100%</b>
<b>Total (%)</b>	<b>45%</b>	<b>30%</b>	<b>25%</b>	<b>100%</b>	

In line with the targets stipulated within the ‘Benefit Realisation Plans’ for each of the three sub-regional contracts (and contract variations therein), over two fifths (45% - N=328) of the total interventions were delivered in the Eastern region, through Work West Enterprise Agency. Over two fifths (44% - N=328) of the interventions were delivered between April 2014 and March 2015.

Discussion with Invest NI and ENI indicates that groups/ organisations could participate on the SEP on more than one occasion. For example, during consultation with ENI, it was suggested that a group/ organisation may participate on the Lead In Capability (pre-business) support strand of the SEP in order to clearly define its business start-up idea. However, at that juncture, should the business idea not be viable/ feasible, the group/ organisation was not precluded from seeking advice and support through the SEP (with a different business start-up idea) at a later point in time (assuming they still met the Programme’s eligibility criteria).

The following table indicates that nearly all (96% - N=234) of unique groups/ organisations had availed of two or less interventions. Interestingly, one group/ organisation had five interactions with different strands of the SEP (i.e. 2 interventions of Lead In Capability Support and 3 interventions of Core Capability Support and Aftercare support). Further analysis of monitoring information indicates that this group/ organisation, which received support through Work West Enterprise Agency, received support relating to four different business start-up ideas/ propositions. Encouragingly, it is understood that each of those business start-up ideas have commenced trading.

Number of interventions per group/ organisation	Unique groups/ organisations	% of groups/ organisations receiving multiple interventions	Total number of interventions
1	150	64%	150
2	76	32%	152
3	7	3%	21
5	1	1%	5
<b>Total</b>	<b>234</b>	<b>100%</b>	<b>328</b>

### 3.4.2 Lead In Capability Support

Analysis of monitoring information provided by Invest NI indicates that 143 unique groups/ organisations<sup>23</sup> had 151 interactions with this strand of the SEP (i.e. Lead In Capability support). This is illustrated in the following tables:

**Table 3.8: Overview of Lead In Capability Support provided – number of unique groups/ organisations**

Time period	Eastern region	Southern and Western region	North East and North West region	Total	
	No.	No.	No.	No.	%
Jan 13 – Mar 13	4	4	3	11	7%
Apr 13 – Mar 14	24	23	17	64	45%
Apr 14 – Mar 15	30	16	14	60	42%
Apr 15 – Jul 15	3	2	3	8	6%
<b>Total</b>	<b>61</b>	<b>45</b>	<b>37</b>	<b>143</b>	<b>100%</b>
<b>Total (%)</b>	<b>43%</b>	<b>31%</b>	<b>26%</b>	<b>100%</b>	

**Table 3.9: Overview of Lead In Capability Support provided – number of interventions**

Time period	Eastern region	Southern and Western region	North East and North West region	Total	
	No.	No.	No.	No.	%
Jan 13 – Mar 13	5	4	3	12	8%
Apr 13 – Mar 14	25	23	18	66	44%
Apr 14 – Mar 15	34	16	14	64	42%
Apr 15 – Jul 15	4	2	3	9	6%
<b>Total</b>	<b>68</b>	<b>45</b>	<b>38</b>	<b>151</b>	<b>100%</b>
<b>Total (%)</b>	<b>45%</b>	<b>30%</b>	<b>25%</b>	<b>100%</b>	

In line with the targets stipulated within the ‘Benefit Realisation Plans’ for each of the three sub-regional contracts (and contract variations therein), over two fifths (43% - N=143) of the Lead In Capability support was delivered to unique groups/ organisations in the Eastern region, whilst a similar proportion (45% - N=143) was delivered during the period April 2013 to March 2014.

As part of this strand, each group could avail of up to 3.5 days of one-to-one support from a SEP Advisor, which was to provide them with basic advice and guidance on a variety of topics (as per Section 1.2.4) although there was flexibility for there to be more and fewer days support provided depending on the specific needs of groups/ organisations. The following table provides details of the duration of support (in days) that was provided across the three sub-regions:

**Table 3.10 Duration (in days) of support provided under the Lead In Capability Support (by Region)**

Region	Mean	Median	Range	
			Low	High
Eastern region	3.6	3.5	2.0	5.2
Southern and Western region	3.4	3.5	1.47	4.8
North East and North West region	3.5	3.5	2.03	4.0
<b>Overall</b>	<b>3.6</b>	<b>3.5</b>	<b>1.47</b>	<b>5.2</b>

The table above indicates that there was little variation across the three sub-regions in the mean or median duration of support that was provided to participant groups/ organisations. The analysis indicates that groups/ organisations, on average, received 3.6 days of support under this strand of the SEP, whilst the length of support ranged from 1.47 day to 5.2 days.

<sup>23</sup> Which is made up of: Lead In Capability Support *only* (N=81); Lead In Capability and Core Capability Support (N=60); and Lead In Capability, Core Capability Support and start-up grant (N=2).

In considering these findings, discussion with representatives from the five LEAs indicates that there was a degree of flexibility in relation to duration of support that could be provided to individual groups/ organisations. For instance, during consultation, it was suggested that one group/ organisation may only require one day of specific advice or guidance relating to a particular topic area (e.g. advice on competitor/ customer research, legal structures etc.), whereas another group/ organisation may require more intense or in-depth support across a range of topics. During consultation, both Invest NI and ENI expressed their views that the LEAs ability to be flexible, and vary the intensity and duration of the support under this strand, was a key strength of the SEP’s delivery model.

### 3.4.3 Core Capability Support

Analysis of monitoring information provided by Invest NI indicates that 153 unique groups/ organisations<sup>24</sup> had 158 interactions with this strand of the SEP (i.e. Core Capability support).

#### One-to-one Mentoring Support

In line with the targets stipulated within the ‘Benefit Realisation Plans’ for each of the three sub-regional contracts (and contract variations therein), nearly half (45% - N=153) of the one-to-one mentoring support was delivered to unique groups/ organisations in the Eastern region, whilst over half of the interventions (51% - N=153) were delivered during the period April 2014 to March 2015.

**Table 3.11: Overview of one-to-one Mentoring Support provided – number of unique groups/ organisations**

Time period	Eastern region	Southern and Western region	North East and North West region	Total	
	No.	No.	No.	No.	%
Jan 13 – Mar 13	8	5	4	17	11%
Apr 13 – Mar 14	24	18	16	58	38%
Apr 14 – Mar 15	36	22	20	78	51%
Apr 15 – Jul 15 <sup>25</sup>	0	0	0	0	0%
<b>Total</b>	<b>68</b>	<b>45</b>	<b>40</b>	<b>153</b>	<b>100%</b>
<b>Total (%)</b>	<b>45%</b>	<b>29%</b>	<b>26%</b>	<b>100%</b>	

**Table 3.12: Overview of one-to-one Mentoring Support provided – number of interventions**

Time period	Eastern region	Southern and Western region	North East and North West region	Total	
	No.	No.	No.	No.	%
Jan 13 – Mar 13	10	5	5	20	12%
Apr 13 – Mar 14	24	18	16	58	37%
Apr 14 – Mar 15	37	23	20	80	51%
Apr 15 – Jul 15 <sup>26</sup>	0	0	0	0	0%
<b>Total</b>	<b>71</b>	<b>46</b>	<b>41</b>	<b>158</b>	<b>100%</b>
<b>Total (%)</b>	<b>45%</b>	<b>29%</b>	<b>26%</b>	<b>100%</b>	

As part of the one-to-one mentoring support, each group could avail of up to 7 days of advice (or up to 5 days for Micro Social Enterprises post the variation to the contract in March 2014) from a SEP Advisor, which was to provide them with support to produce a business plan or potentially further develop a pre-existing business plan that had not been previously implemented. Similar to the other

<sup>24</sup> Which is made up of: Core Capability Support *only* (N=74); Lead In Capability and Core Capability Support (N=60); Core Capability Support and start-up grant (N=17); and Lead In Capability, Core Capability Support and start-up grant (N=2).

<sup>25</sup> Monitoring information provided by Invest NI highlights that there was no one-to-one mentoring support provided during the period April 15 – July 15.

<sup>26</sup> See preceding fn.

strands of the SEP, there was flexibility for there to be more and fewer days support provided depending on the specific needs of groups/ organisations. The following table provides details of the duration of support (in days) that was provided across the three sub-regions:

Region	Mean	Median	Range	
			Low	High
Eastern region	6.2	7.0	5.0	8.5
Southern and Western region	6.6	7.0	5.0	9.2
North East and North West region	6.0	6.5	2.0	7.6
<b>Overall</b>	<b>6.3</b>	<b>7</b>	<b>2</b>	<b>9.2</b>

The table above indicates that, there was little variation across the three sub-regions in the mean or median duration of support that was provided to participant groups/ organisations. The analysis indicates that groups/ organisations, on average, received 6.3 days of support as part of the one-to-one mentoring support, whilst the length of support ranged from 2 days to 9.2 days.

As previously highlighted, the anticipated output of the one-to-one mentoring support was a robust business plan. Analysis of monitoring information provided by Invest NI indicates that, as of September 2015, there were 157 business plans developed across the three sub-regions.

Time period	Eastern region	Southern and Western region	North East and North West region	Total	
	No.	No.	No.	No.	%
Jan 13 – Mar 13	10	5	5	20	13%
Apr 13 – Mar 14	24	18	15	57	36%
Apr 14 – Mar 15	37	23	20	80	51%
Apr 15 – Jul 15 <sup>28</sup>	0	0	0	0	0%
<b>Total</b>	<b>71</b>	<b>46</b>	<b>40</b>	<b>157</b>	<b>100%</b>
<b>Total (%)</b>	<b>45%</b>	<b>29%</b>	<b>26%</b>	<b>100%</b>	

In line with the targets stipulated within the ‘Benefit Realisation Plans’ for each of the three sub-regional contracts (and contract variations therein), the table above indicates that nearly half (45% - N=157) of the business plans were developed in the Eastern region, through Work West Enterprise Agency. Furthermore, over half (51% - N=157) were delivered between April 2014 and March 2015. There were 10 business plans developed in the Eastern region during the first quarter of the Programme period (i.e. January 2013 – March 2013).

Discussion with Invest NI and ENI indicates that typically a group/ organisation supported under the SEP would commence trading within three months of the completion of its business plan. Analysis of monitoring information provided by Invest NI indicates that, as of September 2015, there were 154 social enterprises that had commenced trading.

<sup>27</sup> Please note, whilst the SEP monitoring database provided by Invest NI indicates that there were 158 interactions with this strand of the SEP, data on the duration of support provided (in days) was only available for 155 of those interactions.

<sup>28</sup> Monitoring information provided by Invest NI highlights that there were no business plans developed during the period April 15 – July 15.

**Table 3.15: Number of Social Enterprises that had commenced trading By Region/ Time Period**

Time period	Eastern region	Southern and Western region	North East and North West region	Total	
	No.	No.	No.	No.	%
Jan 13 – Mar 13	0	0	0	0	0%
Apr 13 – Mar 14	23	16	17	56	36%
Apr 14 – Mar 15	31	21	19	71	46%
Apr 15 – Jul 15	15	7	5	27	18%
<b>Total</b>	<b>69</b>	<b>44</b>	<b>41</b>	<b>154</b>	<b>100%</b>
<b>Total (%)</b>	<b>45%</b>	<b>29%</b>	<b>26%</b>	<b>100%</b>	

### One-to-one Aftercare Support

Analysis of monitoring information provided by Invest NI indicates that 138 unique groups/ organisations availed of the one-to-one aftercare support.

**Table 3.16: Overview of one-to-one Aftercare Support provided – number of unique groups/ organisations**

Time period	Eastern region	Southern and Western region	North East and North West region	Total	
	No.	No.	No.	No.	%
Jan 13 – Mar 13	0	0	0	0	0%
Apr 13 – Mar 14	17	12	14	43	31%
Apr 14 – Mar 15	26	17	13	56	41%
Apr 15 – Jul 15	19	11	9	39	28%
<b>Total</b>	<b>62</b>	<b>40</b>	<b>36</b>	<b>138</b>	<b>100%</b>
<b>Total (%)</b>	<b>45%</b>	<b>29%</b>	<b>26%</b>	<b>100%</b>	

Given the nature of this type of support (i.e. provision of support during each participant’s first year of trading), it was not unexpected that there was no aftercare support provided during the January 2013 – March 2013 period. Over a quarter (28% - N=138) of the aftercare support was provided towards the end of the programme period (i.e. April 15 – July 15), suggesting that participants used the earlier periods to avail of the various precursor strands of support.

As part of the one-to-one aftercare support, post the variation to the contract in March 2014, each group could avail of up to 8 days of advice (or up to 5 days for Micro Social Enterprises) from a SEP Advisor, which was to provide them with support and advice during their first year of trading. Similar to the other strands of the SEP, there was flexibility for there to be more and fewer days support provided depending on the specific needs of groups/ organisations.

The following table provides details of the duration of support (in days) that was provided across the three sub-regions:

**Table 3.17: Duration (in days) of support provided under one-to-one Aftercare Support (by Region)<sup>29</sup>**

Region	Mean	Median	Range	
			Low	High
Eastern region	6.4	7.0	1.5	11.6
Southern and Western region	7.0	7.0	5.0	14.0
North East and North West region	6.4	7.0	2.0	15.2
<b>Overall</b>	<b>6.6</b>	<b>7</b>	<b>1.5</b>	<b>15.2</b>

<sup>29</sup> Please note, whilst the SEP monitoring database provided by Invest NI indicates that there were 138 interactions with this strand of the SEP, data on the duration of support provided (in days) was only available for 135 of those interactions.

The table above indicates that there was little variation across the three sub-regions in the mean or median throughout the duration of support that was provided to participant groups/ organisations. The analysis indicates that groups/ organisations, on average, received 6.6 days of support as part of the one-to-one aftercare support, whilst the length of support ranged from 1.5 days to 15.2 days. Discussion with Invest NI indicates that, in those instances when the length of support to an individual group/ organisation was anticipated to be more than 8 (or 5) days of advice, ENI sought the necessary approvals from the Invest NI Programme Manager to proceed.

In considering these findings, discussion with representatives from the five LEAs reiterated the fact that their ability to be flexible, and vary the intensity and duration of both the one-to-one mentoring support and the one-to-one aftercare support, was a key strength of the SEP’s delivery model. During consultation, it was suggested that this degree of flexibility offered the potential to provide groups/ organisations with more tailored advice and guidance.

### **Modular Training Sessions**

Modular training sessions, which were optional, were available to participants to provide advice and guidance on a range of topics (as per Section 1.2.4). Analysis of monitoring information provided by Invest NI indicates that there were 24 modular training sessions delivered across the three sub-regions:

**Table 3.18: Number of modular training sessions provided – by sub-region/ financial year**

Time period	Eastern region	Southern and Western region	North East and North West region	Total	
	No.	No.	No.	No.	%
Jan 13 – Mar 13	0	0	0	0	0%
Apr 13 – Mar 14	5	7	6	18	75%
Apr 14 – Mar 15	2	-	4	6	25%
Apr 15 – Jul 15	0	0	0	0	0%
<b>Total</b>	<b>7</b>	<b>7</b>	<b>10</b>	<b>24</b>	<b>100%</b>
<b>Total (%)</b>	<b>29%</b>	<b>29%</b>	<b>42%</b>	<b>100%</b>	

Further analysis indicates that there were a total of 218 individuals from 171 groups/ organisations that attended the various modular training sessions, which equates to an average of 9 individuals (representing 7 groups/ organisations) per session. Discussions with ENI suggests that these sessions were typically held at the following locations:

- Social Economy Village/ Work West Enterprise Agency;
- Triangle Housing, Ballymoney;
- North West Social Enterprise Hub;
- Newry and Mourne Enterprise Agency; and
- Omagh Enterprise Company.

These sessions typically covered relevant topics such as:

- Online Marketing;
- Introduction to Impact Measurement;
- Raising finance;
- Financial Planning;
- Using Social Media; and
- Winning tenders.

### 3.4.4 Start-up grant support

Those groups that participated on the Core Capability Support strand of the SEP could apply for a start-up grant (of up to £7,000), which was to assist with those costs that were associated with establishing their social enterprise. As previously highlighted in Section 3.3.1, the start-up grant was only made available by Invest NI during the period January 2013 to 2<sup>nd</sup> April 2014.

The eligibility criteria established by Invest NI for the start-up grant was as follows:

- The applicant's Business Plan had to be approved by Invest NI;
- The social enterprise had to be export focused i.e. exports being greater than 15% of the turnover of the social enterprise; and
- The social enterprise had to demonstrate an annual turnover of £100,000 by the third year of trading.

Analysis of monitoring information provided by Invest NI indicates that a quarter (25% - N=75<sup>30</sup>) of those groups/ organisations that participated on the Core Capability Support strand were awarded with a start-up grant.

Time period	Eastern region	Southern and Western region	North East and North West region	Total	
	No.	No.	No.	No.	%
Jan 13 – Mar 13	6	4	1	11	58%
Apr 13 – Mar 14	3	4	1	8	42%
Apr 14 – Mar 15	0	0	0	0	0%
Apr 15 – Jul 15	0	0	0	0	0%
<b>Total</b>	<b>9</b>	<b>8</b>	<b>2</b>	<b>19</b>	<b>100%</b>
<b>Total (%)</b>	<b>47%</b>	<b>42%</b>	<b>11%</b>	<b>-</b>	<b>100%</b>

The table above indicates that nearly half (47% - N=19) of the start-up grants awarded were in the Eastern region, through Work West Enterprise Agency. There were two (11% - N=19) grants awarded in the North East and North West region, through LEDCOM and Workspace Ltd.

Further analysis of monitoring information provided by Invest NI indicates that the total value of the grants awarded equated to £115,000.

Region	Total		Mean	Median	Range	
	£	%			Low	High
Eastern region	£58,000	50%	£6,444	£7,000	£5,000	£7,000
Southern and Western region	£43,000	37%	£5,375	£5,000	£3,000	£7,000
North East and North West region	£14,000	13%	£7,000	£7,000	£7,000	£7,000
<b>Overall</b>	<b>£115,000</b>	<b>100%</b>	<b>£6,053</b>	<b>£7,000</b>	<b>£3,000</b>	<b>£7,000</b>

The above analysis indicates that half (50% - N=£115,000) of the total grant value was awarded to social enterprises in the Eastern region. Also, there was little variation in the mean or median value of grant awarded to participant social enterprises. The analysis indicates that social enterprises, on average, received £6,053 of grant support, whilst the value of the grant ranged from £3,000 to £7,000 (which was the maximum).

<sup>30</sup> This is made up of: 17 participants who received Core Capability Support during the period January 2013 – March 2013 and 58 participants who received the support during the period April 13 – March 14.



### 3.4.5 Lloyds TSB Grant

The Economic Appraisal assumed that circa 48 programme participants (i.e. 35% of the 138 participants that were anticipated to receive support under the Core Capability strand of the SEP) would proceed to be awarded a Lloyds TSB grant. It also assumed that each of the successful applicants would each receive, on average, a grant of £3,000. On this basis, it assumed that Lloyds would commit circa £144,000 towards the provision of grant assistance. However, discussion with Invest NI indicates that following the requisite approvals in June 2012, the total grant assistance to be made available by Lloyds was to be ‘capped’ at £60,000, rather than the £144,000 that was assumed within the economic appraisal.

Further discussion with Invest NI indicates that, of those groups/ organisations that participated on the Core Capability Support strand, 18 (12% - N=153) were awarded with a Lloyds TSB grant of £3,000, equating to a total grant value of £54,000.

A representative from Lloyds highlighted that, whilst the grant was considered to be well publicised to the various LEAs and prospective applicants, there were few applications received from applicants that met the eligibility criteria for the grant assistance (as per Section 1.2.4). It was highlighted that in many instances applicants were not categorised as having charitable status or they had availed of support from Lloyds in the 12 months prior to their application submission and were therefore not eligible for grant assistance.

### 3.4.6 Referrals to Other Types of Support

#### **Data captured by ENI**

As part of its ongoing monitoring of the SEP, ENI captured data relating to other types of financial support that participant groups/ organisations *may* have applied to or indeed availed of. Please note, during consultation ENI expressed its view that whilst it captured and reported data in relation to other supports applied for and/ or availed of, it did not undertake any validation of the data that was collated. That is, in many cases the figures captured were estimates provided by programme participants on where they anticipated receiving financial support from.

Based on the ENI data available, the level of support applied for/ availed of is detailed as follows:

**Table 3.21: Other types of financial support that programme participants *may* have applied for or availed of<sup>31</sup>**

	Eastern region	Southern and Western region	North East and North West region	Total
Jobs Fund	£2,000 (N=1)	£0	£0	£2,000 (N=1)
Others (including outliers) <sup>32</sup>	£7,794,876 (N=51)	£4,467,887 (N=40)	£6,815,754 (N=32)	£19,078,517 (N=123)
Others (excluding outliers)	£2,013,993 (N=44)	£815,937 (N=34)	£3,233,754 (N=29)	£6,063,684 (N= 107)

#### **Invest NI Referrals**

In addition to, and separate from, the above, Invest NI expressed its view that it referred groups/ organisations, when appropriate, to other forms of mainstream support (e.g. other forms of support within Invest NI’s portfolio of programme offerings).

Based upon discussion with Invest NI, it is understood that these types of referrals were typically ad-hoc in nature and may have involved current participants on the SEP, or indeed participants that availed of support under a previous phase of the Programme.

<sup>31</sup> The Evaluation Team would urge caution as to how this data is interpreted and/ or used as programme participants may not have actually received support from these sources.

<sup>32</sup> Discussion with Invest NI indicates that this refers to various other types of support outside of Invest NI although no further details were available.

Analysis of monitoring information provided by Invest NI indicates that, during the period under review, Invest NI referred:

- 18 groups/ organisations that were current participants on the SEP; and
- 22 groups/ organisations that availed of support under a previous phase of the Programme.

Further analysis of monitoring information provided by Invest NI suggests that the 40 referrals contributed to potentially leveraging a total of £356,844<sup>33</sup> from initiatives/ programmes such as:

- Invest NI’s Innovation Vouchers;
- Invest NI’s Management Information Systems (MIS) grant; or
- Invest NI’s Export Start Grant/ GAP.

In addition to the above referrals, discussion with Invest NI also indicates that a number of groups/ organisations were referred to Invest NI’s tourism team and its regional offices.

### 3.4.7 Social Economy Stakeholder Reference Group

As per Section 1.2.5, the Social Economy Stakeholder Reference Group, comprising various stakeholders from across the Social Economy sector<sup>34</sup>, continued to act as a ‘reference point’ during the implementation of the Programme. Discussion with Invest NI indicates that it, in conjunction with the ENI Contract Manager, provided quarterly updates to the Social Economy Stakeholder Reference Group in order to report on progress and key achievements, and to promote and raise awareness of the SEP.

During consultation, various members of the Group and other key stakeholders expressed their views on, amongst other things, the role of the Social Economy Stakeholder Reference Group and the operation and delivery of the SEP. The Evaluation Team has collated these views and presented them below:

- There was collective agreement amongst stakeholders that the meetings of the Social Economy Stakeholder Reference Group were useful, informative and that they provided an appropriate mechanism for knowledge sharing. One stakeholder noted that the provision of case study materials at the meetings was a useful way to convey the impact that the support provided through the SEP was having within participant social enterprises. It was suggested by a number of stakeholders that the Social Economy Stakeholder Reference Group, or some form of it, should continue moving forward as it provides a way of bringing together key representatives from across the social economy sector.
- Allied to the above, there was a general consensus that the SEP was managed and delivered in a proactive and efficient manner. Specifically, it was suggested that the effective roles of the Invest NI Programme Manager and the dedicated contract manager within ENI served to ensure that there was a ‘joined up’ approach across the three sub-regions.
- There was also collective agreement amongst stakeholders that an intervention such as SEP should continue to be provided to the social economy sector moving forward. During consultation, a number of stakeholders expressed their views that the sub-regional approach adopted was appropriate and should potentially be considered as an option by Councils moving forward. However, there was concern expressed by a number of stakeholders that any intervention moving forward may become ‘fragmented’ now that the transfer of functions, including the responsibility for encouraging the formation and growth of social enterprises, has transferred to the 11 new Councils. It was further suggested that the economies of scale that were achieved through the SEP may potentially not be achieved if some form of intervention moving forward is delivered independently within each of the 11 Council areas.
- It was suggested by stakeholders that the content, structure and duration of support was, on the whole, considered to be appropriate to meet the needs of participants. It was suggested that a positive aspect of

<sup>33</sup> Discussion with Invest NI indicates the 18 referrals involving groups/ organisations that were participants on the SEP during the period under review contributed to potentially leveraging a total of £67,050.

<sup>34</sup> Membership included: DSD, DETI, SENI, DEL, DARD, BITC, Social Enterprise NI, Lloyds Bank Foundation NI, UCIT Ltd., Ulster University, Belfast City Council, Mid Ulster District Council etc.

the Programme was its commercial focus (i.e. in terms of turnover/ sales, GVA, employment etc.).

- There was collectively agreement that, during the period under review, the SEP served to address an identifiable need although given that the Programme has now officially finished (as of July 2015), there is an apparent gap in the marketplace. Whilst some stakeholders expressed their views that this suggested gap may be ‘filled’ by the Social Enterprise Hubs, those stakeholders also indicated that this would only be a short term measure, given that the Social Enterprise Hubs are not due to operate beyond early-mid 2016.
- Stakeholders expressed their views that a number of Councils are currently in the process of considering how best to support the social economy sector within their respective Council areas. In this context, stakeholders expressed their views that there is strong merit in having an intervention that provides specific support to those seeking to establish a social enterprise or those that have a social enterprise, rather than the support for the social economy sector being integrated into mainstream support (such as the Regional Start Initiative<sup>35</sup>). One stakeholder indicated that “*generic business support is not right for social enterprises*”.

### 3.5 Profile of Programme Participants

#### 3.5.1 Introduction

As part of its ongoing monitoring of the SEP, ENI captured pertinent data relating to those groups/ organisations that participated on the Programme. Where possible, the Evaluation Team has collated this information and presented it in the following subsections.

#### 3.5.2 Disadvantaged Areas/ Neighbourhood Renewal Areas

As per Section 1.2.1, the aim of the SEP during the period under review was to “*contribute positively to economic development in Northern Ireland by supporting the creation of viable social economy businesses, which will predominately be based in disadvantaged areas or support marginalised groups*”.

Discussion with Invest NI indicates that, for the purposes of the SEP, disadvantaged areas were defined as areas within the top 300 Super Output Areas within Northern Ireland<sup>36</sup>. Analysis of monitoring information provided by Invest NI indicates that, on an overall basis, 85% (N=234) of the total unique groups/ organisations that participated on the SEP were from, or were proposing to operate in, disadvantaged areas throughout Northern Ireland.

In addition, ENI captured pertinent data relating to those groups/ organisations that participated on the Programme that were from, or were proposing to operate in, Neighbourhood Renewal Areas (NRAs) throughout Northern Ireland<sup>37</sup>. On an overall basis, 55% (N=234) of the total unique groups/ organisations that participated on the SEP were from, or were proposing to operate in, NRAs throughout Northern Ireland. This is broken down as follows:

<b>Table 3.22: Proportion of programme participants operating within Disadvantages Areas and NRAs</b>		
	<b>Disadvantaged areas</b>	<b>NRAs</b>
Eastern region	88%	67%
Southern and Western region	84%	42%
North East and North West region	83%	47%
<b>Overall</b>	<b>85%</b>	<b>55%</b>

<sup>35</sup> Which is the business start-up programme operating across Northern Ireland that provides businesses with a range of guidance, support, training and business clinics to assist participants to develop and grow their businesses.

<sup>36</sup> Super Output Areas are geographical boundaries based upon population that have been developed by the Northern Ireland Statistics and Research Agency (NISRA). As of January 2016, there are 890 Super Output Areas defined within Northern Ireland.

<sup>37</sup> Appendix VI provides a list of Northern Ireland’s 36 NRAs. These neighbourhoods represent Northern Ireland’s 10% most deprived wards.

### 3.5.3 Geographical Area

Given that the SEP was delivered both pre and post Local Government Reform in Northern Ireland (which was implemented on the 1<sup>st</sup> April 2015), the Evaluation Team has presented details of programme participants on the basis of the old and new Council boundaries (i.e. as they existed pre and post Local Government Reform).

#### **Council Area – Pre Local Government Reform**

Analysis of monitoring information provided by Invest NI indicates that nearly a third (30% - N=234) of the unique groups/ organisations that participated on the SEP were located within the Belfast City Council area (or the eastern region).

<b>Table 3.23: Overview of programme participants by Local Authority Area (pre Local Government Reform)</b>		
<b>Local Authority</b>	<b>Unique groups/ organisations</b>	<b>% of Total</b>
Belfast City Council	70	30%
Newry and Mourne District Council	22	9%
Derry City Council	20	9%
Lisburn City Council	15	6%
Magherafelt District Council	11	5%
Omagh District Council	11	5%
Coleraine Borough Council	9	4%
Dungannon and South Tyrone Borough Council	8	3%
Larne Borough Council	7	3%
Fermanagh District Council	6	3%
North Down Borough Council	6	3%
Down District Council	5	2%
Newtownabbey Borough Council	5	2%
Armagh City and District Council	4	2%
Banbridge District Council	4	2%
Carrickfergus Borough Council	4	2%
Cookstown District Council	4	2%
Limavady Borough Council	4	2%
Ards Borough Council	3	1%
Ballymena Borough Council	3	1%
Craigavon Borough Council	3	1%
Strabane District Council	3	1%
Ballymoney Borough Council	2	<1%
Castlereagh Borough Council	2	<1%
Moyle District Council	2	<1%
Antrim Borough Council	1	<1%
<b>Total</b>	<b>234</b>	<b>100%</b>

**Figure 3.1 Number of unique groups/ organisations as a percentage of the total NRA population in each Local Authority Area (pre Local Government Reform)**

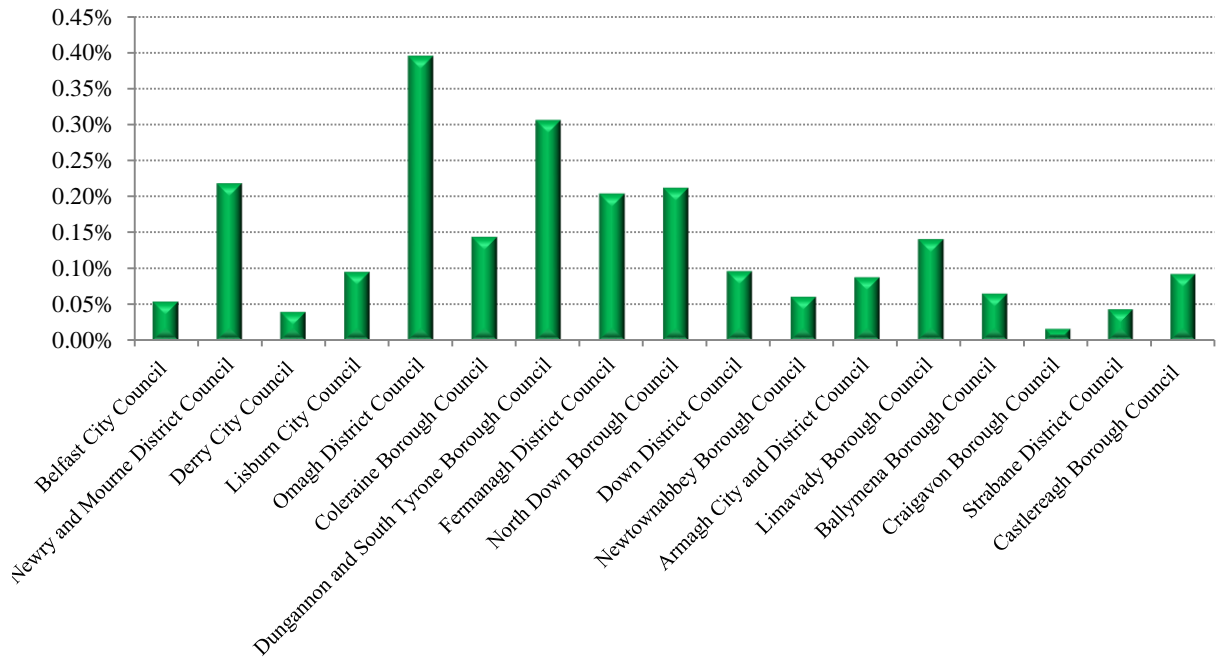
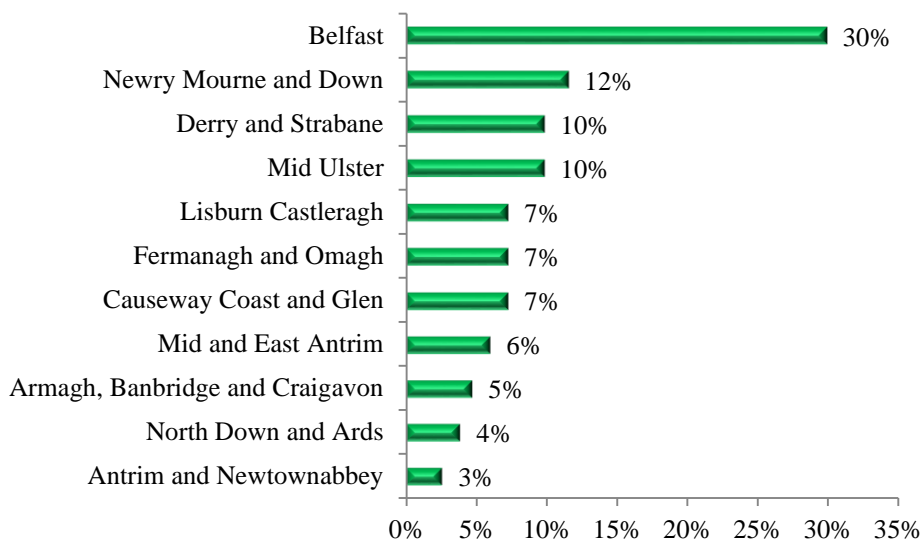


Figure 3.1 illustrates that Omagh District Council and Dungannon and South Tyrone Borough Council (as they were pre Local Government Reform) had the highest number of unique groups/ organisations as a percentage of the population within those Council areas that were located in a NRA (0.39% and 0.31% respectively).

**Council Area – Post Local Government Reform**

Similar to the position pre Local Government Reform, nearly a third (30% - N=234) of the unique groups/ organisations that participated on the SEP were located within the Belfast City Council area (or the eastern region).

**Figure 3.2: Overview of programme participants by Local Authority Area (post Local Government Reform)**



### 3.5.4 Parliamentary Constituency Area

Again, analysis of monitoring information provided by Invest NI indicates that those parliamentary constituency areas in the greater Belfast area have the highest proportion of unique groups/ organisations that participated on the SEP. Of note, nearly a quarter (22% - N=234) of the unique groups/ organisations that participated on the SEP were located in the Belfast West and the Newry and Armagh Parliamentary Constituency Areas (with 11% each respectively).

<b>Table 3.24: Overview of programme participants by Parliamentary Constituency Area</b>		
<b>Parliamentary Constituency Area</b>	<b>Unique groups/ organisations</b>	<b>% of Total</b>
Belfast West	25	11%
Newry and Armagh	25	11%
Belfast South	23	10%
Belfast North	18	8%
Foyle	18	8%
East Antrim	17	7%
Mid Ulster	16	7%
West Tyrone	15	6%
East Londonderry	14	6%
Fermanagh and South Tyrone	11	4%
Lagan Valley	11	4%
Belfast East	10	4%
North Antrim	7	3%
South Down	7	3%
North Down	6	3%
Strangford	4	2%
Upper Bann	4	2%
South Antrim	3	1%
<b>Total</b>	<b>234</b>	<b>100%</b>

### 3.5.5 Sectoral Focus

Further analysis of monitoring information provided by Invest NI indicates that nearly one fifth (17% - N=234) of the total unique groups/ organisations that participated on the SEP were proposing to have, or had, an education/ training focus, whilst 12% (N=234) were proposing to have, or had, an arts focus.

<b>Table 3.25: Overview of programme participants by Sectoral Focus</b>		
<b>Sectoral Focus</b>	<b>Unique groups/ organisations</b>	<b>% of Total</b>
Education/ Training	39	17%
Arts	27	12%
Sports/ recreation	23	10%
Hospitality	21	9%
Childcare	17	7%
Other <sup>38</sup>	14	6%
Manufacturing	13	6%
Community Development	12	5%
Health care	12	5%
Advice/ advocacy/ information	11	5%
Environment/ sustainable development	11	5%
Accommodation/ housing/ homeless	8	3%
Cultural	6	3%
ICT/ Digital	6	3%
Cleaning	3	1%

<sup>38</sup> The monitoring materials provided by Invest NI did not provide any further description as to what 'other' sectoral focuses might be.

**Table 3.25: Overview of programme participants by Sectoral Focus**

Sectoral Focus	Unique groups/ organisations	% of Total
Counselling/ support	3	1%
Tourism	3	1%
Disability	2	1%
Food	2	1%
Youth work/development	1	0%
<b>Total</b>	<b>234</b>	<b>100%</b>

### 3.6 Risks

The Economic Appraisal of the SEP Programme (June 2012) identified seven key risks that could potentially impact upon delivery. These included:

**Table 3.26: Risks identified as part of the Economic Appraisal of the SEP Programme**

Risk	Likelihood of risk occurring
Insufficient Support/ Participation	Low
Value for Money not achieved	Low
Budgetary overruns	Medium
Failure to focus on economic objectives (social focus)	Medium
Monitoring system not fit for purpose	Medium
Withdrawal of Lloyds TSB Grant	Medium
Governance and Oversight	Medium

Based upon discussions with Invest NI, representatives from the five LEAs and various key stakeholders, along with the wider research findings, the Evaluation Team notes the following in relation to each of these risks:

- In the Evaluation Team’s view, the risk relating to insufficient support/ participation did not materialise, with a total of 234 unique groups/ organisations receiving support through the SEP. The volume of participants perhaps reflects the effectiveness of the awareness raising activities that were undertaken by Invest NI, the five LEAs and the Social Economy Stakeholder Reference Group.
- Based upon an analysis of monitoring information provided by Invest NI and on the feedback provided by the various key stakeholders, it is the Evaluation Team’s view that the delivery of the SEP was appropriately monitored by both Invest NI and ENI. Notably, it is evident that, as part of its ongoing monitoring of the SEP, ENI captured pertinent data (including key economic metrics) relating to those groups/ organisations that participated on the Programme. This served to assist both Invest NI and ENI to determine, on a continuous basis, how the Programme was progressing against those targets established at the outset and to ensure that Value for Money was being achieved.
- In the Evaluation Team’s view, the risk relating to the failure to focus on the economic objectives did not materialise. Of note, during consultation, a number of stakeholders indicated that the eligibility criteria for prospective applicants (i.e. relating to turnover, job creation etc.) was “*very numbers driven*” and it was welcomed that the SEP was focusing on outcomes rather than solely on outputs. Furthermore, as per Section 5 of this report, the Evaluation Team’s analysis suggests that the SEP made a positive contribution (in terms of GVA and the creation of employment, alongside the achievement of wider social outcomes) to the Northern Ireland economy.
- The Evaluation Team notes that the risk relating to the monitoring system not being fit for purpose emanated from the findings from the previous evaluation (SQW, February 2012), whereby it was recommended there was a need, at that time, for Invest NI to work in conjunction with an appointed delivery agent to capture pertinent data on a continuing basis. Discussion with Invest NI and ENI indicates that this recommendation was fully adopted, which was evident in the development of individual benefits realisation plans for each of the three sub-regions.

- In the Evaluation Team’s view, the risk relating to the withdrawal of the Lloyds TSB Foundation Northern Ireland grant did not materialise. It is noted that a legally binding agreement was established between Invest NI and Lloyds TSB Foundation Northern Ireland in November 2012, which outlined that Invest NI would provide Lloyds TSB Foundation Northern Ireland with pertinent details of participants on the SEP who qualified for its grant assistance (i.e. those that were not eligible for the start-up grant available under the SEP). As per Section 3.4.5, of those groups/ organisations that participated on the Core Capability Support strand, 18 (12% - N=153) were awarded with a Lloyds TSB grant of £3,000, equating to a total grant value of £54,000.
- In the Evaluation Team’s view, the risk relating to the budgetary overruns did not materialise. As previously highlighted, based upon an analysis of monitoring information provided by Invest NI and on the feedback provided by the various key stakeholders, it is the Evaluation Team’s view that the financial management of the SEP was appropriately monitored and managed by both Invest NI and ENI. Evidence of this is demonstrated through the contract variations that were made to the delivery of the Programme and the subsequent budgetary implications that were agreed and managed by both Invest NI and ENI.
- Finally, in relation to the risk relating to governance and oversight, Invest NI, representatives from the five LEAs and various key stakeholders all indicated during consultation that the SEP was managed and delivered in a proactive and efficient manner. Specifically, it was suggested that the effective roles of the Invest NI Programme Manager and the dedicated contract manager within ENI served to ensure that there was a ‘joined up’ approach across the three sub-regions.

In summary, based on levels of demand for the SEP, participants high levels of satisfaction with the Programme (see Section 4) and the positive contribution of the Programme to the Northern Ireland economy (see Section 5), the Evaluation Team would suggest that Invest NI’s overall approach to risk management was robust and proportionate.

### 3.7 Equality Considerations

Section 75 of the Northern Ireland Act 1998 requires that Invest NI shall, “*in carrying out its function relating to Northern Ireland, have due regard to the need to promote equality of opportunity*” between the following nine Section 75 groups:

- Persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- Men and women generally;
- Persons with a disability and persons without; and
- Persons with dependents and persons without.

In addition and without prejudice to these obligations, in carrying out its functions, Invest NI is also committed to promote good relations between persons of different religious belief, political opinion or racial group.

The Evaluation Team’s review of the activity supported under the SEP, monitoring information provided during the evaluation process and discussions with Programme participants, the five LEAs and the various stakeholders has identified:

- No evidence of higher or lower participation or uptake of different groups;
- No evidence to indicate that different groups had different needs, experiences, issues and priorities in relation to the SEP activity;
- No opportunities to better promote equality of opportunity or better community relations by altering the work of the SEP; and
- No accessibility issues that might run contrary to the Disability Discrimination Act 1995.



On this basis, the Evaluation Team concludes that, whilst the SEP was not specifically targeted at any specific Section 75 categories, it does not appear to have had an adverse impact on any Section 75 group.

### 3.8 Summary Conclusions

Salient points to note in relation to the Evaluation Team's review of the SEP's activity include:

- Between January 2013 and July 2015, a total of 234 groups/ organisations were provided with support through the SEP. The nature of the support that was ultimately delivered was tailored to the specific needs of individual groups/organisations. Monitoring information provided by Invest NI indicates the following activity:
  - 234 unique groups/ organisations received a total of 328 interventions (i.e. an intervention being defined as an interaction with an individual strand of the SEP).
  - In line with the targets stipulated within the 'Benefit Realisation Plans' for each of the three sub-regional contracts (and contract variations therein), over two fifths (45% - N=328) of the total interventions were delivered in the Eastern region, through Work West Enterprise Agency.
  - Over two fifths (44% - N=328) of the interventions were delivered between April 2014 and March 2015.
  - There were 143 unique groups/ organisations that had 151 interactions with the Lead In Capability support strand of the SEP, with over two fifths (43% - N=143) being delivered to unique groups/ organisations in the Eastern region.
  - There were 153 unique groups/ organisations that had 158 interactions with the Core Capability support strand of the SEP.
  - As of September 2015, there were 157 business plans developed, across the three sub-regions and 154 social enterprises that had commenced trading.
  - There were 24 modular training sessions delivered across the three sub-regions, with a total of 218 individuals from 171 groups/ organisations in attendance.
  - There were 19 start-up grants awarded during the period January 2013 to 2<sup>nd</sup> April 2014. Discussion with Invest NI indicates that the start-up grant was no longer available as part of the Programme from the 2<sup>nd</sup> April 2014 onwards.
  - Invest NI expressed its view that, during the period under review, both Invest NI and ENI referred groups/ organisations, when appropriate, to other forms of mainstream support (e.g. other forms of support within Invest NI's portfolio of programme offerings).
  - On an overall basis, 85% (N=234) of the total unique groups/ organisations that participated on the SEP were from, or were proposing to operate in, disadvantaged areas, whilst 55% (N=234) were from, or were proposing to operate in, NRAs.
  - Nearly a third (30% - N=234) of the unique groups/ organisations that participated on the SEP were located with the Belfast City Council area (or the eastern region).
- Given the levels of demand for the SEP, participants' high levels of satisfaction with the Programme, the positive contribution of the Programme to the Northern Ireland economy and the variations that were made to the Programme during the period under review to maintain its efficacy, the Evaluation Team suggests that Invest NI's overall approach to risk management was robust and proportionate.
- Whilst the SEP was not specifically targeted at any specific Section 75 categories, it does not appear to have had an adverse impact on any Section 75 group.

#### 4. STAKEHOLDERS' SATISFACTION WITH, & VIEWS OF, THE SEP

##### 4.1 Introduction

Section 4 provides a detailed analysis of the key findings emerging from the primary research with those groups/ social enterprises in receipt of support under the SEP, in terms of their satisfaction with, and views of, the Programme.

The following table provides a summary of the SEP participant feedback derived through the primary research, including all associated response rates and confidence intervals.

SEP Strand	Unique businesses receiving support	No. of Responses	Response rate (%)	Business Confidence Interval
Lead In Capability Support <i>only</i>	81	54	67%	+/- 7.75%
Core Capability Support <i>only</i>	74	53	72%	+/- 7.22%
Lead In Capability and Core Capability Support	60	33	55%	+/- 11.54%
Core Capability Support and start-up grant	17	13	76%	+/- 13.59%
Lead In Capability, Core Capability Support and start-up grant	2	2	100%	+/- 0 %
<b>Total</b>	<b>234</b>	<b>155</b>	<b>66%</b>	<b>+/- 4.6%</b>

As previously highlighted, as of September 2015, there were 154 social enterprises that had commenced trading. The following table provides details of the number of social enterprises that commenced trading following their participation on a strand of the SEP, along with the proportion of those social enterprises that the Evaluation Team consulted with as part of its primary research activities.

Region	No. of social enterprises that commenced trading through the SEP <sup>40</sup>			No. of social enterprises that commenced trading that were consulted with		
	Received Lead In Capability Support <i>only</i> (N=81)	Received Core Capability (at a minimum) (N=153)	Total	No.	Response rate (%)	Confidence Interval
Eastern region	5	64	69	48	70%	+/- 7.86%
Southern and Western region	2	42	44	29	66%	+/- 10.75%
North East and North West region	2	39	41	24	59%	+/- 13.04%
<b>Total</b>	<b>9</b>	<b>145</b>	<b>154</b>	<b>101</b>	<b>66%</b>	<b>+/- 5.74%</b>

<sup>39</sup> Please note, the number of questions that respondents will have provided feedback on will have varied depending on the nature of the support that it received. As such, the number of respondents (N) will differ between questions.

<sup>40</sup> As per monitoring information provided by Invest NI (September 2015).

## 4.2 Marketing and Promotion

Almost one quarter (23% - N=154) of respondents indicated that they became aware of the SEP through routine contact with a representative from their LEA, disaggregated as follows:

- Work West Enterprise Agency, Belfast (37% - N=35);
- Newry and Mourne Enterprise Agency (23% - N=35);
- Workspace Ltd. in Draperstown (20% - N=35);
- Omagh Enterprise Company (11% - N=35); and
- LEDCOM (9% - N=35).

Just over one tenth (11% - N=154) of respondents became aware of the Programme through another social enterprise, whilst a similar proportion (10% - N=154) became aware through a representative from Invest NI.

Source	% of respondents
Through routine contact with a representative from your LEA	23%
Through another social enterprise	11%
Cannot Recall/ Not Sure	11%
Through a representative from Invest NI	10%
Word of Mouth	10%
You were contacted directly by a representative from your LEA	6%
Through a representative from your local Council	6%
Website or social media	6%
Local press/ media	6%
Previously involved with SEP	4%
Other (e.g. Rural Area Partnership in Derry~Londonderry; previous experience in the sector; representatives from a bank)	3%
A representative from your local Neighbourhood Renewal Partnership Board	2%
Social Enterprise Hub	2%
<b>Total</b>	<b>100%</b>
<b>N=</b>	<b>154</b>

## 4.3 Motives for establishing a Social Enterprise

Almost all (96% - N=154) of the respondents indicated that the motive for establishing their social enterprise was that they were seeking to serve the community or a specific group of people, whilst over four fifths (82% - N=154) stated that they were seeking to address an identifiable need in the local area (i.e. solving a social/ environmental problem).

Motive	% of respondents <sup>43</sup>
Serve the community or a specific group of people	96%
Address an identifiable need in the local area (solving a social/ environmental problem)	82%
Contribute towards regenerating the local community	60%
Deliver social change in the area	54%
Integrate disadvantaged people into society	45%
Provide training for disadvantaged people	42%
Promote a sense of social responsibility at local level	40%
Create employment for marginalised groups (e.g. the disabled)	27%
Something else (e.g. raise money for a charity, generate an income, provide fair wages etc.)	12%
<b>N=</b>	<b>154</b>

<sup>41</sup> Please note, one respondent was unable to comment on how they became aware of the SEP (N=154).

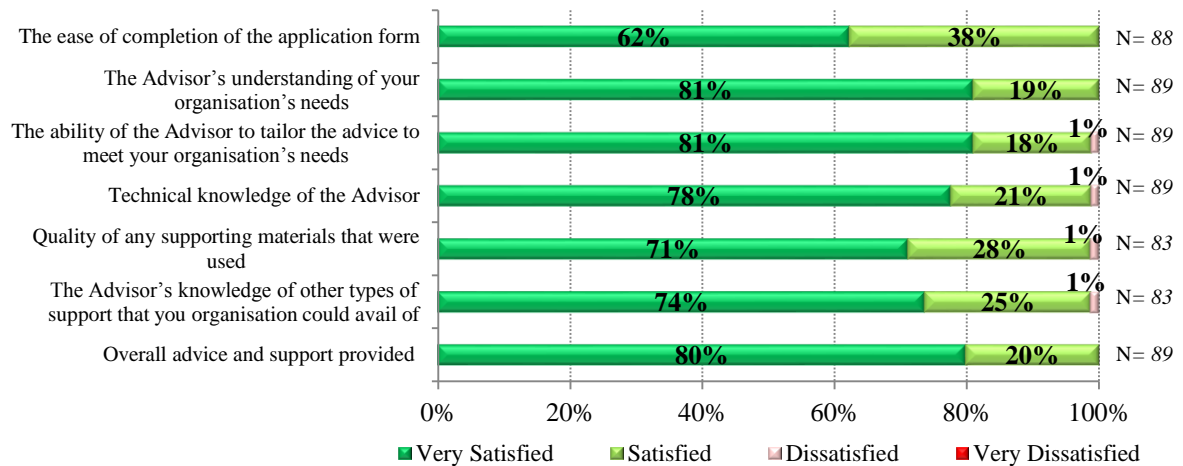
<sup>42</sup> Please note, one respondent was unable to comment on their motives for establishing a social enterprise (N=154).

<sup>43</sup> Please note, the percentage of respondents does not sum to 100% as respondents could select more than one response.

#### 4.4 Lead In Capability Support

Respondents expressed their views on the various aspects of the Lead In Capability (pre-business start-up) support provided as part of the SEP. The following figure depicts the high levels of satisfaction across the various aspects:

**Figure 4.1: Satisfaction with the Lead In Capability Support<sup>44</sup>**



Of note, all (100% - N=89) of the respondents indicated that they were either 'very satisfied' or 'satisfied' with the following:

- The Advisor's understanding of the organisation's needs; and
- The overall advice and support provided under this strand of the SEP.

As part of this strand, each group could avail of up to 3.5 days of one-to-one support from a SEP Advisor, who was to provide them with basic advice and guidance on a variety of topics (as per Section 1.2.4). Interestingly, nearly four fifths (78% - N=89) of those respondents that received support as part of the Lead In Capability (pre-business) strand indicated that the duration of the support which was available to them was "just right". Conversely, less than a quarter (22% - N=89) of the respondents suggested that the duration of the support that was available was "too short", with those individuals indicating that a longer duration would have enabled their group to gain a fuller understanding of how to establish, and operate, a social enterprise.

*"All of the advice I was provided with was of a high standard, although it would have been good to get more support."*

*"All of the support we received was very helpful. It highlighted the good and bad aspects of our ideas, alongside providing advice on how we should precede. The programme was definitely worthwhile."*

*"Initially we did not even know what a social enterprise was, whereas now we know everything. The Advisor that was appointed to us had a great depth of knowledge in this area. We got exactly what we hoped for out of the Programme."*

*"The support was brilliant and it made me realise that the market was too small for us to go ahead with the social enterprise."*

*"Talking through our idea really helped to make everything clear."*

<sup>44</sup> This is based upon feedback provided by respondents that received Lead In Capability Support. Please note, six respondents noted that the two of the questions were not applicable to them (N=83), whilst one respondent was unable to comment on the ease of completion of the application form (N=88).

*“Our idea was unique, so I knew how difficult it would be to get tailored advice. However, all of the advice provided was very good.”*

*“The advice was not being put across in simple enough terms. We found it difficult to follow what they were saying. The supporting materials were just a list of websites; which we could have googled it ourselves.”*

**Lead In Capability Support recipients**

Nearly two thirds (61% - N=89) of those groups/ organisations surveyed that availed of the Lead In Capability (pre-business) support stated they did not proceed onto the Core Capability strand of the SEP. There were a variety of reasons as to why they did not avail of any further support at that stage, including:

- Internal issues within the groups/ organisations at that point in time e.g. capacity/ staffing issues (41% - N=54).
- The advice and guidance provided through the Lead In Capability support identified that the business idea was not feasible/ viable (20% - N=54).
- Under a fifth (15% - N=54) of the participants received support towards the end of the programme period and as a result, there was no opportunity for them to progress onto the next stage.

*“The support was brilliant and it made me realise that the market was too small for us to go ahead with the social enterprise.”*

*“We received support towards the end of the programme period so unfortunately there was no opportunity for us to progress onto the next stage.”*

*“The timing was not right for us as we were having internal staffing issues.”*

*“We had internal issues with our committee which resulted in us not being able to progress to the next stage of the programme.”*

*“Our only full time post left, so we did not have the capacity to take it on any further. We will hopefully try again in the future.”*

*“We could not go any further because we did not know if our business was feasible.”*

*“Participation on the programme made me realise that my idea was not feasible and that it was never going to be a business”.*

*“We were not ready to go onto the next stage. We are still discussing the idea with a social enterprise hub.”*

*“We did not need any more support as we got everything we needed from the Lead In support.”*

*“We had internal issues with our directors which meant that this project and the business idea ended.”*

**Lead In Capability Support recipients**

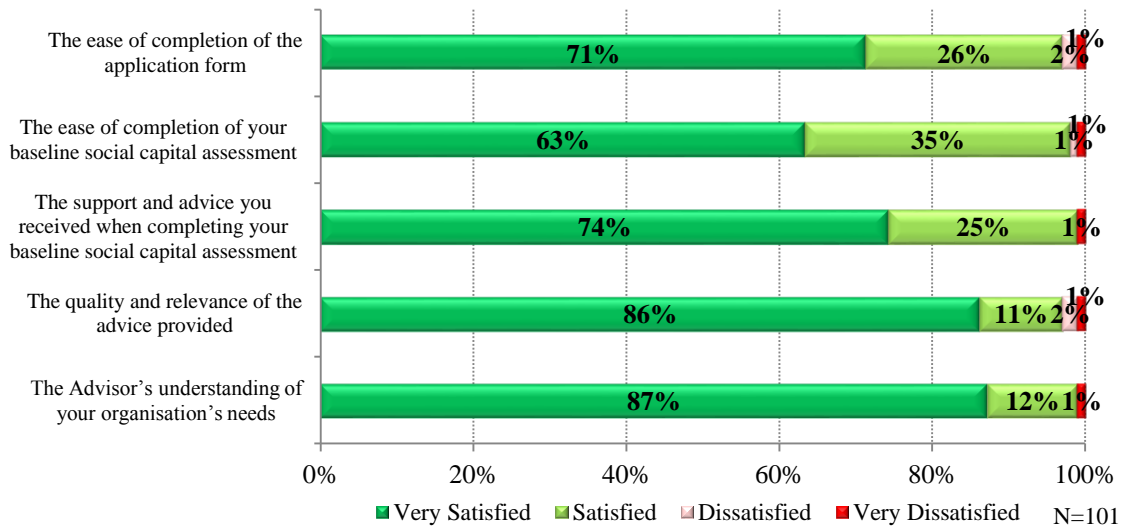
## 4.5 Core Capability Support

As part of the survey, participants expressed their views on the various aspects of the Core Capability Support strand of the SEP.

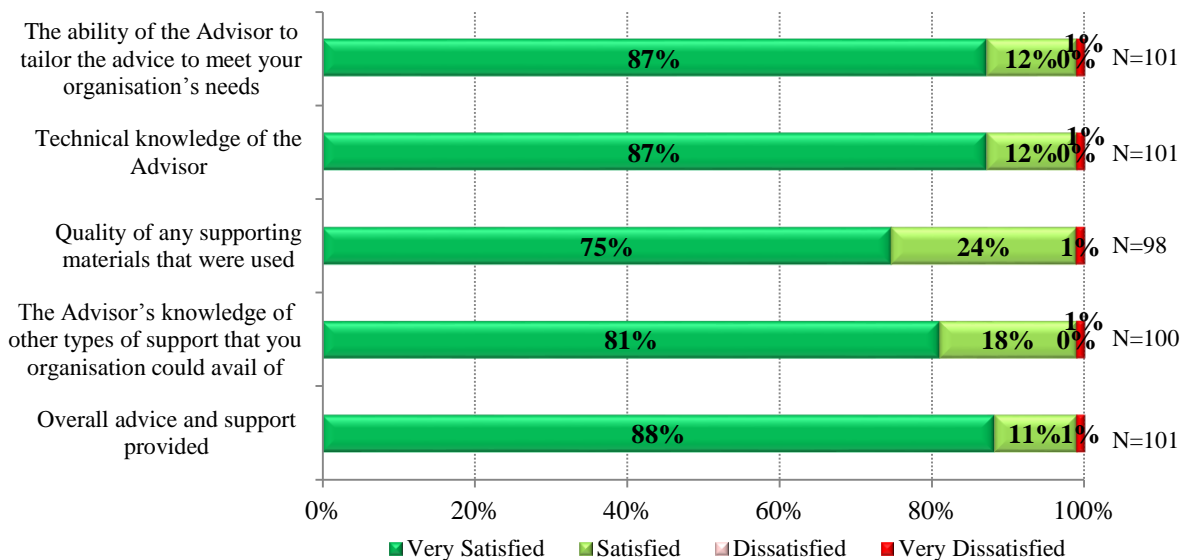
### 4.5.1 One-to-One Mentoring Support

The following figures depict the high levels of satisfaction with the various aspects of the **one-to-one mentoring support** that was provided under the Core Capability Support strand of the SEP, with a view to producing a business plan/ further developing a pre-existing business plan that had not been previously implemented:

**Figure 4.2: Satisfaction with one-to-one mentoring support<sup>45</sup>**



**Figure 4.3: Satisfaction with one-to-one mentoring support (cont'd)<sup>46</sup>**



Of note, the majority (99%) of the respondents indicated that they were either 'very satisfied' or 'satisfied' with the following:

- The Advisor's understanding of the organisation's needs;
- The ability of the Advisor to tailor the advice to meet the needs of the organisations;
- The technical knowledge of the Advisor;
- The Advisor's knowledge of other types of support that the organisations could have availed of; and
- The overall support and advice provided.

As part of the one-to-one mentoring support, each group could avail of up to 7 days of advice (or up to 5 days for Micro Social Enterprises post the variation to the contract in March 2014) from a SEP

<sup>45</sup> This is based upon feedback provided by respondents that received one-to-one mentoring as part of the Core Capability Support strand of the SEP (a maximum of N=101).

<sup>46</sup> See preceding fn.

Advisor, which was to provide them with support to produce a business plan or potentially further develop a pre-existing business plan that had not been previously implemented.

Positively, the majority (86% - N=101) of those respondents that received one-to-one mentoring support as part of this strand indicated that the duration of the support which was available to them was “*just right*”. Conversely, a small proportion indicated that the duration of the support was “*too short*” (13% - N=101) or “*too long*” (1% - N=101).

*“The support and advice provided was very valuable. The creation of our business plan was essential and it helped us realise our goals.”*

*“I was very happy with all aspects of the support. The whole process was quick, easy and efficient.”*

*“I found the application form was quite difficult to complete. Other than that I had no problems with the support I received through the SEP.”*

*“The support was excellent. It is the best programme I have been on!”*

*“Our idea was complex so we needed a lot of advice and support, which was provided to an excellent standard.”*

*“The market research was not robust enough, it lead to the business plan being very unrealistic.”*

*“The whole process was flexible, informative and thorough.”*

*“There was always professional, friendly support and advice provided.”*

*“It was great. They were very flexible and fitted the support around our schedules.”*

*“The advice was too vague at times. They came to my busy office, I would have preferred to meet somewhere else and it felt like they just wanted to get in and out as quickly as they could.”*

*“We might not have gone ahead with the idea without the business plan.”*

*“The help was great and a professional business plan is exactly what we needed.”*

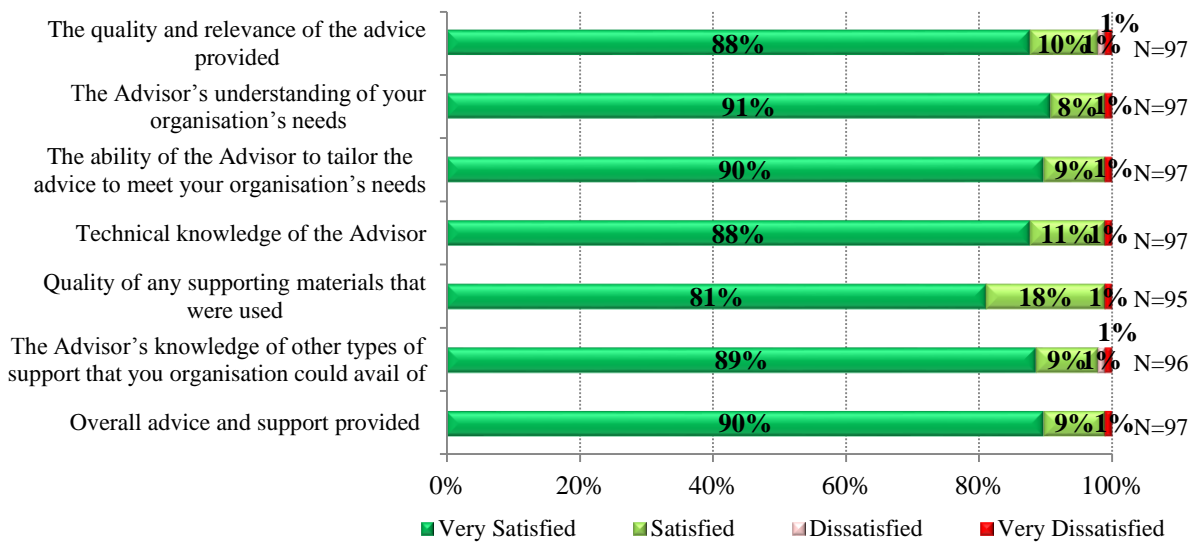
*“One to one support is what we needed. It was very useful.”*

**Core Capability Support – Mentoring recipients**

#### 4.5.2 One-to-One Aftercare Support

The following figure depicts the high levels of satisfaction with the various aspects of the **one-to-one aftercare support**, which was provided by an SEP Advisor during each participant’s first year of trading:

Figure 4.4: Satisfaction with the one-to-one Aftercare Support<sup>47</sup>



Of note, the majority (99%) of the respondents indicated that they were 'very satisfied' or 'satisfied' with the following:

- The Advisor's understanding of the organisation's needs;
- The ability of the Advisor to tailor the advice to meet the needs of the organisations;
- The technical knowledge of the Advisor;
- The quality of the supporting that were used; and
- The overall support and advice provided.

As part of the one-to-one aftercare support, each group could avail of up to 8 days of advice (or up to 5 days for Micro Social Enterprises post the variation to the contract in March 2014) from a SEP Advisor, which was to provide them with support and advice during their first year of trading.

Encouragingly, the majority (83% - N=97) of those respondents that received one-to-one aftercare support as part of this strand indicated that the duration of the support which was available to them was "just right". Conversely, a small proportion (17% - N=97) indicated that the duration of the support was "too short".

*"The Advisor's knowledge was excellent and I always felt that I could ask for more support if I needed it. I would definitely recommend this Programme."*

*"We received customer service training onsite at the bar which was very beneficial. They knew exactly what we wanted and what we needed to do to achieve great customer service".*

*"The aftercare allowed us to create a folder of information on selling products and helped us with marketing which was very beneficial to our organisation."*

*"All of the aftercare support was very beneficial, especially the advice on social media."*

*"It was nice to receive this and I always felt that I could ask for more support if needed."*

*"The support was phenomenal. I knew when I needed advice, the Advisor was at the end of the phone."*

*"The aftercare support allowed us to tweak issues within the business plan."*

<sup>47</sup> This is based upon feedback provided by respondents that received aftercare support as part of the Core Capability Support strand of the SEP (a maximum of N=97).



*“All of the advisors were very supportive and full of knowledge.”*

*“The advisor was brilliant. They researched things that we had not even thought of.”*

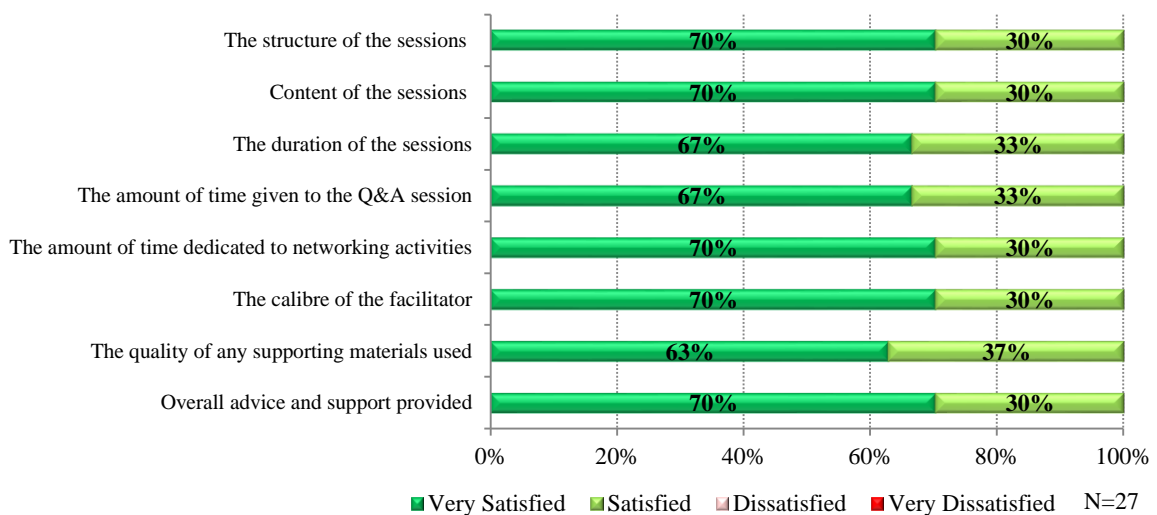
*“The advisor told us anything we needed to know. Also, the structure was very helpful and easy to work with.”*

**Core Capability Support – Aftercare recipients**

#### 4.5.3 Modular Training Sessions

As previously highlighted, the modular training sessions, which were optional, were available to participants to provide advice and guidance on a range of topics. Over a quarter (27% - N=101) of those respondents that participated on the Core Capability strand of the SEP availed of the modular training sessions. The following figure depicts the high levels of satisfaction with the various aspects of the modular training sessions:

**Figure 4.5: Modular training session<sup>48</sup>**



From a positive perspective, all (100% - N=27) of the respondents that attended modular training sessions were either ‘very satisfied’ or ‘satisfied’ with the overall support and advice provided.

*“The sessions were a good length and I had a very positive experience.”*

*“The sessions were brilliant; they covered a lot of aspects. I found these sessions to be very informative and worthwhile.”*

**Core Capability Support – Modular Training recipients**

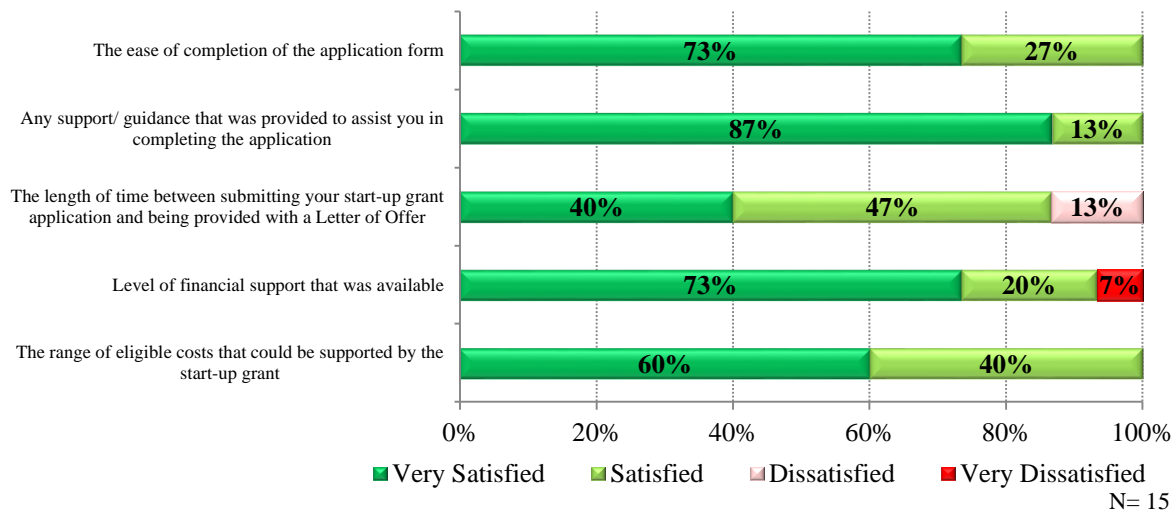
#### 4.6 Start-up Grant

Up until April 2014, groups that participated on the Core Capability Support strand of the SEP could apply for a start-up grant (of up to £7,000) to assist with those costs that were associated with establishing their social enterprise. Nearly one third (30% - N=50<sup>49</sup>) of those respondents that participated on the Core Capability strand of the SEP up until April 2014 were successfully awarded a start-up grant. The following figure depicts the high levels of satisfaction with the various aspects associated with the start-up grant:

<sup>48</sup> Feedback provided by businesses that attended the modular training sessions (N=27).

<sup>49</sup> This is made up of: 17 participants who received Core Capability Support during the period January 2013 – March 2013 and 33 participants who received the support during the period April 13 – March 14.

**Figure 4.6 – Satisfaction with the Start-up Grant provided through SEP<sup>50</sup>**



Encouragingly, the majority (87% - N=15) of respondents that received a start-up grant were either ‘very satisfied’ or ‘satisfied’ with the length of time between submitting their application form and being provided with a Letter of Offer, whilst nearly all (93% - N=15) were either ‘very satisfied’ or ‘satisfied’ with the level of financial support that was available.

Of note, two respondents (13% - N=15) indicated that they were ‘dissatisfied’ with the length of time between submitting their grant application and being provided a Letter of Offer, whilst one respondent (7% - N=15) stated that they were ‘very dissatisfied’ with the level of financial support that was made available.

*“In terms of the length of time it took to receive the grant, it took roughly 3 months, which I personally felt was too long of a wait”.*

*“I was very satisfied with the grant application and the support provided, however I feel as though the length of time between submitting my grant application and receiving the grant was a much longer process than I thought it would have been”.*

*“I felt the £7,000 that we received just was not enough.”*

*“I was very pleased with the entire grant application stage. Also, receiving the grant allowed us to purchase a van and update equipment within our organisation, resulting in us being more efficient.”*

*“The grant was really beneficial in helping us get started quicker.”*

*“The grant helped a lot and the process was fairly easy.”*

**Start-up Grant recipients**

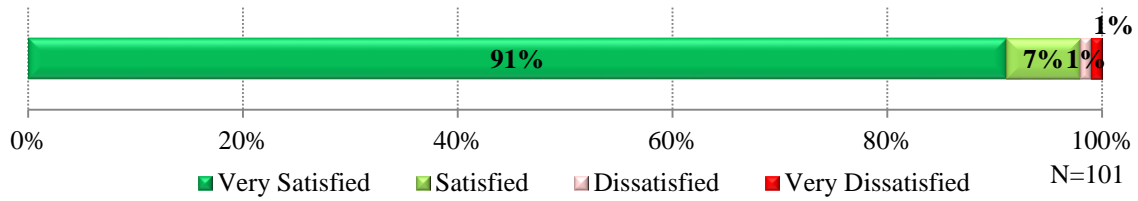
#### 4.7 Overall Satisfaction with the Support

At an overall level, there were reported to be high levels of satisfaction amongst those participants that received a minimum of Core Capability Support<sup>51</sup>. Encouragingly, nearly all of the respondents (98% - N=101) indicated that they were ‘very satisfied’ or ‘satisfied’ with the overall support provided through the SEP.

<sup>50</sup> Feedback provided by respondents that received a start-up grant (N=15).

<sup>51</sup> Which is made up of: Core Capability Support *only* (N=53); Lead In Capability and Core Capability Support (N=33); Core Capability Support and start-up grant (N=13); and Lead In Capability, Core Capability Support and start-up grant (N=2).

**Figure 4.7: Satisfaction with overall support provided through SEP<sup>52</sup>**



*“Overall I was very satisfied with the advice and support provided. I felt my advisor was very understanding and I know that I would not have been able to receive better support elsewhere.”*

*“The support helped me focus my business ideas and helped me developed. I could not fault the Programme.”*

*“The programme is fantastic. It really pushed us to start the business.”*

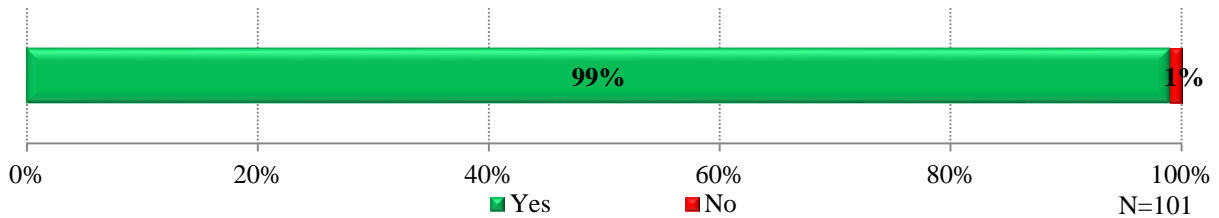
*“The support was very helpful and useful. The advisors involved were always friendly and understanding.”*

*“An outside set of eyes was able to identify the opportunities that we could not see. I was really impressed with the knowledge and help provided from the advisors.”*

**SEP support recipients**

Almost all (99% - N=101) of the respondents stated that they would be willing to recommend the SEP support to other organisations/ groups who were seeking to establish a social enterprise.

**Figure 4.8: Willingness to recommend the SEP<sup>53</sup>**



*“It is the only free support that I know of that is available for social enterprises. It shows you how to make money and helps you create a great business plan.”*

*“It is a very worthwhile programme to get involved with, it made us think about where the business could go and the business plan was very professional.”*

*“It is a package created for the individual and it provides everything you need to know and where to go for more help and support.”*

*“I was very impressed. The staff were brilliant and I was able to put their knowledge into the context of my business.”*

*“The advisors were very supportive and the quality of help and materials we received were excellent.”*

*“The advisors know so much and provided us with knowledge that we did not have.”*

*“It was a very positive experience that I learnt a lot from.”*

*“The input for us was brilliant and it allowed us to know where we wanted to be and have the knowledge on how to get there.”*

<sup>52</sup> Feedback provided by businesses that received Core Capability Support (N=101).

<sup>53</sup> Feedback provided by businesses that received Core Capability Support (N=101).

*"It enabled us to grow and research our complex idea. The business plan support and the knowledge of the Advisors were exceptional."*

*"It fast tracked our idea and helped make it a reality. The advisors were always there when you needed them."*

*"It was a great help and enabled us to move forward. The advisors were so knowledgeable and I would not change anything about the support I received."*

*"The programme worked well. There was good communication and everyone was very professional."*

*"The advisors offered great support and keep us on the right path. The advice was tailored to my needs brilliantly."*

**SEP Support recipients**

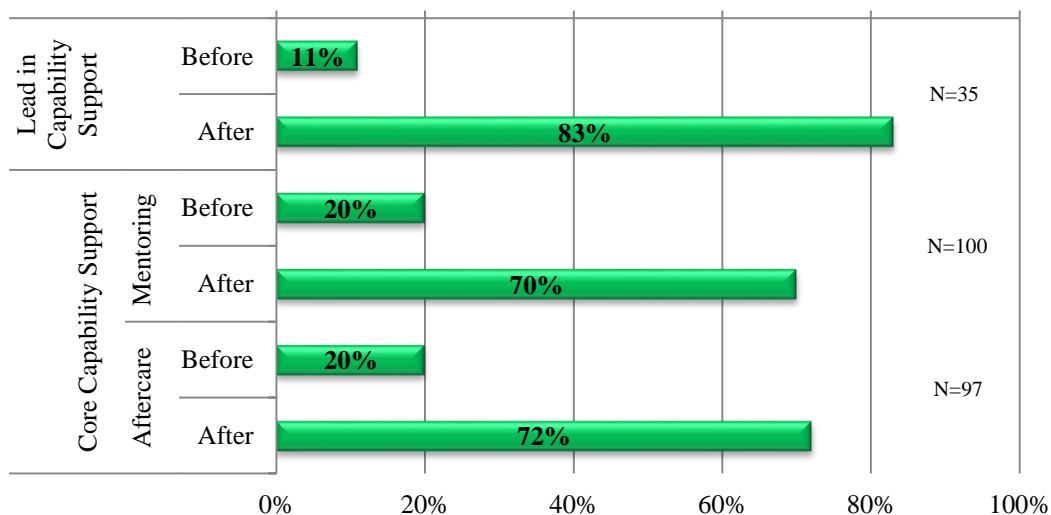
#### 4.8 Willingness to pay for support

Groups/ organisations were not required to contribute towards the costs of the support and advice that was delivered as part of the SEP. As part of the primary research survey, participants were asked if they:

- Would have been willing to contribute to the costs at the outset i.e. prior to receiving SEP support and therefore prior to having an appreciation of any value that was ultimately derived through the Programme; and
- Would they now be willing to contribute towards the costs of any further SEP support i.e. now that they have potentially developed some appreciation of the value provided by the Programme.

The following figures and tables provide a summary of the key findings in relation to willingness to pay, with further information provided thereafter.

**Figure 4.9: Willingness to pay prior to, and following, the receipt of SEP support<sup>5455</sup>**



**Table 4.5: Potential participant contribution to SEP support<sup>56</sup>**

<sup>54</sup> Responses to the Lead In Capability Support: 54 respondents received Lead In Capability Support *only* and were not asked to express a view on their willingness to pay. The remaining 35 (of the 89 that received Lead In Capability Support) responded to this question.

<sup>55</sup> Responses to the Core Capability Support: The findings are based upon a maximum of N=101. One respondent was unwilling to provide an answer as to whether or not they would be willing to pay for the one-to-one mentoring support. Only 97 respondents received one-to-one aftercare support and were therefore able to provide an answer as to whether or not they would be willing to pay for this support.

<sup>56</sup> Respondent numbers (N) are reflective of the number of groups/organisations that were able to indicate the amount that they were willing to contribute towards the cost of the various the support that they received through the SEP.

SEP Strand	Before receiving support					After receiving support				
	N.	Mean	Median	Range		N.	Mean	Median	Range	
				Low	High				Low	High
Lead In Capability Support	3	£100	£100	£100	£100	12	£149	£100	£40	£350
Core Capability – one-to-one mentoring	13	£120	£100	£20	£300	46	£146	£100	£20	£500
Core Capability – one-to-one aftercare	12	£126	£100	£20	£300	46	£129	£100	£20	£500

Figure 4.10: Willingness to pay for Core Capability one-to-one mentoring

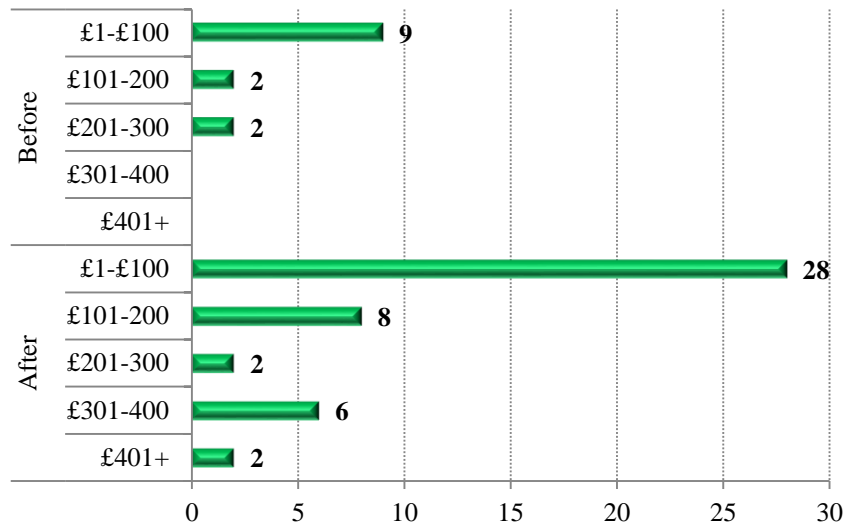
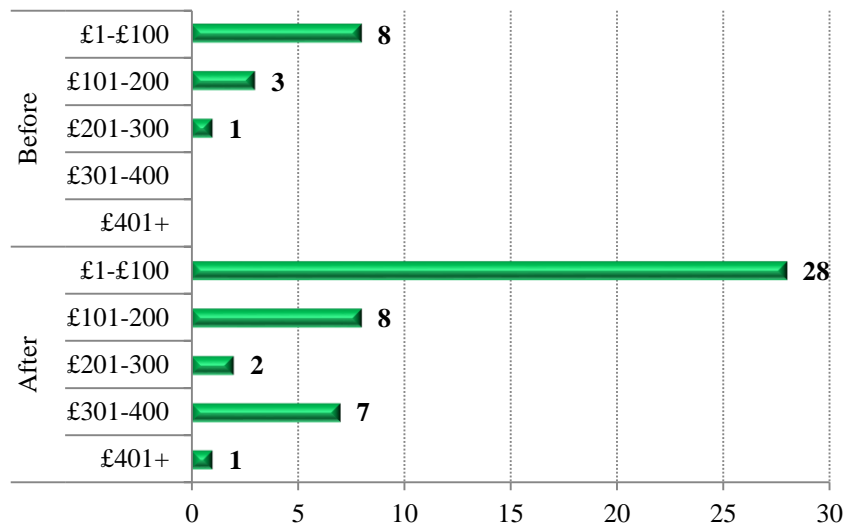


Figure 4.11: Willingness to pay for Core Capability one-to-one aftercare



Salient points to note:

- A small proportion (11% - N=35) of respondents indicated that, prior to receiving support, they would have been prepared to contribute towards the costs of the Lead In Capability support. One fifth (20% - N=100) of respondents indicated that, prior to receiving support, they would have been prepared to contribute towards the costs of the Core one-to-one mentoring, whilst a similar proportion (20% - N=97) indicated the same to be true of the one-to-one aftercare.

For the majority of respondents that stated that they would not have been prepared to pay prior to contribute towards the costs prior to receiving the various strands of support, it was indicated that this was largely due to the lack of finance available within their groups/ organisation.

- Following receipt of the support, significantly higher proportions of respondents indicated that, if they required similar support in the future, they would be prepared to contribute towards the costs of the various strands of support as follows:
  - Lead In Capability support (83% - N=35);
  - One-to-one mentoring (70% - N=100); and
  - One-to-one aftercare (72% - N=97).
- Of those respondents that stated that they would not be prepared to contribute having now received the support, they expressed the view that this type of support should be provided free of charge.

In considering the preceding findings, it is the Evaluation Team's view that the merits and demerits of introducing charging for similar types of support should be factored into any decision making processes relating to any future intervention of this nature. The findings from the Evaluation Team's benchmarking exercise of similar interventions (as per Section 7) should assist in informing this decision making process.

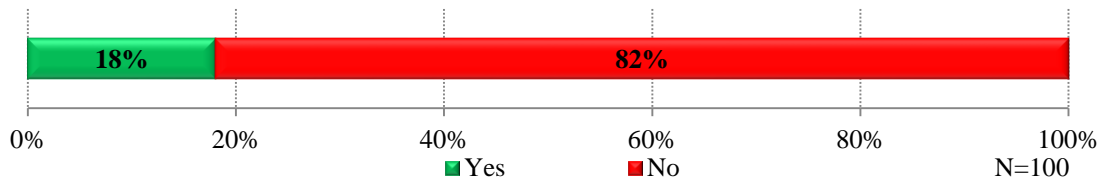
However, the Evaluation Team would also urge caution in interpreting the above findings, on the basis of the small sample sizes and the fact that those responding to the question posed have potentially developed some appreciation of the value provided by the Programme and may be overly positive towards how much they would be willing to pay. Given this, the Evaluation Team would urge caution in placing reliance on the contribution levels identified.

#### 4.9 Areas of support not provided through the SEP

As part of the survey, participants were asked if there were any areas of support that were not provided through the SEP that they felt may have benefitted or assisted their organisation. Less than one fifth (18% - N =100) of respondents indicated that the SEP could have provided advice and support in one or more areas not currently covered including:

- Information on employment laws i.e. holiday pay, overtime etc.;
- International issues e.g. money exchange, legal systems, insurance etc.;
- Business requirements e.g. VAT; and
- Marketing support i.e. via a website.

Figure 4.10: Areas of support not provided through the SEP, which may have been beneficial<sup>57</sup>



#### 4.10 Recommendations for Improvement

Just a small number of respondents made recommendations with a view to improving the SEP. These recommendations included:

- Improving the marketing and promotion of the Programme (5% - N=101);
- Provision of additional aftercare type support, perhaps during years two or three of trading (18% - N=101); and
- Reintroduction of some form of financial assistance e.g. start-up grant (10% - N=101).

In terms of the recommendation to potentially reintroduce some form of financial assistance, the Evaluation Team notes that, as per Section 3.3.1, in the absence of the start-up grant, representatives from the five LEAs indicated that, where appropriate, they successfully assisted social enterprises to identify alternative funding sources (e.g. Lloyds grant, Rural Development Programme, the Big Lottery: Awards for All etc.). Furthermore, the findings from the benchmarking exercise (as per Section 7) indicate that no grant provision is currently available to those start-up social enterprises in Scotland or Wales.

*“There needs to be more promotion. A recommendation would be to ensure market research was thorough to create a realistic robust business plan and it would be good to hear from previous social enterprises that have gone through the SEP and became very successful.”*

*“There needs to be an overview of the types of support available in writing available at the start. A lot of initial information was verbal so it was impossible to take it all in.”*

*“There needs to be more time in between each session so you can plan ahead and not feel rushed.”*

*“Perhaps offer some additional follow up, to see where we are now and provide share learning between social enterprises.”*

*“It would be useful to have more support in the future, not just within year one.”*

*“Offer more aftercare over a longer period of time.”*

*“Perhaps provide follow up a year or 2 down the line.”*

*“They need to look into giving grants to social enterprises. I was actually promised a grant but that was never given.”*

*“It needs to be promoted more online and via email. It is sometimes hard to find the time to actually go looking for support.”*

**SEP Support recipients**

<sup>57</sup> Based upon feedback provided by participants that received Core Capability Support (N=101). Please note, one respondent was unable to provide an answer in relation to what other areas of support may have benefitted or assisted their organisation.

#### 4.11 Summary Conclusions

The preceding analysis suggests:

- Groups/ organisations were, on the whole, highly satisfied with the support provided through the SEP. Specifically, the feedback from participants in receipt of SEP support during the period under review suggests that (amongst other things):
  - The content, structure and duration of support was, on the whole, appropriate to meet the needs of participants; and
  - The SEP Advisors had an understanding of participant's needs, they were technically proficient and they had knowledge of other types of support that the organisations could avail of.
- Reflecting the quality of the support received and subsequent impact that it made on recipients of support, almost all of the organisations would be willing to recommend the SEP support to other organisations/ groups and nearly three quarters would be willing to pay for the support if they required similar support and advice in the future.
- Specifically, having now availed of the support, the following proportions of respondents indicated that, if they required similar support in the future, they would be prepared to contribute towards the costs of the various strands of support:
  - Lead In Capability support (83% - N=35);
  - One-to-one mentoring (70% - N=100); and
  - One-to-one aftercare (72% - N=97).
- In considering the preceding findings, it is the Evaluation Team's view that the merits and demerits of introducing charging for similar types of support should be factored into any decision making processes relating to any future intervention of this nature. The findings from the Evaluation Team's benchmarking exercise of similar interventions (as per Section 7) should assist in informing this decision making process. However, the Evaluation Team would also urge caution in interpreting the previous findings, on the basis of the small sample sizes and of the fact that those responding to the question posed have potentially developed some appreciation of the value provided by the Programme and may be overly positive towards how much they would be willing to pay. Given this, the Evaluation Team would urge caution in placing reliance on the contribution levels identified.



## 5. IMPACT OF THE SEP

### 5.1 Introduction

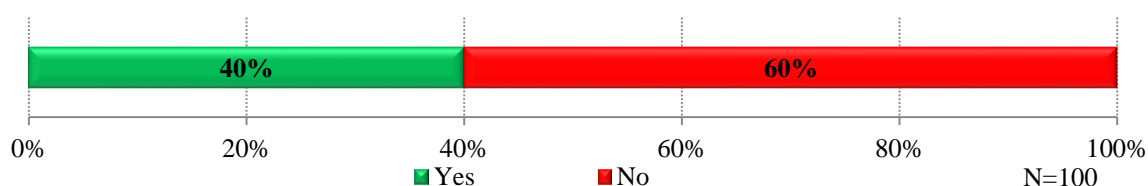
Section 5 considers the impact that the receipt of SEP support had on participant groups/ organisations<sup>58</sup>.

### 5.2 Difficulties faced establishing a Social Enterprise

Prior to their involvement in the SEP, two fifths (40% - N=100) of respondents indicated that they experienced difficulties establishing their social enterprise, with the following primary difficulties being cited:

- A lack of knowledge on the social enterprise sector (20% - N=40);
- A lack of expertise on how to develop a business plan (13% - N=40);
- A lack of knowledge on potential funding opportunities (8% - N=40); and
- A lack of motivation and confidence (8% - N=40).

**Figure 5.1: Difficulties faced establishing social enterprise, prior to SEP<sup>59</sup>**



*“Prior to receiving the support through the SEP, I had no knowledge of the different kinds of funding that I would be eligible for.”*

*“I had difficulty with creating a robust business plan before getting support from the SEP. I knew some aspects that needed to be included but the support helped me to make it more robust.”*

*“I had no knowledge on the social enterprise sector before I went on the SEP. The Advisor provided a lot of information and market research.”*

**SEP support recipients**

It is notable that three fifths (60% - N=100) of respondents indicated that they did not experience difficulties establishing their social enterprise prior to their involvement in the SEP. It is the Evaluation Team’s view this finding could potentially suggest that there was a need for greater targeting of support towards those groups/ organisation that faced difficulties establishing a social enterprise.

### 5.3 Other Support received prior to, and following the receipt of the SEP Support

At the time that, or just before, receiving support through the SEP, over a quarter (28% - N=100<sup>60</sup>) of respondents indicated that they had received support from other sources to help start their social enterprise.

<sup>58</sup> Please note, the number of questions that respondents will have provided feedback on will have varied depending on the nature of the support that it received. As such, the number of respondents (N) will differ between questions.

<sup>59</sup> Feedback provided by participants that received Core Capability Support (N=101). Please note one respondent was unable to comment on whether or not they faced difficulties establishing a social enterprise.

<sup>60</sup> Please note one respondent was unwilling to provide an answer to this question.

**Table 5.1: Other support received at the time, or just before support was provided through SEP<sup>61</sup>**

Support	% of respondents
Other	36%
Lloyds TSB Foundation for Northern Ireland	21%
Social enterprise hubs	11%
Ulster Community Investment Trust (UCIT)	7%
Local Council	7%
Big Lottery fund	7%
DSD	7%
Support provided by NICVA	4%
<b>Total</b>	<b>100%</b>
<b>N=</b>	<b>28</b>

Of note, over one fifth (21% - N=28) of respondents indicated that they received support from Lloyds TSB Foundation for Northern Ireland, whilst over one third (36% - N=28) indicated that they received support from ‘other’ sources such as the following<sup>62</sup>:

- Arts Council Sustainability Programme (10% - N=10);
- Funding through the Northern Ireland Government departments e.g. DEL, Department of the Environment (DoE) etc. (20% - N=10);
- The Ireland fund (which is a philanthropic network that supports programmes of peace and reconciliation, arts and culture, education and community development throughout the island of Ireland) (10% - N=10); and
- Atlantic Philanthropies (10% - N=10).

In considering the above, it is also notable that at the time that, or just before, receiving support through the SEP, nearly three quarters (72% - N=100<sup>63</sup>) of respondents indicated that they had not received support from other sources to help start their social enterprise.

Since receiving the support and advice through the SEP, two thirds (66% - N=96<sup>64</sup>) of respondents indicated that they had not received support from other sources to help start their social enterprise. Conversely, over one third (34% - N=96<sup>65</sup>) of respondents indicated that they received further support, both financial and non-financial, from other sources. The majority (94% - N=33) of respondents suggested that they received financial assistance from ‘other’ sources such as the following<sup>66</sup>:

- InterTradeIreland (3% - N=31);
- Funding through the Northern Ireland Government departments e.g. DEL etc. (9% - N=31);
- Rural Development Programme (6% - N=31);
- Heritage Lottery (15% - N=31);
- Tourism Ireland (3% - N=31);
- Loughs Agency (6% - N=31);
- Sport Northern Ireland (6% - N=31); and
- Santander (9% - N=31).

<sup>61</sup> Feedback provided by businesses that received other support (N=28).

<sup>62</sup> Please note, whilst ten respondents indicated that they received support from ‘other’ sources, five respondents (50% - N=10) did not provide details of what that other support was.

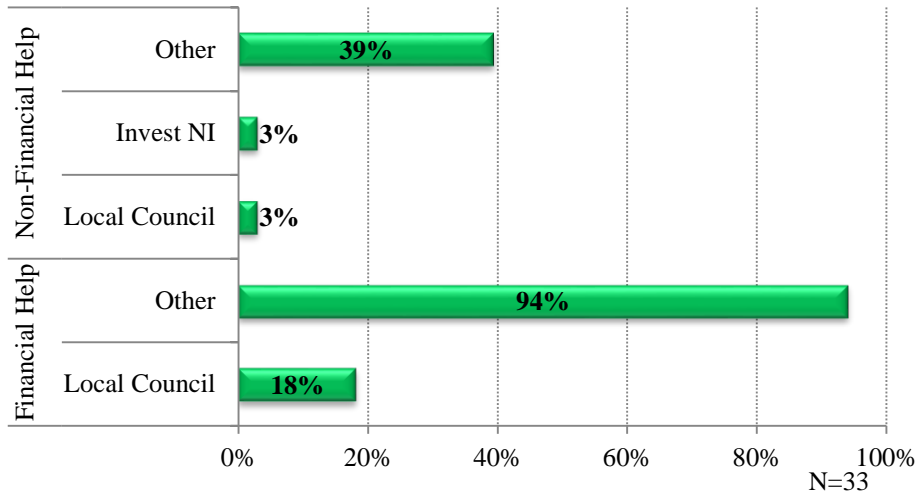
<sup>63</sup> Please note one respondent was unwilling to provide an answer to this question.

<sup>64</sup> Please note five respondents could not provide an answer as to whether or not they received support after the SEP.

<sup>65</sup> Please note five respondents could not provide an answer as to whether or not they received support after the SEP.

<sup>66</sup> Please note, whilst 33 respondents indicated that they received support from ‘other’ sources, 14 respondents (42% - N=33) did not provide details of what that other support was.

**Figure 5.2: Other types of support Social Enterprises received (since receiving the support and advice through the SEP)<sup>67</sup>**



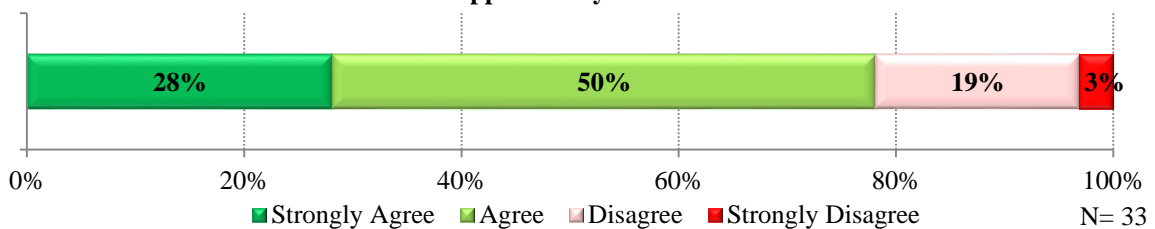
Of those respondents that received further financial support (N=33), from either their local council or via one of the ‘other’ sources previously identified, two thirds (72% - N=33) were able to quantify the amount of financial support they received. This is presented in the following table:

**Table 5.2: Other Financial Support Received (since receiving the support and advice through the SEP)<sup>68</sup>**

	Mean	Median	Range	
			Low	High
Other	£64,561	£10,000	£1,000	£450,000
Local Council	£2,734	£1,000	£270	£9,000
<b>N=24</b>				

Almost four fifths (78% - N=33) of respondents who received further support either ‘strongly agreed’ or ‘agreed’ that the SEP played a significant role in assisting their group/ organisation to avail of, or leverage, the other support they received.

**Figure 5.3: To what extent did the SEP support help assist your organisation to avail of, or leverage, the other support that you received<sup>69</sup>**



*“This programme helped us to become a social enterprise which is what leveraged the support.”*

*“The business plan was a major factor for helping secure a grant from another source.”*

*“The overall support we were provided with was good but the additional funding was found by ourselves.”*

**SEP support recipients**

<sup>67</sup> Feedback provided by businesses that received other types of support since receiving support through the SEP (N=33)

<sup>68</sup> Out of the 33 respondents that received ‘other’ financial support, only 24 were able to quantify the amount of funding received.

<sup>69</sup> Feedback provided by businesses that received other types of support (N=33). However it should be noted that 1 social enterprise was unable to comment if the SEP assisted them to avail of other types of support.

## 5.4 Activity Deadweight/ Additionality

### 5.4.1 Discussion

The net impact of the SEP (i.e. its additionality) relating to groups’/ organisations’ decision to establish their social enterprise, or where relevant, to create their social enterprise to a similar scale and/ or within a similar timescale, can only be measured after making allowances for what would have happened in the absence of the support from the SEP. That is, the support must allow for deadweight. ‘Deadweight’ refers to activity that would have occurred without the intervention i.e. the support provided through the SEP.

Appendix VII provides a detailed overview of the Evaluation Team’s deadweight/ additionality calculations. However, in summary, the levels of activity deadweight have been calculated using a ‘participant self-assessment’ methodology. The methodology utilises a series of questions<sup>70</sup> within the participant survey and assigns weightings (agreed with DETI’s Economist Team) to the individual responses.

The questions sought to ascertain respondents’ views on the impact that the receipt of support provided through the SEP had, in the context of the other support that they received (e.g. Lloyds TSB Foundation for Northern Ireland, the Social Enterprise Hubs etc.), on their decision to start the social enterprise. Options included:

- Whether they would have started the social enterprise at all;
- Whether they would have started the social enterprise, but at a smaller scale (e.g. perhaps on a part-time basis);
- Whether they would have started the social enterprise, but at a later date;
- Whether they would have started the social enterprise, but at a smaller scale and at a later date; and
- Whether that would have started the social enterprise in the same manner and timescale regardless of the SEP.

Depending on the response provided, a level of additionality/ deadweight was applied. For example, a respondent who indicated that they definitely would not have started the social enterprise in the absence of the support provided through the SEP would have been assigned a level of 100% additionality (i.e. full additionality). Conversely, a respondent who indicated that they definitely would have started the social enterprise in the same manner and timescale regardless of the support provided through the SEP would have been assigned a level of 100% deadweight (i.e. no additionality). Other responses were given a weighting somewhere between these two extremes (i.e. a level of partial additionality).

The outcome of the analysis, across each of the three sub-regions, is provided below:

<b>Table 5.3: SEP Activity Additionality/ deadweight</b>		
<b>Region</b>	<b>Deadweight</b>	<b>Additionality</b>
Eastern (N=48)	56.9%	43.1%
Southern and Western (N=28)	58.9%	41.1%
North East and North (N=24)	45.1%	54.9%
<b>Overall (N=100)<sup>71</sup></b>	<b>54.6%</b>	<b>45.4%</b>

<sup>70</sup> In line with DETI guidance, these questions focused on identifying the likelihood that the group/ organisation would have created their social enterprise, what scale of social enterprise would have been started in the absence of support (if relevant) and how much later would the social enterprise have been created (if relevant).

<sup>71</sup> Feedback provided by participants that received Core Capability Support (N=101). Please note, one respondent was unable to comment on this question.

The Evaluation Team notes the following in relation to the level of programme additionality/ deadweight:

- The level of overall deadweight (54.6%) is lower (by 25.4 percentage points) than the level of deadweight calculated within the start-up strand of the Enterprise Development Programme (EDP) (where the level of deadweight was calculated at 80%<sup>72</sup>). The Evaluation Team considers that the differential is likely to reflect the fact that the support provided through the SEP was targeted at attracting those groups/ organisations who would be typically less likely to have started a social enterprise anyway i.e. involving those individuals that are more distant from the labour market, those in more disadvantaged areas etc.
- High levels of deadweight have long been associated with local enterprise start-up supports. Therefore, an overall Programme deadweight level of 54.6% should not, in the Evaluation Team's view, be considered surprising. That is, a group's/ organisation's ultimate decision to start a social enterprise is likely to be based upon many factors. The Evaluation Team considers that anticipating a high level of additionality to be associated with an intervention such as the SEP would perhaps be an unrealistic position to take. Other factors and supports that are likely to have influenced the levels of deadweight found by the Evaluation Team include:
  - Different groups/ organisations may have different motivations to enter into entrepreneurial activity, particularly in terms of establishing a social enterprise. For example, in some cases, the motivation to start a social enterprise may be based on necessity i.e. there are no better alternatives for work (necessity entrepreneurship). Others may be motivated to start a social enterprise by opportunity, or the potential to address a particular social issue or an identifiable need in the local area (opportunity entrepreneurship). Most early-stage groups/ organisations can be classified into either of these two groups. In either situation, the support provided through the SEP is unlikely, in the Evaluation Team's view, to be the overriding consideration of a groups/ organisations. For example, if a group/ organisation identifies a specific social issue or opportunity, their primary motivation is likely to be the scale and longevity of that opportunity and how best to address it. The support provided through the SEP may well act as a 'tipping point' in the decision making process or move things forward or increase the scale of activity at the start-up stage, but in the Evaluation Team's view, it is always likely to be secondary to the group's/ organisation's perceptions of the scale and longevity of the opportunity.
  - It was anticipated that some of those groups/ organisations that participated on the SEP would be receipt of support, in advance of participating on the Programme, through initiatives/ interventions such as:
    - Lloyds TSB Foundation for Northern Ireland; and/ or
    - Social Enterprise Hubs.

Therefore, for the level of additionality relating to the start-up decision to have been substantially higher for the SEP, it would mean that these supports would have had to have a barely consequential impact on the group's/ organisation's decision to start a social enterprise. The Evaluation Team is of the view that such a situation is unlikely. For example, groups/ organisations may have received advice or guidance through the Social Enterprise Hubs prior to participating on the SEP and such support is likely to have had some bearing on a group's/ organisation's decision as to whether to establish their social enterprise.

- Even allowing for the presence of several other support offerings, the Evaluation Team also notes that there are intrinsic difficulties associated with measuring deadweight/ additionality

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<sup>72</sup> Source: Enterprise Development Programmes - Research into the Emerging Impacts of the Start-up Strand (October 2010). This research notes that the calculated levels of deadweight for the start-up strand of the Enterprise Development Programme were consistent with the Start a Business Programme and other enterprise development/ business start-up programmes in Great Britain.

using a technique based upon recipients’ responses. This is commonly referred to as ‘respondents effect’, that is, the fact that respondents (social enterprise) may purposely exaggerate (in either an upwards or downwards direction) the impact of assistance from an external influence, such as a development agency. For example, recipients may be likely to play down the impact of assistance, attributing success to themselves and their own personal characteristics (such as own motivation; education; business idea etc.). This ‘decaying’ by the participant of the benefit attributable to a Programme may increase over time. However, on the other hand, respondents may exaggerate the impact of assistance for fear that they may reduce their chances of receiving repeat assistance (if they were not deemed by the development agency as really meriting assistance the first time round) or due to loyalty to the Programme Provider.

#### 5.4.2 Application

The application of the calculated levels of Programme activity additionality (i.e. 45.4%) to the total number of social enterprises that had commenced trading (N=154), suggests that the support provided through the SEP may potentially have directly created 70 social enterprises respectively.

<b>Table 5.4: Net additional social enterprises created</b>	
No. of social enterprises that had commenced trading	154
Level of Programme additionality	45.4%
<b>Net additional social enterprises created</b>	<b>70</b>

#### 5.5 Nature and Extent of Market Failure

This section examines the factors that would have prevented groups/ organisations from establishing their social enterprise or starting it in the same manner (i.e. at the same scale or in the same timescale) independent of the support provided through the SEP. In doing so, the analysis utilises a methodology agreed in conjunction with DETI and Invest NI to quantify the nature and extent of market failure<sup>73</sup>.

Based on the feedback, the factors that would have prevented groups/ organisations from establishing their social enterprise or starting it in the same manner included:

<b>Table 5.5: Factors preventing groups/ organisations from starting a social enterprise</b>	
<b>Need for support</b>	<b>% of respondents</b>
Without knowing more about the potential benefits, you would not have explored the potential of creating a social enterprise	51%
You lacked the knowledge that would be required to explore the potential of creating your social enterprise	72%
You were not aware of the external expertise that could offer the support required to address your needs	67%
You would have been unwilling to pay the money that it would require to have engaged the external expertise (i.e. mentors) to provide the support that you would have required	56%
You could not afford to employ the external expertise to provide the support without financial support	83%
<b>N=</b>	<b>100<sup>74</sup></b>

<sup>73</sup> Given the fact that the analysis seeks to examine the factors that would have prevented groups/ organisations from starting the social enterprise or starting it in the same manner (i.e. at the same scale or in the same timescale) independent of the support provided through the SEP, the analysis is intrinsically linked to the activity additionality/deadweight analysis detailed in subsection 5.4.

<sup>74</sup> Responses will not sum to 100% on the basis that respondents were able to select more than one response. Based upon feedback provided by groups/ organisations that received Core Capability Support at a maximum (N=101). Please note, one respondent was unable to provide a response to this question.

Based on these findings, the Evaluation Team was able to undertake an analysis of the degree to which market failure played a role in groups’/ organisations’ decision to start a social enterprise. This analysis involved categorising a group’s/ organisation’s motives for participation based on:

- **No Market failure** - The respondent felt that establishing the social enterprise ‘definitely would have happened anyway’ or stated that they would not have undertaken the activities because they:

- Would have been unwilling to pay the money that it would require to have engaged the external expertise (i.e. mentors) to provide the support that you would have required; and/ or
- Would not afford to employ the external expertise to provide the support without financial support.

- **Partial Market failure** - The group’s/ organisation’s decision to establish the social enterprise was due to both non-market failure and market failure factors. That is to say, they would not have established the social enterprise or would not have established it in the same manner (i.e. to the same scale and/or within the same timescales), because they:

- Would have been unwilling to pay the money that it would require to have engaged the external expertise (i.e. mentors) to provide the support that you would have required; and/ or
- Would not afford to employ the external expertise to provide the support without financial support; **and**
- Without knowing more about the potential benefits, they would not have explored the potential of creating a social enterprise; and/ or
- Lacked the knowledge that would be required to explore the potential of creating their social enterprise; and/ or
- Were not aware of the external expertise that could offer the support required to address their needs.

- **Full Market Failure** - The group’s/ organisation’s decision to establish the social enterprise was solely due to market failure factors (asymmetric information) i.e.:

- Without knowing more about the potential benefits, they would not have explored the potential of creating a social enterprise; and/ or
- Lacked the knowledge that would be required to explore the potential of creating their social enterprise; and/ or
- Were not aware of the external expertise that could offer the support required to address their needs.

The results of this analysis are presented in the table below:

<b>Table 5.6: Impact of market failure – at a Programme level</b>	
	<b>No. of groups/ organisations</b>
No Market Failure	33%
Partial Market Failure	57%
Full Market Failure	10%
<b>Total (N=100)<sup>75</sup></b>	<b>100%</b>

In summary, the analysis indicates that over two thirds of the groups/ organisations (67% - N=100) would not have established their social enterprise (or would have started at a different scale and/or timescale) due to full (10%) or partial market failure factors (57%).

<sup>75</sup> Based upon feedback provided by groups/ organisations that received Core Capability Support at a maximum (N=101). Please note, one respondent was unable to provide a response to this question.

Given the sub-regional delivery of the SEP, the following table sets out the findings of this analysis across the three sub-regions:

<b>Table 5.7: Impact of market failure – across the three sub-regions</b>			
	<b>No. of groups/ organisations</b>		
	<b>Eastern region (N=48)</b>	<b>Southern and Western region (N=28)</b>	<b>North East and North West region (N=24)</b>
No Market Failure	44%	7%	42%
Partial Market Failure	44%	86%	50%
Full Market Failure	12%	7%	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Interestingly, in the Southern and Western region, nearly all (93% - N=28) of groups/ organisations would not have established their social enterprise (or would have started at a different scale and/ or timescale) due to full or partial market failure factors. Conversely, in the Eastern and the North East and North West regions, circa two fifths (44% - N=48 and 42% - N=24 respectively) of groups/ organisations reported no market failure i.e. they definitely would have established their social enterprise or that they would not have undertaken the activities because they:

- Would have been unwilling to pay the money that it would require to have engaged the external expertise (i.e. mentors) to provide the support that they would have required.
- Would not afford to employ the external expertise to provide the support without financial support.

## 5.6 Achievement of Impacts

### 5.6.1 Calculations of gross actual impacts of trading Social Enterprises

#### Actual Sales

Of the 101 social enterprises that commenced trading within the survey sample, nearly four fifths (78% - N=101) reported sales to date, with over four fifths (82% - N=79) of those able and willing to provide details of the sales that they have achieved within different markets.

<b>Table 5.8: Number of social enterprises achieving increased sales – survey sample</b>					
	<b>Sample size</b>	<b>NI Sales</b>	<b>GB Sales</b>	<b>Export Sales</b>	<b>Total<sup>76</sup></b>
No. deriving impact	101	78	8	21	79
No. able and willing to quantify impact	101	65	7	16	65
% able and willing to quantify	101	83%	88%	76%	82%

Based upon the feedback from social enterprises that reported that they had achieved turnover/ sales to date, the Evaluation Team's analysis suggests that, excluding outliers<sup>77</sup>, circa £5,833,878 (or 93%) of the sales impacts were achieved in the Northern Ireland markets, circa £111,641 (or 2%) were achieved in GB markets and circa £313,025 (or 5%) were achieved in export markets (as presented in the table overleaf).

<sup>76</sup> On the basis that a social enterprise may have derived sales in more than one region, the total number of social enterprise cannot be calculated by summing the number of social enterprise that achieved the increase in revenue in each region.

<sup>77</sup> Please note, there are three outliers evident in the data i.e. **NI markets** - one business reported that it achieved £1.5m in turnover/ sales to date and one reported that it achieved £869,250 in turnover/ sales to date. **Export markets** - one business reported that it achieved £664,200 in turnover/ sales to date.



In addition, the analysis of monitoring information provided by Invest NI, along with feedback from the sample of social enterprises that commenced trading, suggests that these social enterprises have been trading for, on average, 15.8 months.

<b>Table 5.9: Calculation of gross turnover/ sales<sup>78</sup></b>					
<b>Sample / Population</b>	<b>Operating period</b>	<b>NI Sales</b>	<b>GB Sales</b>	<b>Export Sales</b>	<b>Total Sales for Period</b>
<b>Survey Sample of Social Enterprises that commenced trading (N=101)</b>					
Total Sample – Excluding outliers	15.8 months	£5,833,878	£111,641	£313,025	£6,258,545
Total Sample – Including outliers	15.8 months	£8,252,929	£111,641	£977,159	£9,341,729
<b>Total Population of Social Enterprises that commenced trading (N=154)</b>					
Total population – Excluding outliers	15.8 months	£10,836,989	£191,786	£647,290	£11,676,065
Total population – Including outliers	15.8 months	£13,256,039	£191,786	£1,311,490	£14,759,315
<b>GVA (@30.0%<sup>79</sup>) – Including outliers</b>	<b>15.8 months</b>	<b>£3,976,812</b>	<b>£57,536</b>	<b>£393,447</b>	<b>£4,427,795</b>

The application of grossing up analysis to the total number of social enterprises that have commenced trading through the SEP (N=154) suggests that these social enterprises have derived circa £11.7m in sales to date excluding outliers and circa £15m including outliers. **The application of the Northern Ireland average sectoral level of GVA (i.e. 30.0%) suggests that these aforementioned social enterprises have potentially contributed £4.4m of gross GVA.**

### **Actual Employment**

Of the 101 social enterprises that commenced trading within the survey sample, over two thirds (71% - N=101) reported the creation of employment to date, with all (100% - N=72) of those able and willing to provide details of the employment created.

<b>Table 5.10: Creation of Employment</b>	
<b>Sample (N=101)</b>	
Survey sample of social enterprises that commenced trading	101
No. of social enterprises reporting the creation of employment	72 (71.3%)
No. of social enterprises willing and able to quantify the employment created	72
Total employment created	273
Total employment created (excluding outliers N=6)	170 <sup>80</sup>
Total number of full time jobs created	115 (42%)
Total number of part time jobs created	158 (58%)
Total jobs with salaries above the private sector median (PSM) <sup>81</sup>	48 (18%)
Total number of jobs created for individuals living in disadvantaged areas	114 (41.75%)
Mean number of jobs created (excluding outliers)	2.6 <sup>82</sup>
Median number of jobs created (excluding outliers)	2

<sup>78</sup> Please note, full details of the Evaluation Team’s grossing up analysis is included in Appendix VIII.

<sup>79</sup> Source: Northern Ireland Annual Business Inquiry 2014 (December 2015).

<sup>80</sup> It should be noted that there were six outliers present in the data. These outliers are, 9, 10,13,15,20 and 36 equating to 103.

<sup>81</sup> Circa £18,000 during the period under review.

<sup>82</sup> The mean number of jobs created (excluding outliers) is calculated by the total employment created (excluding outliers, N=170) divided by the number of social enterprises reporting the creation of employment (72) minus the number of outliers (6).

**Table 5.11: Creation of Employment**

<b>Population (N=154)</b>	
Total population of social enterprises that commenced trading	154
No. of social enterprises reporting the creation of employment	110 (71.3%)
No. of social enterprises reporting the creation of employment (excluding outliers N=6)	104
Total jobs (excluding outliers)	270
Total full time jobs (excluding outliers)	113 (42%)
Total part time jobs (excluding outliers)	157 (58%)
Total jobs (including outliers)	373
Total full time jobs (including outliers)	157 (42%)
Total part time jobs (including outliers)	216 (58%)
Total jobs with salaries above the PSM	67 (18%)
Total number of jobs created for individuals living in disadvantaged areas	156 <sup>83</sup>

The application of grossing up analysis to the total number of social enterprises that have commenced trading through the SEP (N=154) suggests that these social enterprises have generated 270 jobs (113 full time jobs and 157 part time jobs) excluding outliers and 373 jobs including outliers (157 full time jobs and 216 part time jobs).

This analysis also indicates that potentially 67 of those jobs (including outliers) have a salary in excess of the Northern Ireland PSM (of circa £18,000 during the period under review). Over two fifths (42% - N=373) of the jobs created (including outliers) were created for individuals living in disadvantaged areas.

### **Actual Volunteering Opportunities**

Of the 101 social enterprises that commenced trading within the survey sample, nearly one third (31% - N=101) reported the creation of volunteering opportunities to date, with all (100% - N=31) of those able and willing to provide details of the volunteering opportunities created.

**Table 5.12: Creation of Volunteering Opportunities**

<b>Sample (N=101)</b>	
Survey sample of social enterprises that commenced trading	101
No. of social enterprises reporting the creation of volunteering opportunities	31 (30.7%)
No. of social enterprises willing and able to quantify the volunteering opportunities	31
Total volunteering opportunities created	382
Total volunteering opportunities created (excluding outliers N=1)	342 <sup>84</sup>
Total number of full time volunteering opportunities created	12 (3%)
Total number of part time volunteering opportunities created	370 (97%)
Mean number of volunteer opportunities created (excluding outliers)	11 <sup>85</sup>
Median number of volunteer opportunities created (excluding outliers)	8
<b>Population (N=154)</b>	
Total population of social enterprises that commenced trading	154
No. of social enterprises reporting the creation of volunteering opportunities	47 (30.7%)
No. of social enterprises reporting the creation of volunteering opportunities (excluding outliers N=1)	46
Total volunteering opportunities (excluding outliers)	506
Total volunteering opportunities (including outliers)	546

Interestingly, the survey respondents indicated that one third (33% - N=382) of the volunteering opportunities that were created were for individuals that were unemployed, whilst over one fifth (21%

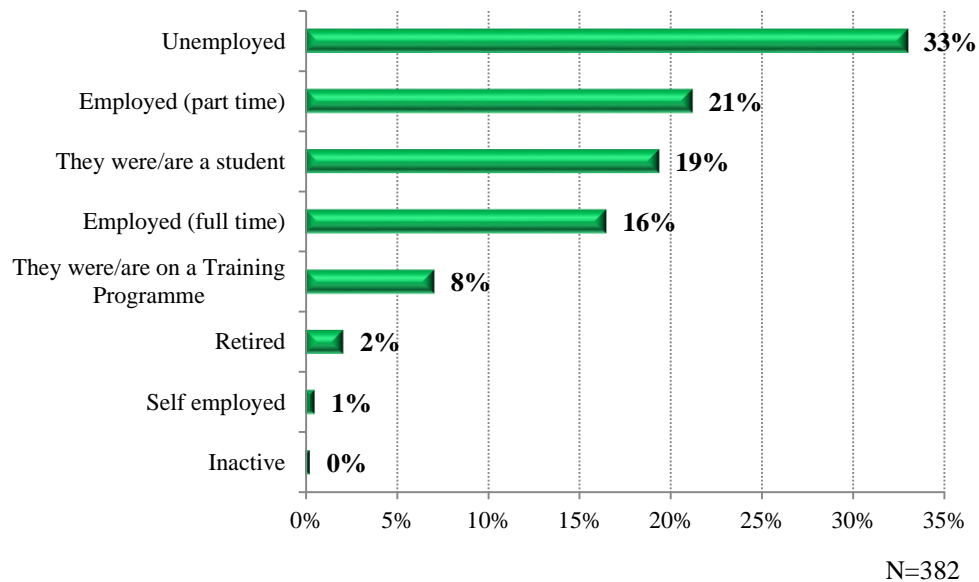
<sup>83</sup> i.e.  $373 \times 41.75\% = 156$ .

<sup>84</sup> It should be noted that there is one outlier present in the data. This outlier is 40.

<sup>85</sup> The mean number of volunteering opportunities (excluding outliers) is calculated by the total volunteering opportunities created (excluding outliers, N=342) divided by the number of social enterprises reporting the creation of volunteering opportunities (31) minus the number of outliers (1).

- N=382) were created for individuals that were employed but only on a part time basis. In the Evaluation Team’s view this is an important finding as it illustrates that the SEP has played a role in providing valuable experience for unemployed individuals, thereby potentially enhancing their skills and enabling them to enter (or re-enter) the labour market.

**Figure 5.4: Status of Volunteers**



### 5.6.2 Calculations of gross ‘anticipated’ sales of trading Social Enterprises

The Economic Appraisal set out the following five year outcome targets for the SEP (i.e. for a 2.5 programme period plus a 2.5 years benefits realisation period)<sup>86</sup>:

- 275 gross jobs and 89 net additional jobs;
- £14.5m of gross GVA and £3.8m in net additional GVA creation; and
- Return on investment of £3.18:£1.

For the purposes of estimating the potential ultimate impact of the SEP, and in order to determine the extent to which the above outcome targets could potentially be achieved, the Evaluation Team has utilised the actual reported sales data (as presented in Section 5.6.1 for the 2.5 year programme period) to project the anticipated impacts of the SEP for the forward 2.5 year period (thereby representing 5 years/ 60 months in total).

The Evaluation Team, in agreement with Invest NI, has applied the following assumptions in order to calculate these gross ‘anticipated’ impacts:

<b>Table 5.13: Calculation of Gross ‘Anticipated’ Sales – Assumptions</b>	
1.	Based upon analysis of monitoring information provided by Invest NI, along with feedback from the surveyed sample of social enterprises that had commenced trading (N=101), the Evaluation Team was able to calculate: <ul style="list-style-type: none"> <li>- How many months each individual social enterprise (N=101) had been trading, up until October 2015. As previously highlighted, the outworking of this analysis suggests that these social enterprises have been trading for, on average, 15.8 months.</li> <li>- The average monthly sales generated by each individual social enterprise (N=101).</li> </ul>
2.	The above analysis enabled the Evaluation Team to estimate the actual sales generated up until October

<sup>86</sup> Section 6 provides detailed discussion on each of the output/ activity and outcome targets established for the SEP.

**Table 5.13: Calculation of Gross ‘Anticipated’ Sales – Assumptions**

2015.

3. In order to estimate the total benefits that each individual social enterprise will experience as a result of participation on the Programme, the Evaluation Team identified the number of months that each social enterprise still had to experience benefits (assuming each social enterprise would experience a total of 5 years/ 60 months of benefits). For instance, if a social enterprise had been trading for 12 months (up until October 2015), the Evaluation Team assumed, in agreement with Invest NI, that they were still likely to experience 48 months of benefits as a result of their participation on the SEP.
4. The average monthly sales generated by an individual social enterprise was then used to ‘estimate’ the total sales that the social enterprise would generate over the 5 years/ 60 month period. That is, the average monthly sales generated figures were used for the forward projections.
5. This approach was applied to each of the social enterprises that have commenced trading (N=101) to estimate the total impact of the SEP, allowing 5 years/ 60 months’ worth of benefits for each participant.
6. Similar to the calculation of the actual sales figures, the Evaluation Team applied ‘grossing up’ analysis to the total number of social enterprises that have commenced trading through the SEP (N=154).
7. It is noted that those social enterprises that commenced trading within the survey sample (N=101) also provided, as part of the Evaluation Team’s survey, an indication of the aggregate anticipated sales/ turnover that they anticipated occurring over the next 2.5 years (30 months) as a result of the SEP support. By way of validation and in order to be prudent, the Evaluation Team ‘sense checked’ these reported findings with the corresponding results for individual social enterprises that featured in the analysis of ‘anticipated’ impacts.
8. As agreed with Invest NI, the Evaluation Team’s estimation of gross ‘anticipated’ sales does not take into account:
  - The potential for the reported level of ‘impact additionality’ (as per the Evaluation Team’s survey results) to diminish over time. That is, those future ‘anticipated’ tangible outcomes may be less likely to be attributable to SEP.
  - The fact that the social enterprises that received support under the SEP may demonstrate (or have demonstrated) some form of turnover growth since they participated on the Programme. On this basis, the Evaluation Team has assumed, in agreement with Invest NI, that there is no employment growth.
  - The fact that some participants have participated on the SEP towards the latter end of the Programme may commence trading in due course and hence the total population of social enterprises generated may exceed 154.

Whilst the application of a diminishing level of impact additionality to the analysis would likely reduce the gross anticipated sales figures, the application of any form of growth projections to individual social enterprises would have a resultant positive impact on the sales figures (and potentially employment figures). For the purpose of this analysis, and in the absence of any evidence to underpin any such assumptions, it is the Evaluation Team’s view, and one shared by Invest NI, that the application of these two types of assumptions would likely counteract each other in terms of any subsequent results.

### **Anticipated Sales**

On the basis of the 101 social enterprises that commenced trading within the survey sample, the Evaluation Team’s analysis suggests that, excluding outliers, circa £17.9m is forecast to be achieved across Northern Ireland, GB and export markets in remainder of the benefits realisation period (as presented in the table overleaf).

<b>Table 5.14: Calculation of gross ‘anticipated’ turnover/ sales over the benefits realisation period (i.e. post SEP finishing)</b>	
<b>Sample (N=101)</b>	
Number of social enterprises in sample	101
Number of social enterprises potentially able to achieve the impact	101
Number of social enterprises achieving the impact	79 (78%)
Number of social enterprises able to quantify sales	65
Total ‘anticipated’ sales of those who could quantify	£23,115,795
Total ‘anticipated’ sales excluding outlier (N=2)	£17,919,045
Mean in ‘estimated’ sales (excluding outliers)	£284,429 <sup>87</sup>
Median in sales (excluding outliers)	£192,911
Average no. of months businesses still have to achieve impacts (60 months minus 15.8 months businesses have been trading on average)	44.2
Average monthly revenue in sales	£6,435 <sup>88</sup>
<b>Population (N=154)</b>	
Total unique social enterprises commencing trade	154
Number of social enterprises achieving impact	120 (78%)
Number of social enterprises achieving impact (excluding outliers)	118
Total number of months social enterprises are still to receive impacts (excluding outliers)	5,216 <sup>89</sup>
Total ‘anticipated’ sales (excluding outliers) (N=2)	£33,564,960 <sup>90</sup>
Total ‘anticipated’ sales (including outliers)	£38,761,710 <sup>91</sup>
<b>Gross ‘Anticipated’ GVA over the benefits realisation period</b>	<b>£11,628,513</b>

The application of grossing up analysis to the total number of social enterprises that have commenced trading through the SEP (N=154) suggests that these social enterprises *may* derive circa £33.6m in sales excluding outliers and circa £38.8m including outliers in the benefits realisation period (i.e. post SEP finishing). The application of the Northern Ireland average sectoral level of GVA (i.e. 30.0%) suggests that these aforementioned social enterprises *may* potentially contribute £11.6m of gross GVA within the benefits realisation period.

Caution should be taken in terms of placing reliance on the above figures (given their speculative nature) as any positive or negative change in the above metrics will reflect on the return-on-investment and associated Value for Money provided by the SEP.

### 5.6.3 Calculation of net additional impacts of trading Social Enterprises

#### **Impact Additionality**

The net impact of the SEP support (i.e. its additionality) on social enterprises’ sales, employment and volunteering opportunities can only be measured after making allowances for what would have happened in the absence of the intervention. That is, the impact must allow for deadweight. ‘Deadweight’ refers to outcomes that would have occurred without the intervention.

Please note, given that most evaluations are undertaken some time after an activity is implemented, the Evaluation Team does not consider it appropriate to apply ‘activity additionality’ to impact measures. The reason being that, in the intervening period any variety of factors (and support interventions) may have had an impact on a business. Therefore, an impact additionality measure was used to ascertain the level of deadweight/ additionality relating to social enterprise outturns.

<sup>87</sup> The mean in ‘anticipated sales’ is derived by £17,919,045 divided by 63.

<sup>88</sup> The average monthly revenue in sales is derived by £17,919,045/63/44.2.

<sup>89</sup> Total number of months social enterprises are still to receive benefits (excluding outliers) is derived by 44.2 x 118.

<sup>90</sup> Total ‘anticipated’ sales (excluding outliers) (N=2) is derived by average monthly revenue (£6,435) multiplied by total number of months social enterprises are still to receive impacts (excluding outliers) (5,216).

<sup>91</sup> The two outliers equate to £5,196,750.

The analysis of individual survey responses and application of the same ‘participant self-assessment’ methodology used to assess ‘activity additionality’, results in the following levels of ‘impact deadweight and additionality’<sup>92</sup>:

<b>Table 5.15: Impact Additionality/ deadweight</b>		
<b>Region</b>	<b>Deadweight</b>	<b>Additionality</b>
Eastern (N=39)	51.6%	48.4%
South West (N=24)	45.0%	55.0%
North West North East (N=18)	34.4%	65.6%
<b>Overall (N=81)<sup>93</sup></b>	<b>45.8%</b>	<b>54.2%</b>

The Evaluation Team notes that the level of ‘impact additionality’ (54.2%) is marginally higher than the level of ‘activity additionality’ (45.8%) suggesting that the SEP has been less important in encouraging groups/ organisations to establish their social enterprise as it has in supporting them to ultimately realise any business related outcomes.

Similar to the sub-regional figures relating to the ‘activity additionality’, the Evaluation Team notes that the level of ‘impact additionality’ ranges from 48.5% in the Eastern region to 65.6% in the North West North East. Given the small sample sizes (e.g. in the North West North East N=18) at a sub-regional level, the Evaluation Team has, in agreement with Invest NI, used the overall ‘impact deadweight and additionality’ figures to calculate net additional impacts.

### **Displacement**

The Evaluation Team has also considered the potential displacement that might be created by the impact of the SEP. To assess this, a series of questions have again been utilised<sup>94</sup>, the answers to which are assigned a ‘displacement factor’ in the Northern Ireland market, the Great Britain market and the outside UK market.

Displacement has been calculated based on two factors:

1. The proportions of the businesses that participants compete with that are based in NI/GB/Outside UK, keeping in mind the markets which their company sells into; and
2. Whether, in the participants’ area of business, market conditions have improved over the period since receiving support.

On an overall level, the Evaluation Team’s analysis suggests that the displacement factor at the Northern Ireland level is 36%, whilst at the Great Britain and outside the UK level it is only 5% and 2% respectively.

### **Summary – Actual Net Impacts**

The application of the calculated levels of impact additionality and displacement to the previous gross *actual* outcomes suggests that, to date, the SEP potentially directly:

- Contributed £1.5m in net additional GVA to the Northern Ireland economy;
- Created 129 jobs (54 full time jobs and 75 part time jobs), 23 of which had salaries in excess of the private sector median of circa £18,000 during the period under review; and
- Created 189 volunteering opportunities, of which 6 were full time volunteer positions and 183 were part time positions.

<sup>92</sup> See Appendix VII for further details.

<sup>93</sup> Please note, 20 respondents were unable/ unwilling to answer this question.

<sup>94</sup> Developed in conjunction with DETI’s Economists

**Table 5.16: Summary of the Actual Gross and Net additional impacts<sup>95</sup>**

Metric	GVA	Employment created	Volunteer opportunities
Gross Actual Impacts	£4,427,795	373	546
Less deadweight (45.8%)	£2,027,930	171	250
Less displacement (36%)	£863,951	73	107
Net additional impact	£1,535,914	129	189

### **Summary – Anticipated Net Impacts**

The application of the calculated levels of impact additionality and displacement to the previous gross ‘*anticipated*’ impacts suggests that the SEP has the potential, over the benefits realisation period, to directly contribute a further circa £4m in net additional GVA to the Northern Ireland economy.

**Table 5.17: Summary of the ‘Anticipated’ Gross and Net additional impacts<sup>96</sup>**

Metric	GVA
Gross Anticipated Impacts	£11,628,513
Less deadweight (45.8%)	£5,325,859
Less displacement (36%)	£2,268,955
Net additional impact	£4,033,699

## 5.7 Achievement of Wider Social Outcomes

In addition to those tangible benefits previously highlighted, social enterprises reported receiving a number of wider social outcomes that they achieved as a result of their participation on the SEP.

**Table 5.18: Wider Social Outcomes Achieved<sup>97</sup>**

Wider Social Outcome	% of respondents <sup>98</sup>
Developing enterprise culture and awareness	88%
Enhancing the quality of life for beneficiaries in disadvantage areas	86%
Improving employment prospects	81%
Supporting vulnerable people	80%
Enhancing community empowerment	77%
Reinvesting into the local community	77%
Improving health and wellbeing	60%
Addressing social exclusion	58%
Contributing towards regenerating urban or rural areas	53%
Promoting education and literacy	47%
Supporting vulnerable children and young people	47%
Improving parity of esteem between support for social economy and the private sector	33%
Protecting the environment	19%
Providing affordable housing	5%
N=	83

<sup>95</sup> Please note, these figures only relate to actual outcomes derived to date i.e. excludes ‘anticipated’ impacts to be derived by social enterprises in the future. On the basis that net additional GVA is a subset of turnover and cost savings, these figures have been excluded from the table to avoid the double counting of benefits.

<sup>96</sup> Please note, these figures only relate to the Evaluation Team’s ‘anticipated’ outcomes. On the basis that net additional GVA is a subset of turnover and cost savings, these figures have been excluded from the table to avoid the double counting of benefits.

<sup>97</sup> Based upon feedback provided by groups/ organisations that received Core Capability Support at a maximum (N=101). Please note, 18 respondents were unable to provide a response to this question as they are yet to receive any wider social outcomes.

<sup>98</sup> Please note, the percentage of respondents does not sum to 100% as respondents could select more than one answer.

Encouragingly, it was reported that the support provided through the SEP contributed towards the following:

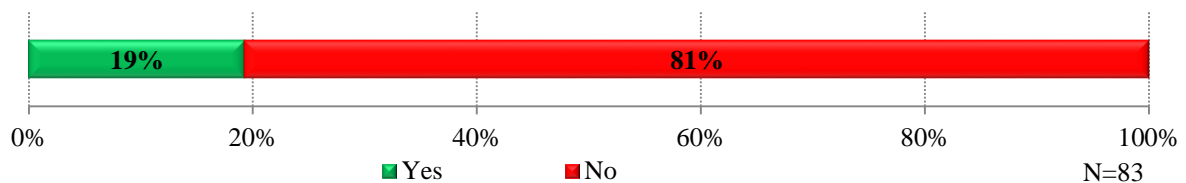
- Developing enterprise culture and awareness (88%);
- Enhancing the quality of life for beneficiaries in disadvantage areas (86%);
- Improving employment prospects (81%);
- Supporting vulnerable people (80%);
- Enhancing community empowerment (77%); and
- Reinvesting into the local community (77%).

### 5.8 Unexpected Impacts/ Achievements

Encouragingly, nearly one fifth (19% - N=83) of respondents indicated that the support provided through the SEP led to a number of unexpected impacts/ achievements, including:

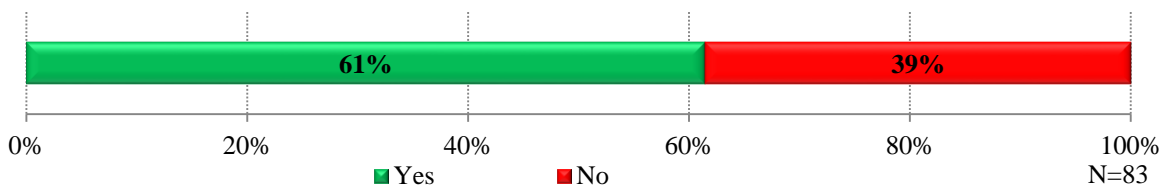
- Contributed towards enhancing the reputation of the social enterprise outside of the UK; and
- Assisted the development of relationships with other social enterprises in order to share experiences and advice.

**Figure 5.6: Other unexpected impacts or achievements as a result of the SEP support<sup>99</sup>**



Nearly two thirds (61% - N =83) of respondents stated that there has been either significant changes to their operations, milestones or other notable achievements that have influenced the development of those social enterprises since they started.

**Figure 5.7: Changes in operations, milestones or achievements which influenced its development<sup>100</sup>**



*“10 out of 26 (old) council areas, along with the housing executive, have all visited our site, and we have become the main skip site for waste in the Derry city area.”*

*“We have been nominated by the Council for a Pride of Place Award, which is an all Ireland award.”*

*“We have been nominated for two Social Enterprise Awards, which are announced at the end of 2015. We are also advising others looking to start Workers Co-op, (Halifax and London) how to follow our model.”*

*“We won the business and community social enterprise award and are currently nominated for the Social Enterprise NI award ‘one to watch award’.”*

*“We won the Newry Business Award - Best Social Enterprise and are a finalist for two more awards at the Social Enterprise NI Awards.”*

**SEP Support recipients**

<sup>99</sup> Based upon feedback provided by groups/ organisations that received Core Capability Support at a maximum (N=101). Please note, 18 respondents were unable to provide a response to this question.

<sup>100</sup> Based upon feedback provided by groups/ organisations that received Core Capability Support at a maximum (N=101). Please note, 18 respondents were unable to provide a response to this question.



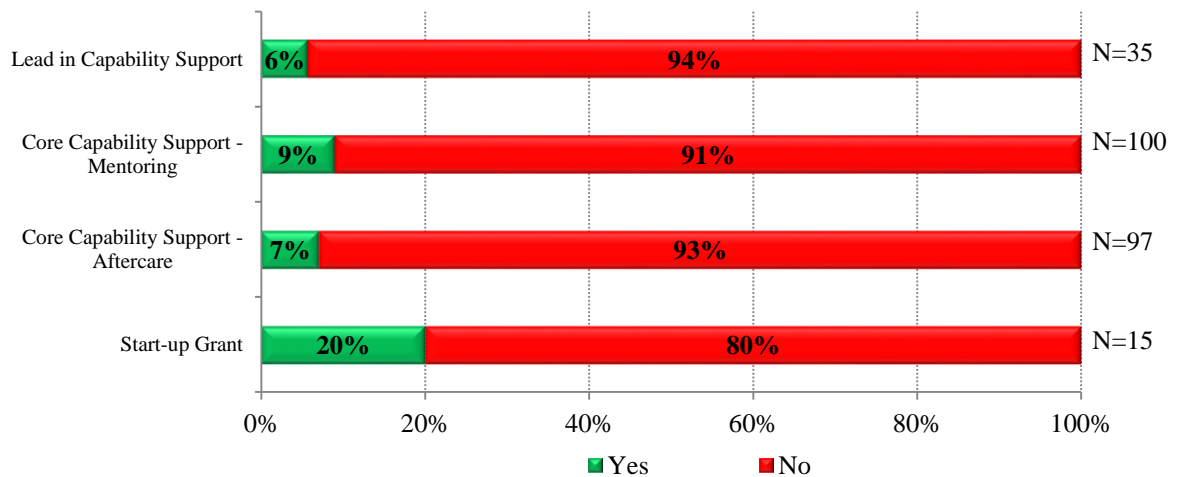
## 5.9 Duplication

On an overall basis, only 6% (N=35<sup>101</sup>) of those who received Lead In Capability Support, 9% (N=100<sup>102</sup>) of those who received one-to-one mentoring and 7% (N=97<sup>103</sup>) of those who received one-to-one aftercare support indicated that, in the absence of the SEP, they would be able to get the same or similar support elsewhere. These included:

- Lloyds TSB Foundation for Northern Ireland;
- Private sector providers; or
- Other social enterprises.

Of note, 20% (N=15) of those who were awarded a start-up grant indicated that they would have been able to avail of other sources of grant assistance (e.g. Lloyds TSB Foundation Northern Ireland and Ciste.ie<sup>104</sup>).

**Figure 5.8: Availability of similar support elsewhere**



The Evaluation Team’s review of the broader marketplace, and discussions with Invest NI and key stakeholders, indicates that a number of other interventions were delivered during the period under review which aimed to support the creation of viable social economy businesses. An overview of each of these interventions is provided in the following table:

Intervention	Description
<b>Social Enterprise Measure of Invest NI’s Jobs Fund</b>	<p>During the onset of the recession, Invest NI introduced a package of six measures, under the Jobs Fund, which were specifically selected to not only help ‘rebuild’ the Northern Ireland economy through the creation of employment, but also to reflect the ‘length and breadth’ of the Northern Ireland economy, whilst also taking into consideration the priorities of a large number of strategies across various Executive Departments which had implications for the economy.</p> <p>One of the six measures that was included under the Jobs Fund related to ‘Increased Support for Social Enterprise’, which comprised the following:</p> <ol style="list-style-type: none"> <li>1. <b><u>Social Enterprise Franchising Programme</u></b></li> </ol>

<sup>101</sup> Of the 89 participants that received Core Capability Support, 35 were able to comment on this question.

<sup>102</sup> Based upon feedback provided by groups/ organisations that received Core Capability Support (at a maximum N=101). Please note, one respondent was unable to provide a response to this question.

<sup>103</sup> Please note, only 97 respondents received one-to-one aftercare support and were therefore able to provide an answer to this question.

<sup>104</sup> Please note, only one respondent indicated that they could have received grant assistance through Ciste.ie (which provides financial assistance towards Irish language capital development projects).

Intervention	Description
	<p>Through the Social Enterprise Franchising Programme, Invest NI sought to pilot a new approach to stimulating job creation by introducing the franchising concept within the social enterprise sector. Delivered by Ortus Business Development Agency, the Social Enterprise Franchising Programme provided free advice and capability support to community and voluntary sector organisations who were either:</p> <ul style="list-style-type: none"> <li>• Interested in franchising their social enterprise business model (in the case of the Social Franchisor Growth Programme); or were</li> <li>• Interested in developing their organisation by acquiring a franchise (in the case of the Social Franchisee Start Up Programme).</li> </ul> <p>Support provided through the programme included:</p> <p><b><i>Social Franchisor Growth Programme</i></b></p> <ul style="list-style-type: none"> <li>• 12 workshops delivered over a 6 day period by an experienced facilitator. These workshops focused on (amongst other things) assessing the business’ readiness to franchise their business model, approaches to establishing franchise agreements and operational manuals, promotion and marketing, business finance and managing and monitoring franchisees etc.;</li> <li>• 55 hours of one-to-one mentoring from a number of business mentors to support the participant to further explore the potential of franchising their social enterprise business; and</li> <li>• General funding advice and capability support.</li> </ul> <p><b><i>Social Franchisee Start Up Programme</i></b></p> <ul style="list-style-type: none"> <li>• 9 support workshops delivered over a 3 day period by an experienced facilitator. These workshops focused on (amongst other things) assessing the organisation’s readiness to become a franchisee, business planning and establishing a business case (including researching costs and understanding financial projections) etc.;</li> <li>• 32 hours of one-to-one mentoring from a number of business mentors to support the participant to explore potential franchise opportunities; and</li> <li>• General funding advice and capability support.</li> </ul> <p>Given the Social Enterprise Franchising Programme’s specific focus on the topic of franchising (as detailed above), it was the view of the Invest NI, and one shared by the Evaluation Team, that there was no duplication with the support provided as part of the SEP.</p> <p><b>2. <u>Social Enterprise Employment Grant</u></b></p> <p>A Social Enterprise Employment Grant offered social enterprises £2,000 in grant support towards the cost of creating a new job.</p>
<p><b>Regional Start Initiative</b></p>	<p>The Regional Start Initiative (RSI), the mainstream business start programme in Northern Ireland, was launched in October 2012 by Invest NI as a three year intervention, which aimed to “<i>increase participants’ capability to start and grow a business (through their ability to develop a quality business plan)</i>”.</p> <p>The RSI was coordinated and managed centrally by Invest NI, whilst its delivery was contracted to ENI. Management was led by a central team at ENI who oversaw its delivery, whilst ‘on the ground’ activity was provided via the LEA network located across Northern Ireland. The RSI was suggested to have comprised four key stages, detailed as follows<sup>105</sup>:</p> <ul style="list-style-type: none"> <li>• An enquiry was made by a potential participant to engage with RSI. An initial assessment meeting was held with a Business Advisor to ensure the applicant’s eligibility and to gather information about the proposed business idea (this was compulsory).</li> <li>• Applicants were offered the opportunity to attend a business planning workshop (at a</li> </ul>

<sup>105</sup> Source: Evaluation of the Regional Start Initiative (SQW, October 2015).

Intervention	Description
	<p>maximum duration of six hours) to help shape and develop their business plan (this was optional). This involved the use of the Enterprise Navigator Tool designed to take individuals step-by-step through the process of writing a business plan.</p> <ul style="list-style-type: none"> <li>• Applicants were offered the opportunity to receive one-to-one support on financial and business planning (up to three hours) from a Business Advisor to help compile and produce their business plan, including developing cash-flow and financial forecasts (this was optional).</li> <li>• A business plan review and sign-off meeting (of up to one hour) was held between the Business Advisor and participant to review the full final business plan and identify areas critical from an implementation perspective (this was compulsory).</li> </ul> <p>Given that social enterprises can have very specific requirements (vis-à-vis those entrepreneurs that availed of mainstream support such as RSI), it was (and continues to be) the view of Invest NI, and one shared by the Evaluation Team, that there was no duplication risk with the support provided as part of the SEP.</p>
<p><b>Social Enterprise Hubs</b></p>	<p>The Social Enterprise Hubs is a pilot project that was launched in October 2012 and is jointly managed by DSD, DETI and Invest NI. The Social Enterprise Hubs provide the following facilities that social enterprises can avail of:</p> <ul style="list-style-type: none"> <li>• Potential shop front retail space;</li> <li>• Hot desking facilities;</li> <li>• Conference/ meeting rooms;</li> <li>• Training suites; and</li> <li>• General workspace – from where social economy businesses can operate on a ‘test-trading’ basis.</li> </ul> <p>All social entrepreneurs and social enterprises can avail of free workshops, training and one-to-one mentoring support. The Social Enterprise Hubs are available to all new or existing social enterprises with an idea for a new product or service. As of January 2016, there are 11 hubs located across 9 Social Investment Fund (SIF) zones in Northern Ireland<sup>106</sup> as follows: Enniskillen; Strabane; Derry~Londonderry; Ballymena; Lisburn; Downpatrick; Lurgan; North Belfast; South Belfast; East Belfast; and West Belfast. As per Section 3.3.2, Invest NI was (and is) of the view that a small number of ‘micro’ social enterprises may have received support through the Social Enterprise Hubs (e.g. guidance and support in terms of developing their business idea). However, it is understood that the case for supporting the Social Enterprise Hubs (in October 2012) was predicated on the basis of them complementing, rather than duplicating, the support provided through the SEP.</p>
<p><b>Various other initiatives</b></p>	<p>The Evaluation Team’s review of the broader marketplace indicates that a number of other initiatives were delivered during the period under review with the broad aim of supporting the social economy sector in Northern Ireland. A brief synopsis of these are detailed as follows:</p> <ol style="list-style-type: none"> <li>1. <b>ProHelp, which is delivered by Business in the Community (BITC)</b>, provides members of the community, voluntary and social enterprise sectors with access to the following support (free of charge<sup>107</sup>): <ul style="list-style-type: none"> <li>– Professional Support – expert guidance on a range of issues including legal, financial, architectural, IT support etc.; and/ or</li> <li>– Workshops – which are hosted on a quarterly basis and provide advice from leading business professionals on a range of topics such as strategic planning, marketing,</li> </ul> </li> </ol>

<sup>106</sup> The Social Investment Fund (SIF) was set up by the Office of the First Minister and Deputy First Minister (OFMDFM) to deliver social change. It aims to make life better for people living in targeted areas by reducing poverty, unemployment and physical deterioration. It is understood that the SIF will run until March 2016 and that it was allocated £80m by the Northern Ireland Executive. The SIF is being delivered in partnership with communities across nine Social Investment Fund Zones, with each zone having a Steering Group with up to 14 members from the business, political, statutory and voluntary and community sectors.

<sup>107</sup> Rather than being a structured programme support offering (such as SEP), time and expertise is provided on a ‘pro bono’ by professional firms and therefore time commitments are dependent on, and at the discretion of, those professionals providing the advice and guidance.

Intervention	Description
	<p>governance etc.</p> <ol style="list-style-type: none"> <li data-bbox="411 331 1441 539">2. The <b>Northern Ireland Council for Voluntary Action (NICVA)</b> is a membership and representative umbrella body for the voluntary and community sector in Northern Ireland. It provides practical advice and support on a range of topics such as funding, charity regulations, fundraising, sector issues, governance etc. NICVA also provides a wide range of training, from one day events to bespoke training packages and online training. Training topics include: Leadership and Management; Governance; Fundraising; Human Resources; and the Economy.</li> <li data-bbox="411 573 1441 757">3. <b>Ulster Community Investment Trust (UCIT)</b> provides loans to third sector organisations (e.g. social enterprises, community groups, charities etc.) within Northern Ireland. Loans are available for: buildings and equipment; working capital; cash shortfalls; bridging finance against delayed grants or other confirmed income; and restructuring of debt. Interest rates and repayment terms depend on the circumstances of each individual borrower.</li> <li data-bbox="411 790 1441 1032">4. The <b>Social Economy Outreach Programme</b> was delivered by Belfast City Council<sup>108</sup> during the period February to December 2013. The Programme was aimed at groups or individuals located in Belfast at the pre-enterprise stage who wanted to explore the potential of becoming social enterprises or entrepreneurs. It provided 10 individuals or groups with one-to-one mentoring and tailored workshops, which were held at the Ashton Centre in north Belfast and the East Belfast Mission (Skainos Centre). Following completion of this Programme, Belfast City Council anticipated that participants would progress to avail of the support provided under the SEP.</li> <li data-bbox="411 1066 1441 1151">5. The <b>Community Action Network (CAN)</b> - is a registered charity that trades as a social enterprise. It provides mentoring and expert online advice through its 'Virtual Employee Intranet'.</li> <li data-bbox="411 1184 1441 1711">6. Online advice through <b>nibusinessinfo.co.uk</b> – Invest NI provides a free online website for businesses in Northern Ireland to access a range of information, support, guidance and services. Under the theme of 'Starting up', there is specific advice and guidance on what a social enterprise is and how to start-up a social enterprise in Northern Ireland. There is a range of topics and associated content that individuals or groups can access, including the following: <ul style="list-style-type: none"> <li data-bbox="459 1402 1110 1429">– An overview of the social economy in Northern Ireland.</li> <li data-bbox="459 1435 1441 1491">– Details on the range and source of support for available social enterprises in Northern Ireland.</li> <li data-bbox="459 1498 1441 1554">– Details on how social enterprises could interact with the public sector, including how to tender for contracts in the Northern Ireland public sector.</li> <li data-bbox="459 1561 1441 1682">– A detailed checklist for individuals or groups considering starting up a social enterprise. This includes details on: legal forms of social enterprises; support for social enterprises in Northern Ireland (during the period under review this included reference to the SEP); key regulations; how to finance social enterprises; market research etc.</li> <li data-bbox="459 1688 858 1715">– A range of relevant case studies.</li> </ul> </li> </ol> <p data-bbox="411 1749 1441 1982">Discussion with Invest NI and other stakeholders as part of this evaluation process indicates that each of the above interventions were (and continue to be) seen as important support mechanisms to the social economy sector in Northern Ireland. By way of illustration, findings from the Evaluation Team's survey with SEP participants indicates that a number of groups/organisations availed of some of the above support offerings (e.g. UCIT and NICVA) prior to receiving the support provided through SEP. On this basis, the Evaluation Team is of the view, as is Invest NI, that the above interventions each complemented, rather than duplicated, the support provided through the SEP.</p>

<sup>108</sup> The Programme was funded by Belfast City Council, Invest NI and the European Sustainable Competitiveness Programme for Northern Ireland.

In considering the above findings, it is the Evaluation Team’s view, and one shared by key stakeholders, that the risk of duplication was minimal and that the other interventions available in the marketplace offered the potential to complement the support provided through the SEP and vice versa.

### 5.10 Wider and Regional Benefits

Based on the feedback from those groups/ organisations that participated on the SEP, the following table provides an overview of the contribution of the Programme to delivering wider and regional benefits:

<b>Table: 5.19: Contribution of the SEP to wider and regional benefits</b>	
<b>Wider benefits</b>	
Entrepreneurship	The Evaluation’s Team review of monitoring information provided by Invest NI (as per Section 3.4) indicates that, as of September 2015, there were 154 social enterprises that had commenced trading. In addition, the findings from the Evaluation Team’s survey with programme participants indicates that 70 net additional social enterprises were created as a direct result of the support provided through the SEP.
Knowledge Transfer	The analysis suggests that the SEP supported knowledge transfer and the development of skills amongst participant groups/ organisations. This is evidenced by the feedback provided by programme participants (as per Section 4) and the findings from the in-depth case studies undertaken by the Evaluation Team (as per Appendix IX).
Skills development	
<b>Regional benefits</b>	
Labour Market Impacts (in areas of disadvantage)	<p>As detailed previously, a total of 373 gross or 129 net additional jobs were created. Of the gross and net additional jobs that were created with the support of the SEP:</p> <ul style="list-style-type: none"> <li>• 156 of the gross jobs or 54 of the net additional FTE jobs were potentially filled by individuals from disadvantaged areas; and</li> <li>• 67 of the gross jobs or 23 of the net additional FTE jobs that were created with the support provided through the SEP had salaries in excess of the NI median salary (of circa £18,000 during the period under review)<sup>109</sup>.</li> </ul> <p>In addition to the above, a total of 546 gross or 189 net additional volunteer opportunities were created as a result of the support provided through the SEP. Notably, one third (33% - N=382) of the volunteering opportunities that were created during the period under review were for individuals that were unemployed.</p>
Addressing distributional issues (e.g. Areas of Disadvantage)	<p>The Evaluation’s Team review of monitoring information provided by Invest NI (as per Section 3.5.2) indicates that, on an overall basis, 85% (N=234) of those groups/ organisations that participated on the SEP were from, or were proposing to operate in, disadvantaged areas, whilst 55% (N=234) of those groups/ organisations that participated on the SEP were from, or were proposing to operate in, NRAs.</p> <p>In addition, the findings from the Evaluation Team’s survey indicates that a number of wider social outcomes were achieved by social enterprises a result of their participation on the SEP, including:</p> <ul style="list-style-type: none"> <li>• Developing enterprise culture and awareness (88%);</li> <li>• Enhancing the quality of life for beneficiaries in disadvantage areas (86%);</li> <li>• Improving employment prospects (81%);</li> <li>• Supporting vulnerable people (80%);</li> <li>• Enhancing community empowerment (77%); and</li> <li>• Reinvesting into the local community (77%).</li> </ul>

<sup>109</sup> Please note, this was not a specific focus of the SEP.

### 5.11 Case studies

By way of illustrating the impact made by the SEP, the Evaluation Team undertook a number of in-depth case studies. Whilst specific individual case study information can be found in Appendix IX<sup>110</sup>, the research indicates:

- The SEP provided tailored support to address the specific needs and requirements of individual groups/ organisations.
- Across the three sub-regions, social enterprises were of the view that the support provided through the SEP was of a very high standard, allowing them to apply the advice, knowledge and expertise within their social enterprise.
- Social enterprises highlighted that, in the absence of the support provided through the SEP, they would have been unlikely to establish their social enterprise, or unlikely to have established it to the same scale or within the scale timescales.
- Social enterprises reported a range of business outcomes, including the generation of sales/ turnover and the creation of employment and voluntary opportunities (many of which were filled by individuals that were living in disadvantaged areas).
- It was reported that the advice and guidance provided through the SEP enabled social enterprises to leverage additional support, both financial and non-financial.
- Social enterprises highlighted that, importantly, the support resulted in a variety of wider social outcomes, including the ability to: increase employability prospects of people in the local area; enhance community empowerment; support vulnerable people; and develop enterprise culture and awareness.

### 5.12 Summary Conclusions

Based on the feedback from those groups/ organisations in receipt of support, the following key conclusions can be drawn in relation to the impact made by the SEP:

- The levels of activity (45.4%) and impact (54.2%) additionality should be considered quite favourably. In the Evaluation Team's view, this is based on the fact that, as previously highlighted, the level of activity deadweight (54.6%) is lower (by 25.4 percentage points) than the level of deadweight calculated within the start-up strand of the Enterprise Development Programme (EDP) (where the level of deadweight was calculated at 80%<sup>111</sup>). This is likely to reflect the fact that the support provided through the SEP was targeted at attracting those groups/ organisations who would be typically less likely to have started a social enterprise anyway i.e. involving those individuals that are more distant from the labour market, those in more disadvantaged areas etc.
- The analysis indicates that the majority of groups/ organisations would not have established their social enterprise (or would have started at a different scale and/or timescale) due to full (10%) or partial market failure factors (57%), typically in the form of asymmetric information.

<sup>110</sup> Please note that the social enterprises names have been removed to preserve their anonymity.

<sup>111</sup> Source: Enterprise Development Programmes - Research into the Emerging Impacts of the Start-up Strand (October 2010). This research notes that the calculated levels of deadweight for the start-up strand of the Enterprise Development Programme were consistent with the Start a Business Programme and other enterprise development/ business start-up programmes in Great Britain.

- From a **quantitative perspective**, the analysis suggests that the SEP has:

**Actual Impacts**

- Contributed £1.5m in net additional GVA to the Northern Ireland economy.
- Created a total of 373 gross or 129 net additional jobs, of which:
  - 156 of the gross jobs or 54 of the net additional FTE jobs were potentially filled by individuals from disadvantaged areas; and
  - 67 of the gross jobs or 23 of the net additional FTE jobs that were created had salaries in excess of the private sector median of circa £18,000 during the period under review.
- Created 189 volunteering opportunities, of which 6 were full time volunteer positions and 183 were part time positions.

**'Anticipated' Impacts**

- The potential to contribute a further £4m in net additional GVA to the Northern Ireland economy over the benefits realisation period (i.e. post SEP finishing).

- Positively, given the overarching aims of the SEP, it was reported that the support provided through the SEP contributed towards the achievement of the following **wider social outcomes**:
  - Developing enterprise culture and awareness;
  - Enhancing the quality of life for beneficiaries in disadvantage areas;
  - Improving employment prospects;
  - Supporting vulnerable people;
  - Enhancing community empowerment; and
  - Reinvesting into the local community
- Encouragingly, the support provided through the SEP led to a number of unexpected impacts/achievements e.g. it contributed towards enhancing the reputation of the social enterprises outside of the UK; and it assisted the development of relationships with other social enterprises in order to share experiences and advice.
- On an overall basis, the majority of groups/ organisations suggested that, in the absence of the SEP, they would not have been able to get the same or similar support elsewhere. Based on this feedback, along with a review of the broader marketplace, the Evaluation Team concludes that the risk of the SEP duplicating other similar initiatives was minimal during the period under review.
- The SEP has contributed to providing the Northern Ireland economy with a number of other wider and regional benefits including: Entrepreneurship; Knowledge Transfer; Skills development; Labour Market Impacts (in areas of disadvantage); and Addressing distributional issues (e.g. Areas of Disadvantage).

## 6. ACHIEVEMENT OF OBJECTIVES

### 6.1 Introduction

This section of the report considers the extent to which the principle aims, objectives and targets of the SEP have been met for the period under review.

### 6.2 Overview and progress towards SEP targets

Based on monitoring information and feedback from participant groups/ organisations and key stakeholders, the following table provides an analysis of the degree to which those output/ activity and outcome targets that were established for the SEP (as per the Economic Appraisal completed in 2012) have been achieved.

Table 6.1: Progress towards output/ activity targets (as per the Economic Appraisal)		
Output/ Activity Targets	Target Achievement	Evaluation Team's Commentary on Achievement to date
1. Provision of Lead In Capability support to assist 60 groups with initial animation and capacity building to identify a clearly defined social economy enterprise start-up idea.	<b>Achieved</b>	<p>In considering this objective, as set out in the Economic Appraisal and Invest NI's Board Casework paper (dated June 2012), the Evaluation Team notes that a minor variation of this target was included within the Terms of Reference that were issued (in October 2012) to the marketplace relating to the delivery of the SEP<sup>112</sup>. It is also noted that Invest NI's operating guidelines for the SEP included the following SMART target:</p> <ul style="list-style-type: none"> <li>• <i>“Provision of Lead In Capability support to assist a minimum of 60 groups per annum in years 1 &amp; 2 and 31 groups in year 3 with initial animation and support to identify a clearly defined start up idea”</i> (i.e. a total of 151 groups supported during the period under review).</li> </ul> <p>In considering the above, the Evaluation Team notes that, as part of the variation to the contract between Invest NI and ENI in November 2014 (as detailed in Section 3.3.3), this was one of a number of targets that were amended. Discussion with Invest NI indicates that, from that point onwards, this target related to the provision of Lead In Capability support to 146 (rather than 151) groups during the period under review (i.e. 2.5 years).</p> <p>Whilst the Evaluation Team notes that this target does not specify whether the 146 groups is reference to <i>unique</i> groups or whether it relates to the number of interventions with individual groups (i.e. an interaction with an individual strand of the SEP), discussion with Invest NI indicates that it related to the latter (i.e. number of interventions). As per Section 3.4.2, monitoring information provided by Invest NI indicates that, during the period under review, 143 unique groups/ organisations<sup>113</sup> had 151 interactions with this strand of the SEP (i.e. Lead In Capability support).</p>

<sup>112</sup> The target in the Terms of Reference reads: *“provision of lead in capability support to assist a minimum of 60 groups per annum with initial animation and support to identify a clearly defined start up idea”*

<sup>113</sup> Which is made up of: Lead In Capability Support *only* (N=81); Lead In Capability and Core Capability Support (N=60); and Lead In Capability, Core Capability Support and start-up grant (N=2).



**Table: 6.1: Progress towards output/ activity targets (as per the Economic Appraisal)**

Output/ Activity Targets	Target Achievement	Evaluation Team's Commentary on Achievement to date
2. Provision of Core Capability support to 55 groups encompassing business plan development and start-up development for new start social economy enterprises with 50% of these to receive post-start operational aftercare.	<b>Achieved</b>	<p>Similar to the above commentary, this objective was set out in the Economic Appraisal and Invest NI's Board Casework paper (dated June 2012), although the Evaluation Team notes that a minor variation of this target was included within the Terms of Reference that were issued (in October 2012) to the marketplace relating to the delivery of the SEP<sup>114</sup>. It is also noted that Invest NI's operating guidelines for the SEP included the following SMART target:</p> <ul style="list-style-type: none"> <li>• <i>“Provision of Core Capability support to a minimum of 55 groups per annum in year 1 &amp; 2, and 28 groups in year 3 encompassing business plan development and start up support”</i> (i.e. a total of 138 groups supported during the period under review).</li> </ul> <p>In considering the above, the Evaluation Team notes that, as part of the variation to the contract between Invest NI and ENI in November 2014 (as detailed in Section 3.3.2), this was one of a number of targets that were amended. Discussion with Invest NI indicates that, from that point onwards, this target related to the provision of Core Capability support to 149 (rather than 138) groups during the period under review (i.e. 2.5 years).</p> <p>Whilst the Evaluation Team notes that this target does not specify whether the 149 groups is reference to <i>unique</i> groups or whether it relates to the number of interventions with individual groups (i.e. an interaction with an individual strand of the SEP), discussion with Invest NI indicates that it related to the latter (i.e. number of interventions). As per Section 3.4.3, monitoring information provided by Invest NI indicates that, during the period under review, 153 unique groups/ organisations<sup>115</sup> had 158 interactions with this strand of the SEP (i.e. Core Capability support). There were also 138 (90% - N=153) unique groups/ organisations that availed of the one-to-one aftercare support.</p>
3. Selective grant assistance from Invest NI (15%) and signposting to other loan offers within Invest NI Access to Finance strategy.	<b>Achieved</b>	<p>As per Section 3.4.4, monitoring information provided by Invest NI indicates that, of those groups/ organisations that participated on the Core Capability Support strand up until April 2014, 19 were awarded with a start-up grant (i.e. 25% - N=75). Furthermore, findings from the Evaluation Team's survey results (as per Section 5.3) indicates that over one third (34% - N=96<sup>116</sup>) of respondents indicated that they received further support, both financial and non-financial, from other sources. Of note, the majority (94% - N=33) of respondents suggested that they received financial assistance from 'other' sources e.g. Heritage Lottery, Government departments such as DEL, Santander etc. In addition and from a positive perspective, as per Section 3.4.6, during consultation, Invest NI expressed its view that, during the programme period, both Invest NI and ENI referred groups/ organisations, when appropriate, to other forms of mainstream support (e.g. other forms of support within Invest NI's portfolio of programme offerings).</p>

<sup>114</sup> The target in the Terms of Reference reads: *“provision of core capability support to a minimum of 55 groups **per annum** encompassing business plan development and start up support”*.

<sup>115</sup> Which is made up of: Core Capability Support *only* (N=74); Lead In Capability and Core Capability Support (N=60); Core Capability Support and start-up grant (N=17); and Lead In Capability, Core Capability Support and start-up grant (N=2).

<sup>116</sup> Please note, five respondents could not provide an answer as to whether or not they received support after the SEP.

**Table: 6.1: Progress towards output/ activity targets (as per the Economic Appraisal)**

Output/ Activity Targets	Target Achievement	Evaluation Team's Commentary on Achievement to date
4. Targeted participation i.e. 80% of organisations participating in the SEP to be from disadvantaged areas and 50% from NRAs.	<b>Achieved</b>	As per Section 3.5.2, monitoring information provided by Invest NI indicates that, on an overall basis, 85% (N=234) of the total unique groups/ organisations that participated on the SEP were from, or were proposing to operate in, disadvantaged areas, whilst 55% (N=234) were from, or were proposing to operate in, NRAs.

**Table: 6.2: Progress towards outcome targets (as per the Economic Appraisal)**

Outcome Targets	Target Achievement	Evaluation Team's Commentary on Achievement to date
1. Provide early stage support to groups/ social entrepreneurs who are starting a social enterprise ( <i>Impact: 55 new business starts per annum</i> )	<b>Achieved</b>	<p>The Evaluation Team notes that this target, as set out in the Economic Appraisal and the benefits realisation plans for each of the three sub-regions (as per Appendix II), related to the creation of 138 new social enterprises during the period under review (i.e. 2.5 years).</p> <p>However, as part of the variation to the contract between Invest NI and ENI in November 2014 (as detailed in Section 3.3.3), this was one of a number of targets that were amended. Discussion with Invest NI indicates that, from that point onwards, this target related to the creation of 154 (rather than 138) new social enterprises during the period under review (i.e. 2.5 years).</p> <p>As per Section 3.4.3, monitoring information provided by Invest NI indicates that, as of September 2015, there were 154 social enterprises that had commenced trading during the period under review.</p>
2. Ensure high survival rates for new social economy enterprise starts ( <i>Impact: 70% still in operation 3 years after assistance</i> )	<b>Target on track to be achieved</b>	As per above, monitoring information provided by Invest NI indicates that, as of September 2015, there were 154 social enterprises that had commenced trading during the period under review. In addition, as per Section 5.6.1, the feedback from the sample of social enterprises that commenced, and are still (as of September 2015), trading (N=101) suggests that these social enterprises have been trading for, on average, circa 16 months. On this basis, it is the Evaluation Team's view that more time is required to elapse in order to determine if this objective will be fully achieved.
3. Encourage growth in export markets ( <i>Impact: 20% of the new social economy enterprise starts exporting within 2 years of participation on the SEP</i> )	<b>Target on track to be achieved</b>	The Evaluation Team's survey findings (as per Section 5.6.1 and Appendix VIII) indicate that, during the period under review, over a fifth (21% - N=101) of social enterprises reported that they had generated sales in export markets. However, it is the Evaluation Team's view that more time is required to elapse in order to determine if this objective will be fully achieved.

**Table 6.2: Progress towards outcome targets (as per the Economic Appraisal)**

Outcome Targets	Target Achievement	Evaluation Team's Commentary on Achievement to date
4. Feed the Invest NI client bank with 'pull through' social economy enterprises ( <i>Impact: 25% of start-up social economy enterprises to 'pull through' to Invest NI mainstream support with 2 years of participation on the forward SEP</i> )	<b>Target on track to be achieved</b>	<p>As per above, monitoring information provided by Invest NI indicates that, as of September 2015, there were 154 social enterprises that had commenced trading during the period under review. This target relates to 38 (25% - N=154) of these social enterprises 'pulling through' to Invest NI mainstream support within 2 years of participation.</p> <p>As per Section 3.4.6, during consultation, Invest NI expressed its view that, during the programme period, it referred groups/ organisations, when appropriate, to other forms of mainstream support (e.g. other forms of support within Invest NI's portfolio of programme offerings). Monitoring information provided by Invest NI indicates that, during the period under review, Invest NI was involved in referrals with:</p> <ul style="list-style-type: none"> <li>• 18 groups/ organisations that were <u>current participants</u> on the SEP; and</li> <li>• 22 groups/ organisations that availed of support under a previous phase of the Programme.</li> </ul> <p>In considering the above, it is the Evaluation Team's view that more time is required to elapse in order to determine if this target has been fully achieved.</p>
5. Deliver sustainable employment and wealth creation in areas of deprivation ( <i>Impact: 275 gross jobs and 89 net jobs; £14.5m of Gross GVA and £3.8m in net additional GVA creation over a 5 year period i.e. 2.5 years after the SEP has finished</i> )	<b>Employment creation - Achieved</b>	<p>In considering this target, the Evaluation Team notes that the Economic Appraisal does not articulate whether or not the gross or net additional employment figures relate to posts or Full Time Equivalents (FTEs). In the Evaluation Team's view, any decision making processes relating to any future intervention of this nature should be explicitly clear on this point.</p> <p>Notwithstanding the above, as per Sections 5.6.1 and 5.6.3, to date, the SEP potentially directly created:</p> <ul style="list-style-type: none"> <li>• 373 gross jobs (157 full time jobs and 216 part time jobs), 67 of which had salaries in excess of the private sector median (of circa £18,000 during the period under review<sup>117</sup>). Over two fifths (42% - N=373) of the gross jobs created were filled by individuals living in disadvantaged areas.</li> <li>• 129 net additional jobs (54 full time jobs and 75 part time jobs), 23 of which had salaries in excess of the private sector median (of circa £18,000 during the period under review). Over two fifths (42% - N=129) of the net additional jobs created were filled by individuals living in disadvantaged areas.</li> </ul>
	<b>Wealth creation - Target on track to be achieved</b>	<p>As per Sections 5.6.1 and 5.6.3, to date, the SEP is estimated to have directly contributed £4.4m in gross and £1.5m in net additional GVA to the Northern Ireland economy. However, the Evaluation Team notes that the aforementioned gross and net additional GVA impacts have only been realised over the 2.5 year Programme period.</p> <p>The Evaluation Team's analysis of 'anticipated' impacts (as per Section 5.6.2 and 5.6.3) indicates that the SEP has the potential to contribute a further circa £11.6m gross and circa £4m in net additional GVA to the Northern Ireland economy when 5 years/ 60 months of benefits per programme participant are allowed for. On this basis, whilst caution should be taken in terms of placing reliance on the 'anticipated' impact figures (given their speculative nature), the Evaluation Team is of the view that the wealth creation target (which is five year target) is on track to be achieved.</p>

<sup>117</sup> Please note, this was not a specific focus of the SEP.

**Table: 6.2: Progress towards outcome targets (as per the Economic Appraisal)**

Outcome Targets	Target Achievement	Evaluation Team's Commentary on Achievement to date
<p>6. Return on investment of £3.18:£1 (net additional GVA (undiscounted/ Direct Invest NI investment)</p>	<p><b>Target on track to be achieved</b></p>	<p>In the Evaluation Team's view, the achievement of this target is intrinsically linked to the preceding target relating to generation of gross and net additional GVA (which is set out over a five year period). Section 8.7 outlines that, given the level of net additional GVA (i.e. £1,535,914) that has been provided by the Programme to date, and the full economic cost of delivering the Programme (i.e. £1,446,960), then the net actual GVA return-on-investment is £1:£1.06<sup>118</sup>.</p> <p>However, similar to the preceding commentary, the reader should be mindful that this represents only an intermediate position of the SEP's potential ultimate impact (in terms of gross and net additional GVA and therefore a GVA return-on-investment). In agreement with Invest NI, in order to calculate a GVA return-on-investment figure for a five year benefits period, the Evaluation Team has summed the actual net additional GVA (£1,535,914) and the 'anticipated' net additional GVA (£4,033,699), which equates to a total of £5,569,613. Given there are no additional costs associated with delivering the SEP, this results in a 5 year GVA return-on-investment of £1:£3.85<sup>119</sup>.</p> <p>On this basis, whilst caution should be taken in terms of placing reliance on the 'anticipated' net additional GVA totals (given they have yet to be realised), the Evaluation Team is of the view that this target (which is five year target) is on track to be achieved.</p>

### 6.3 Summary Conclusions

There were a range of output/ activity and outcome targets established for the SEP. At this stage, the vast majority have either been achieved, or in the Evaluation Team's view, are likely to be achieved given more time to elapse.

<sup>118</sup> Return-on-investment is based on actual outcomes derived to date i.e. excludes outturns anticipated to be derived by businesses in the future.

<sup>119</sup> i.e. (£1,535,914 + £4,033,699) divided by £1,446,960.

## 7. BENCHMARKING

### 7.1 Introduction

As part of the research process, the Evaluation Team has benchmarked the support provided through the SEP against similar interventions provided in Scotland (Just Enterprise Programme) and Wales (Social Business Wales Project). This section presents the key findings from this exercise, whilst a detailed description of each of the benchmarked interventions is provided as Appendix X.

Table 7.1: Benchmarking Analysis – Key Findings			
Category	Northern Ireland	Scotland	Wales
	SEP	Just Enterprise Programme	Social Business Wales Project
Established	January 2013 (elements were available since 2006)	July 2011 (recently extended to June 2016)	July 2015
Programme cost	Circa £1.4m (2.5 year period)	Circa £3m (3 year period)	Circa £11m (3 year period)
Funded by	Invest NI	Scottish Government (90%) Highlands and Islands Enterprise (10%)	Welsh Government (45%) European Regional Development Fund (55%)
Support Available	<ul style="list-style-type: none"> <li>• <b>Lead In Capability Support</b> – one-to-one advice and guidance to those groups that were interested in establishing a social enterprise but did not have a clearly defined business start-up idea.</li> <li>• <b>Core Capability Support</b> – mentoring support (which included one-to-one mentoring and modular training) to develop a business plan along with aftercare support (which was provided during each participant’s first year of trading). Optional modular training sessions were also available to programme participants.</li> <li>• <b>Start-up Grant</b> – a grant (of up to £7,000) was available to assist with those costs that were associated with establishing their social enterprise (this was discontinued in April 2014).</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Start-up</b> – which includes one-to-one meetings, workshops, leadership programmes and networking events.</li> <li>• <b>Business support</b> – which includes business development workshops, pre-investment support, assistance to supported businesses and equalities support.</li> <li>• <b>Business recovery</b> – business advisors provide tailored one-to-one advice and guidance to those social enterprises experiencing financial difficulties.</li> <li>• <b>Procurement</b> – business advisors provide tailored support, either one-to-one consultancy or workshops, to third sector organisations on how to write successful tenders.</li> <li>• <b>Leadership and learning services</b> – provision of courses/ workshops that are designed to increase the business and leadership skills of those employed within the sector.</li> </ul>	<ul style="list-style-type: none"> <li>• A <b>website</b> has been developed by the Wales Co-operative Centre in order to provide practical online resources for those considering starting up, or to those currently operating, a social business. The website provides advice and guidance on the following areas: <ul style="list-style-type: none"> <li>- Before you start a social business;</li> <li>- Starting a social business;</li> <li>- Running a social business;</li> <li>- Growing a social business; and</li> <li>- Financing a social business.</li> </ul> </li> <li>• Specialist <b>one-to-one business support</b>, which is provided by the Wales Co-operative Centre to those eligible social businesses that are looking to grow. The outcome of this support is to assist social businesses to develop a growth action plan.</li> </ul>

**Table 7.1: Benchmarking Analysis – Key Findings**

Category	Northern Ireland	Scotland	Wales
	SEP	Just Enterprise Programme	Social Business Wales Project
Participation Costs	Free of charge.	The majority of the support is provided free-of-charge to all participants, although a number of the leadership and learning programmes are charged. In addition, participants can also pay for additional accreditation (e.g. Institute of Leadership and Management certificates).	Free of charge.
Model of Delivery	As per Section 1, ENI was appointed by Invest NI to manage and deliver the SEP across three geographical sub-regions.	The Programme is coordinated by CEIS (Community Enterprise in Scotland) and delivered across Scotland by a consortium of 10 partners.	The Project is delivered across Wales by the Wales Co-operative Centre, which is Wales' national body for co-operatives, mutuals, social enterprises and employee owned businesses.
Target Audience	New (rather than existing) social enterprises.	The Programme is open and available to all third sector organisations and social enterprises, whether new or established.	New and existing social businesses although the one-to-one business support is only available to established social businesses.
Levels of activity	As per Section 3.4.1, 234 unique groups/organisations received the following types of support under the SEP: <ul style="list-style-type: none"> <li>• Lead In Capability Support <i>only</i> – 81;</li> <li>• Core Capability Support <i>only</i> – 74;</li> <li>• Lead In Capability and Core Capability Support – 60;</li> <li>• Core Capability Support and start-up grant – 17; and</li> <li>• Lead In Capability, Core Capability Support and start-up grant – 2.</li> </ul>	Between 2011/12 and 2013/14, 4,601 third sector organisations were provided with the following types of support: <ul style="list-style-type: none"> <li>• Start-up support – 1,231;</li> <li>• Start-up workshops – 600;</li> <li>• Business support – 671;</li> <li>• Business development workshop – 1,619; and</li> <li>• Leadership development – 480.</li> </ul>	The Project aims to support 500 social businesses, including co-operatives, employee-owned companies and social enterprises over a three year period <sup>120</sup> .

<sup>120</sup> Given that the Project only commenced in July 2015, the Evaluation Team was unable to ascertain any further details on the levels of activity at this juncture.

Salient points to note from the benchmarking analysis include:

- Caution should be applied in drawing direct comparisons between the SEP and the Social Business Wales Project, given that the intervention in Wales was only launched in July 2015.
- The nature of the support that was provided through the SEP (i.e. one-to-one mentoring and module training/ workshops) is similar to the type of support provided in Scotland and Wales. For instance, as part of the Just Enterprise Programme, start-up support (in the form of one-to-one meetings, workshops, leadership programmes and networking events) is provided to individuals that are at the early stages of developing their initial social enterprise idea. Similarly, one-to-one business support is provided as part of the Social Business Wales Project, albeit this is specifically targeted at established social businesses that have growth aspirations.
- Similar to the SEP, the support provided in both benchmark regions is tailored to the needs of the individual participant(s). For example, under the Just Enterprise Programme, participants can select, from a range of available workshops, which one(s) best meet their requirements.
- It is notable that both benchmark regions have dedicated websites that aim to provide practical online advice and guidance to social entrepreneurs and newly established social enterprises on how to establish and operate a business. For instance, the Startbright website (further details of which are provided in Appendix X) provides advice and guidance on a range of topic areas (e.g. legal, finance, marketing, operations, HR etc.) to social entrepreneurs and newly established social enterprises throughout Scotland.
- Interestingly, whilst the SEP offered a start-up grant (of up to £7,000) up until April 2014, no grant provision is currently available to those start-up social enterprises in Scotland or Wales. However, in Scotland, the Enterprise Ready Fund was a £6m 'rolling' fund aimed at supporting the long term development objectives of new, emerging and established third sector organisations<sup>121</sup> (further details of which are provided in Appendix X). The fund, which officially closed in 2015, provided grants of up to £250,000 to assist organisations to develop, become more efficient and self-sustaining, or diversify into new markets.
- Similar to the SEP, the interventions in both benchmark regions are delivered (following competitive procurement processes) by third party organisations or external delivery organisations. Furthermore, in Wales, it is notable that the when required, the Wales Co-operative Centre has the ability to draw upon support from a pool of 23 nominated private sector consultants that will provide the specialist one-to-one support on its behalf. It was suggested that this may be required at certain times throughout the Project delivery period in order to address specific issues that individual social businesses may have, or in circumstances when there is limited capacity amongst the 12 business advisors within the Wales Co-operative Centre.
- The Scottish Government and Highlands and Islands Enterprise provide circa £3m towards the delivery of the Just Enterprise Programme in Scotland, whilst the Welsh Government directly provides circa £5m (of a total of £11m) towards to the delivery of the Social Business Wales Project. Of note, consultation with a representative from Social Business Wales indicates that there are a number of factors that contribute towards a higher level of investment vis-à-vis the SEP in Northern Ireland, including: the intensity of the support provided to participating social, particularly given that the focus of the intervention is on those established social businesses that have growth aspirations; a larger number of social enterprises that it aims to engage with across a three year period (circa 500)<sup>122</sup>; and the use, where appropriate, of private sector consultants.

<sup>121</sup> Which comprises community groups, voluntary organisations, charities, social enterprises, co-operatives and individual volunteers.

<sup>122</sup> Given that the Project only commenced in July 2015, the Evaluation Team was unable to ascertain any further details on the levels of activity at this juncture.

- It is notable that the majority of the support provided across both benchmark regions is free of charge to all participants, with the exception of a number of the leadership and learning programmes that are charged under the Just Enterprise Programme.
- Representatives from the benchmark regions highlighted through consultation that social businesses have very specific requirements vis-à-vis other private sector businesses, and on this basis, they should continue to be provided with support that is tailored to their requirements, and separate and distinct from mainstream business support. It was suggested that this should be considered by decision makers in terms of developing a similar type of intervention in Northern Ireland moving forward.
- Furthermore, a representative from CEIS (which coordinates the Just Enterprise Programme on behalf of a consortium of 10 partners) highlighted through consultation that, as a national programme in Scotland, there is a uniform approach to its delivery, which therefore ensures that there is a consistent quality of support provided throughout the country. It was suggested that in the absence of this uniform approach, the support provided could be of varying quality. Again, it was suggested that this model of delivery should be considered by decision makers in terms of developing and delivering a similar type of intervention in Northern Ireland moving forward.



## 8. PROGRAMME FINANCE

### 8.1 Introduction

Section 8 examines the costs associated with delivering, and administering, the SEP during the period under review. In doing so, this Section also examines the return-on-investment and value for money (VFM) that has been delivered by the SEP to date.

### 8.2 Economic Appraisal's Proposed Costs

As part of the Economic Appraisal of the SEP (June 2012), three 'do something' options were shortlisted for in-depth appraisal, with Option 7 being identified as the preferred option. The costs associated with this option were as follows:

<b>Table 8.1: Anticipated total costs of delivering the SEP (as per Economic Appraisal)</b>	
<b>Cost Category</b>	<b>Total Cost (£) (excluding VAT)</b>
<b>Strand 1 – Lead In</b>	
Programme delivery cost - Enquiry Development	£168,750
<b>Strand 2 – Core Capability Support</b>	
Programme delivery cost - Business Development Plan	£346,875
Programme delivery cost - Start-up Development (Modular)	£14,063
Programme delivery cost - Start-up Development (1 to 1)	£234,375
Programme delivery cost - Post Start Operational Aftercare (1 to 1)	£117,188
Programme delivery cost - Post Start Operational Aftercare (Modular)	£14,063
Lloyds TSB Grant	£144,375
Invest NI Grant	£150,000
<b>Subtotal</b>	<b>£1,189,689</b>
Invest NI Programme Management	£160,841
Evaluation Costs	£20,000
Service Provider Management	£181,200
<b>Subtotal</b>	<b>£362,041</b>
<b>Total Programme Costs</b>	<b>£1,551,730</b>

The following is noted in relation to the Economic Appraisal's monetary cost assumptions<sup>123</sup>:

- The total projected costs for the Economic Appraisal's preferred option over 2.5 years was £1,551,730 (excluding VAT).
- In terms of the projected programme delivery costs (£1,076,514 excluding VAT<sup>124</sup>), the Economic Appraisal set out proposed costs relating to the delivery of the SEP in each of the three sub-regions. These are outlined below (excluding VAT), whilst a detailed breakdown, as per the Economic Appraisal, is included in Appendix XI:
  - Eastern region = £486,741;
  - Southern and Western region = £317,269; and
  - North East and North West region = £272,503.
- The Economic Appraisal indicated that the daily rates associated with the delivery agent personnel were based upon the daily rates that were charged for the previous phase of the SEP (June 2009 to March 2012). It was considered within the Economic Appraisal that, given that the evaluation of the previous phase (SQW, February 2012) concluded that the SEP offered economy, efficiency

<sup>123</sup> Please note, detailed costs assumptions (as presented in the Economic Appraisal) are set out in Appendix XI.

<sup>124</sup> i.e. the six programme delivery costs highlighted in Table 8.1 (£895,314) plus the Service Provider Management costs (£181,200).

and effectiveness to the public sector that it was not unreasonable to assume the same daily rates for each strand of activity was proposed.

- Full details of the proposed service provider management costs (of £181,200), as set out in the Economic Appraisal, are included in Appendix XI.
- The costs associated with Invest NI Programme Management (i.e. £160,841) were not included in the overall request for funding and included the following:
  - 20% of a G7 post for 2.5 years = £40,098;
  - 50% of a DP post for 2.5 years = £84,041; and
  - 35% of an AO post for 2.5 years = £36,702.

The Economic Appraisal suggested that these costs were reflective of the full economic cost of staff time including ERNI plus Superannuation, and loadings and were based upon DETI’s Ready Reckoner of Staff Costs. However, the Evaluation Team notes that there were no detailed calculations provided within the Economic Appraisal to illustrate how these figures were arrived at.

- The Economic Appraisal suggested that the costs associated with the Lloyds grant (i.e. £144,375) were based upon circa 48 programme participants (i.e. 35% of the 138 participants that were anticipated to receive support under the Core Capability strand of the SEP) receiving an average grant of £3,000. Similar to Invest NI’s staff costs, these costs were also not included in the overall request for funding, with the Economic Appraisal stating that this was on the basis that it was considered to be ‘private sector investment’.

Discussion with Invest NI indicates that, following the requisite approvals in June 2012, the total grant assistance to be made available by Lloyds for the provision of grant assistance was to be ‘capped’ at £60,000, rather than the £144,375 that was assumed within the economic appraisal.

- On the basis of the above, a total of £1,246,514 (excluding VAT) or £1,465,816 (including VAT<sup>125</sup>) was sought for approval for the delivery of the SEP during the period under review.

### 8.3 External Delivery Agent’s Proposal

As previously highlighted, in January 2013 Invest NI awarded three separate contracts to ENI to manage and deliver the SEP across the three sub-regions. The costs relating to the delivery of the SEP across 2.5 year period (excluding VAT), as set out in ENI’s proposal document, are set out below:

<b>Table 8.2: ENI’s SEP Delivery Costs (as per ENI’s proposal documentation)</b>				
<b>Cost Category</b>	<b>Eastern region</b>	<b>Southern and Western region</b>	<b>North East and North West region</b>	<b>Total Cost (£)</b>
<b>Strand 1 – Lead In Capability Support</b>				
Lead In Capability Development	£103,656	£68,596	£57,925	£230,177
<b>Strand 2 – Core Capability Support</b>				
Business Plan	£192,068	£121,948	£106,705	£420,721
Start-up Development (1 to 1)	£2,373	£2,373	£2,373	£7,119
Post Start Operational Aftercare (1 to 1)	£219,506	£139,369	£121,948	£480,823
Post Start Operational Aftercare (Modular)	£2,374	£2,374	£2,374	£7,122
<b>Total (excluding VAT)</b>	<b>£519,977</b>	<b>£334,660</b>	<b>£291,325</b>	<b>£1,145,962</b>

<sup>125</sup> According to the Economic Appraisal, VAT (at 20%) was applied to the programme delivery costs (£1,076,514) and the evaluation costs (£20,000) but not the Invest NI grants (£150,000).

According to ENI's proposal, the total proposed costs, across the three sub-regions, was circa £1.15m (excluding VAT). ENI's proposal stated that the above costs were inclusive of travel and subsistence and all other costs (e.g. management costs etc.) associated with the delivery of the SEP.

#### 8.4 Variations to Programme Costs

As previously highlighted in Section 3.3, in February and November 2014, there were variations to the contract between Invest NI and ENI, which included an exercise to re-profile the activity supported under the Programme and forecast, amongst other things, expenditure levels for the remainder of the Programme period from that point in time.

Discussion with Invest NI indicates that, as a result of this exercise, a number of the targets set out in the benefits realisation plans for each of the three sub-regions were amended, and there were corresponding amendments made to the programme delivery costs. According to Invest NI's variation to contract letter (dated 10<sup>th</sup> November 2014), the outworking of this exercise had the following implications:

- ENI's delivery costs across the three sub-regions were amended from £1,145,962 to £1,104,389 (excluding VAT), which equated to a reduction of £41,573.
- As per Invest NI's variation to contract letter, the amended delivery costs (of £1,104,389) were broken down across each of the three sub-regions as follows (please note, these figures exclude VAT):
  - Eastern region = £480,482;
  - Southern and Western region = £336,100; and
  - North East and North West region = £287,807.

#### 8.5 Actual Programme Costs

##### 8.5.1 Programme Delivery Costs

Analysis of monitoring information provided by Invest NI indicates that, by August 2015, all invoices relating to programme delivery costs had been submitted by ENI and subsequently vouched and approved by Invest NI. The total value of the invoices, in line with the variation to the contract in November 2014, was £1,104,389. Whilst this represents a marginal (circa 3%) overspend of £27,875 (vis-à-vis those costs included in the Economic Appraisal), Invest NI advised the Evaluation Team that this level of tolerance was acceptable and allowed for within the budgets that were included within Terms of Reference that were issued to the marketplace in October 2012. It is further noted that this total (£1,104,389) also represents an underspend of £41,573 versus those costs set out in ENI's proposal document, which is a consequence of the agreed contract variations in February 2014 and November 2014.

Discussion with Invest NI also indicates that, in April 2015, Service Level Agreements were put in place between each of the newly formed Councils and DETI/ Invest NI to reflect the transfer of functions, including the responsibility for encouraging the formation and growth of social enterprises, to Councils as part of Local Government Reform in Northern Ireland (post April 2015). Invest NI continued to manage the SEP contract up until the 3<sup>rd</sup> July 2015 (when the Programme officially ended) and it was responsible for reimbursing ENI for the delivery of the Programme up until that time.

##### 8.5.2 Invest NI Staff Costs

Discussion with Invest NI indicates that the staffing complement, and the percentage of time apportioned to the delivery of the SEP, was as projected in the Economic Appraisal. Based on information provided by Invest NI, the following table reflects the total internal 'fully loaded' staff

costs, which are reflective of the full economic costs of staff time including ERNI plus Superannuation, and loadings<sup>126</sup>.

Staff Grade	% of time apportioned to Programme				Actual Cost				Total
	Jan 13 – Mar 13	Apr 13 – Mar 14	Apr 14 – Mar 15	Apr 15 – Jul 15	Jan 13 – Mar 13	Apr 13 – Mar 14	Apr 14 – Mar 15	Apr 15 – Jul 15	
Grade 7	20%	20%	20%	20%	£3,827	£15,732	£16,145	£4,141	£39,846
DP	50%	50%	50%	50%	£7,596	£31,220	£32,031	£8,213	£79,060
AO	35%	35%	35%	35%	£3,334	£13,689	£14,027	£3,592	£34,641
<b>Total internal 'fully loaded' staff costs</b>					<b>£14,757</b>	<b>£60,640</b>	<b>£62,204</b>	<b>£15,946</b>	<b>£153,547</b>

The Evaluation Team notes that the total internal 'fully loaded' staff costs of £153,547 (although not the proportions of time) marginally decreased from those suggested within the Economic Appraisal (which were £160,841). Given that there were no detailed calculations included within the Economic Appraisal to illustrate how the proposed Invest NI staff costs were arrived at, the Evaluation Team is unable to determine the rationale for the marginal decrease in actual staff costs versus those proposed. Discussion with Invest NI indicates that this may be due to marginally different salary rates being used during the development of the Economic Appraisal.

### 8.5.3 Invest NI Start-up Grant

As per Section 3.4.4, monitoring information provided by Invest NI indicates that, of those groups/ organisations that participated on the Core Capability Support strand, 19 were awarded with a start-up grant, equating to a total grant value of £115,000. However, as per Section 3.3.1, the start-up grant was no longer available as part of the Programme from the 2<sup>nd</sup> April 2014 onwards.

### 8.5.4 Lloyds TSB Grant

As per Section 3.4.5, discussion with Invest NI indicates that of those groups/ organisations that participated on the Core Capability Support strand, 18 (12% - N=153) were awarded with a Lloyds TSB grant of £3,000, equating to a total grant value of £54,000.

A representative from Lloyds highlighted that, whilst the grant was considered to be well publicised to the various LEAs and prospective applicants, there were few applications received from applicants that met the eligibility criteria for the grant assistance (as per Section 1.2.4). It was highlighted that in many instances applicants were not categorised as having charitable status or they had availed of support from Lloyds in the 12 months prior to their application submission and were therefore not eligible for grant assistance.

### 8.5.5 Procurement Costs

Discussion with Invest NI indicates that the CPD related procurement costs associated with securing an External Delivery Organisation were £6,024 (although this was not featured in the costs included in Economic Appraisal).

<sup>126</sup> The Evaluation Team utilised DETI's Ready Reckoner of Staff Costs for the 2009/10 period, which has been uplifted for the periods under consideration (ERNI has been uplifted by the relevant percentage points and the superannuation and loadings have been uplifted using HMT's GDP deflators).

### 8.5.6 Summary of Actual Programme Costs

As detailed in the following table, the total cost incurred by Invest NI to deliver the SEP was circa £1.45m.

<b>Cost Category</b>	<b>Actual Costs (£)</b>
Programme Delivery Costs	£1,104,389
Invest NI Programme Management	£153,547
Invest NI Grant	£115,000
Lloyds TSB Grant	£54,000
Procurement Costs	£6,024
Evaluation Costs	£14,000
<b>Total</b>	<b>£1,446,960</b>

### 8.6 Proposed versus Actual Costs

The following table provides a summary of the proposed (as per the Economic Appraisal) versus actual costs of delivering, and administering, the SEP.

<b>Cost Category</b>	<b>Proposed Costs (as per EA) (£)</b>	<b>Actual Costs (£)</b>	<b>Variance</b>	
			<b>(£)</b>	<b>(%)</b>
Programme Delivery Costs	£1,076,514	£1,104,389	£27,875	+3%
Invest NI Programme Management	£160,841	£153,547	-£7,294	-5%
Invest NI Grant	£150,000	£115,000	-£35,000	-30%
Lloyds TSB Grant	£144,375	£54,000	-£90,375	-167%
Procurement Costs	-	£6,024	-	-
Evaluation Costs	£20,000	£14,000	-£6,000	-43%
<b>Total</b>	<b>£1,551,730</b>	<b>£1,446,960</b>	<b>-£104,770</b>	<b>-7%</b>

Salient points to note include:

- Over three quarters (76%) of the total actual costs related to programme delivery costs (which were payable to ENI), which were marginally (3% or £27,875) higher than those set out in the Economic Appraisal.
- The costs associated with the Invest NI Grant were lower than anticipated, which is primarily on the basis that the start-up grant was discontinued by Invest NI from the 2<sup>nd</sup> April 2014 onwards.
- The costs associated with the Lloyds TSB Grant were lower than anticipated, which is primarily on the basis that few eligible applications were actually received from applicants (and grants subsequently awarded).
- Total Invest NI staff costs equated to 11% (or circa £154k) of the total Programme costs.
- The overall actual costs were £104,770 (7%) less than those costs set out in the Economic Appraisal.

### 8.7 GVA Return-on-investment

Given the level of net additional GVA (i.e. £1,535,914) that has been provided by the Programme to date (i.e. for a 2.5 year programme period), and the full economic cost of delivering the Programme (i.e. £1,446,960), then **the GVA return-on-investment is £1:£1.06**<sup>127</sup>.

It is the Evaluation Team's view, and one shared by Invest NI, that this represents only an intermediate position of the SEP's potential ultimate impact (in terms of gross and net additional GVA

<sup>127</sup> Return-on-investment is based on actual outcomes derived to date i.e. excludes outturns anticipated to be derived by businesses in the future.

and therefore a GVA return-on-investment). In agreement with Invest NI, in order to calculate a GVA return-on-investment figure allowing for five years of benefits for each participant, the Evaluation Team has summed the actual net additional GVA (£1,535,914) and the ‘anticipated’ net additional GVA (£4,033,699), which equates to a total net GVA of £5,569,613. Given there are no additional costs associated with delivering the SEP, this results in a **5 year GVA return-on-investment of £1:£3.85**<sup>128</sup>.

## 8.8 Cost Effectiveness

The following table sets out details of three cost effectiveness indicators, namely:

1. Those cost effectiveness indicators that were included within the Economic Appraisal. The Evaluation Team notes that these were based upon the total costs for approval i.e. £1,465,816, which excluded Invest NI staff costs and Lloyds TSB Foundation Northern Ireland grant but included VAT (at 20%) where applicable (i.e. on delivery costs and evaluation but not Invest NI grant costs).
2. To enable comparability with those cost effectiveness indicators included the Economic Appraisal, the Evaluation Team has prepared cost effectiveness indicators based upon those actual costs incurred by Invest NI, exclusive of Invest NI staff costs (£153,547) and Lloyds TSB Foundation Northern Ireland grant (£54,000) and inclusive of VAT (at 20%) where applicable (i.e. on delivery costs and evaluation but not Invest NI grant costs or procurement costs).
3. The Evaluation Team has prepared comparable cost effectiveness indicators based the full economic cost of delivering, and administering, the SEP (i.e. £1,446,960, as set out in Section 8.6).

<b>Table 8.6: Cost effectiveness indicators</b>			
	<b>Jobs Created</b>	<b>Cost (£)</b>	<b>Cost Effectiveness Indicator (£)</b>
<b>1. As per the Economic Appraisal</b>			
Cost per gross jobs created	275	£1,465,816	£5,330
Cost per net additional jobs created	89	£1,465,816	£16,470
<b>2. Based on actual costs incurred (as per Economic Appraisal methodology)</b>			
Cost per gross jobs created	373	£1,463,091	£3,922
Cost per net additional jobs created	129	£1,463,091	£11,342
<b>3. Based on actual costs incurred (on a full economic cost basis)</b>			
Cost per gross jobs created	373	£1,446,960	£3,879
Cost per net additional jobs created	129	£1,446,960	£11,217

The Evaluation Team notes that the actual cost effectiveness achieved by the SEP (based upon those indicators outlined above) has improved versus what was anticipated at the outset (as per the Economic Appraisal).

<sup>128</sup> i.e. (£1,535,914 + £4,033,699) divided by £1,446,960.

## 8.9 Value-for-Money

Based on the preceding analysis, it is the Evaluation Team’s view that the **SEP delivered value-for-money during the period under review**. More specifically, this view is based on each of the following inter-related factors.

<b>Table 8.7: Summary of Value for Money</b>	
<b>VFM Indicator</b>	<b>Conclusion</b>
<b>Strategic Fit</b>	<p>In line with the strategic imperatives of the Northern Ireland Government that existed during the period under review, the Evaluation Team’s analysis indicates that the SEP has positively contributed towards:</p> <ul style="list-style-type: none"> <li>- Investing in social enterprise growth in order to increase sustainability in the broad community sector;</li> <li>- Supporting the establishment of new social enterprises; and</li> <li>- Creating employment opportunities.</li> </ul>
<b>Need &amp; Market Failure</b>	<p>The approval for the delivery of the SEP was granted based upon the positive findings detailed within the previous evaluation of the Programme (2012), which concluded that there was “<i>a robust and credible case for the continuation of the SEP</i>”.</p> <p>Furthermore, there were a number of market failures (including asymmetric information, growth externalities, equity and distribution, co-ordination failures and capital market failure) identified that were inhibiting the growth of the social economy sector in Northern Ireland and therefore necessitating the need for intervention.</p> <p>Indeed, at the time of approval, the SEP was seen as being an important piece of the ‘jigsaw’ in terms of creating employment opportunities, improving services, cutting costs and tackling disadvantage.</p> <p>Based upon the research findings (including the calculated levels of additionality and market failure) the Evaluation Team concludes that there is strong evidence to indicate that there is a continued need for this type of support to be provided to the social economy sector moving forward.</p>
<b>Additionality</b>	<p>The levels of activity (45.4%) and impact (54.2%) additionality should be considered quite favourably. In the Evaluation Team’s view, this is based on the fact that, as previously highlighted, the level of activity deadweight (54.6%) is lower (by 25.4 percentage points) than the level of deadweight calculated within the start-up strand of the Enterprise Development Programme (EDP) (where the level of deadweight was calculated at 80%). This is likely to reflect the fact that the support provided through the SEP was targeted at attracting those groups/ organisations who would be typically less likely to have started a social enterprise anyway i.e. involving those individuals that are more distant from the labour market, those in more disadvantaged areas etc.</p>
<b>Duplication</b>	<p>The Evaluation Team concludes that the risk of the SEP duplicating other similar initiatives was minimal during the period under review. This is supported by the Evaluation Team’s review of the broader marketplace and by the feedback from recipients of support, the majority of whom suggested that, in the absence of the SEP, they would not have been able to get similar support elsewhere.</p>

**Table 8.7: Summary of Value for Money**

VFM Indicator	Conclusion																																												
<b>Economy Efficiency and Effectiveness</b>	<table border="1"> <thead> <tr> <th>Indicator</th> <th>Evaluation Team's Commentary</th> </tr> </thead> <tbody> <tr> <td><b>Economy</b> measures are concerned with showing that the appropriate inputs (i.e. the resources used in carrying out the project) have been obtained at least cost</td> <td>As previously highlighted, the contract for the delivery of the SEP was publicly tendered. A scoring exercise was utilised to identify the most cost advantageous bid.  Subsequently, both Invest NI and ENI have consistently reviewed the programme in an effort to reduce costs, where appropriate.</td> </tr> <tr> <td><b>Efficiency</b> relates to measures that are concerned with achieving the maximum output from a given set of inputs</td> <td>As per Section 8.8, the programme cost per gross and net additional jobs created are lower (across two sets of comparable cost effectiveness indicators) than those set out in the Economic Appraisal (which were £5,330 and £16,470 respectively).  Therefore, in the Evaluation Team's view Invest NI has achieved the maximum output from a given set of inputs.</td> </tr> <tr> <td><b>Effectiveness</b> measures are concerned with showing the extent to which aims, objectives and targets of the project are being achieved</td> <td>At this stage, the vast majority have either been achieved or, in the Evaluation Team's view, are likely to be achieved given more time to elapse.</td> </tr> </tbody> </table>	Indicator	Evaluation Team's Commentary	<b>Economy</b> measures are concerned with showing that the appropriate inputs (i.e. the resources used in carrying out the project) have been obtained at least cost	As previously highlighted, the contract for the delivery of the SEP was publicly tendered. A scoring exercise was utilised to identify the most cost advantageous bid.  Subsequently, both Invest NI and ENI have consistently reviewed the programme in an effort to reduce costs, where appropriate.	<b>Efficiency</b> relates to measures that are concerned with achieving the maximum output from a given set of inputs	As per Section 8.8, the programme cost per gross and net additional jobs created are lower (across two sets of comparable cost effectiveness indicators) than those set out in the Economic Appraisal (which were £5,330 and £16,470 respectively).  Therefore, in the Evaluation Team's view Invest NI has achieved the maximum output from a given set of inputs.	<b>Effectiveness</b> measures are concerned with showing the extent to which aims, objectives and targets of the project are being achieved	At this stage, the vast majority have either been achieved or, in the Evaluation Team's view, are likely to be achieved given more time to elapse.																																				
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**Table 8.7: Summary of Value for Money**

VFM Indicator	Conclusion
<p><b>Economic Efficiency test results</b></p>	<p>From a <b>quantitative perspective</b>, the analysis suggests that the SEP has:</p> <p><b><u>Actual Impacts</u></b></p> <ul style="list-style-type: none"> <li>- Contributed £1.5m in net additional GVA to the Northern Ireland economy;</li> <li>- Created 129 jobs (54 full time jobs and 75 part time jobs), 23 of which had salaries in excess of the private sector median of circa £18,000 during the period under review; and</li> <li>- Created 189 volunteering opportunities, of which 6 were full time volunteer positions and 183 were part time positions.</li> </ul> <p><b><u>'Anticipated' Impacts</u></b></p> <ul style="list-style-type: none"> <li>- The potential to contribute a further £4m in net additional GVA to the Northern Ireland economy over the benefits realisation period (i.e. post SEP finishing).</li> </ul> <p>Positively, given the overarching aims of the SEP, it was reported that the support provided through the SEP contributed towards the achievement of the following <b>wider social outcomes</b>:</p> <ul style="list-style-type: none"> <li>- Developing enterprise culture and awareness;</li> <li>- Enhancing the quality of life for beneficiaries in disadvantage areas;</li> <li>- Improving employment prospects;</li> <li>- Supporting vulnerable people;</li> <li>- Enhancing community empowerment; and</li> <li>- Reinvesting into the local community.</li> </ul> <p>The SEP has contributed to providing the Northern Ireland economy with a number of other wider and regional benefits including: Entrepreneurship; Knowledge Transfer; Skills development; Labour Market Impacts (in areas of disadvantage); and Addressing distributional issues (e.g. Areas of Disadvantage).</p>

## 9. CONCLUSIONS & RECOMMENDATIONS

### 9.1 Introduction

The section presents the Evaluation Team's key conclusions and recommendations arising from the evaluation process.

### 9.2 Conclusions

#### 9.2.1 *Strategic Context and Rationale*

In line with the strategic imperatives of the Northern Ireland Government that existed during the period under review, the Evaluation Team's analysis indicates that the SEP has positively contributed towards:

- Investing in social enterprise growth in order to increase sustainability in the broad community sector;
- Supporting the establishment of new social enterprises; and
- Creating employment opportunities.

The approval for the delivery of the SEP was granted based upon the positive findings detailed within the previous evaluation of the Programme (2012), which concluded that there was "*a robust and credible case for the continuation of the SEP*".

Furthermore, there were a number of market failures (including asymmetric information, growth externalities, equity and distribution, co-ordination failures and capital market failure) identified that were inhibiting the growth of the social economy sector in Northern Ireland and therefore necessitating the need for intervention. Indeed, at the time of approval, the SEP was seen as being an important piece of the 'jigsaw' in terms of creating employment opportunities, improving services, cutting costs and tackling disadvantage.

Based upon the research findings (including the calculated levels of additionality and market failure) the Evaluation Team concludes that there is strong evidence to indicate that there is a continued need for this type of support to be provided to the social economy sector moving forward.

#### 9.2.2 *Operation and Delivery*

The purpose of the SEP was to support and encourage new social enterprises to operate under commercial business models, in order to maximise their economic impact (in terms of jobs and wealth creation), whilst maintaining a focus on wider economic and social benefits. The SEP provided three autonomous, but interrelated, strands of support, which had a number of entry and exit points. These were:

- **Lead In Capability Support** - to provide groups with well-defined social enterprise projects and ideas;
- **Core Capability Support** – to provide tailored one-to-one support to focus on the development and implementation of a social enterprise's business plan; and
- **Start-up Grant** - to assist with those costs that were associated with establishing their social enterprise.

Between January 2013 and July 2015, a total of 234 groups/ organisations were provided with support through the SEP. The nature of the support that was ultimately delivered was tailored to the specific needs of individual groups/organisations. Monitoring information provided by Invest NI indicates the following activity:

- 234 unique groups/ organisations received a total of 328 interventions (i.e. an intervention being defined as an interaction with an individual strand of the SEP).
- In line with the targets stipulated within the 'Benefit Realisation Plans' for each of the three sub-regional contracts (and contract variations therein), over two fifths (45% - N=328) of the total interventions were delivered in the Eastern region, through Work West Enterprise Agency.
- Over two fifths (44% - N=328) of the interventions were delivered between April 2014 and March 2015.
- There were 143 unique groups/ organisations that had 151 interactions with the Lead In Capability support strand of the SEP, with over two fifths (43% - N=143) being delivered to unique groups/ organisations in the Eastern region.
- There were 153 unique groups/ organisations that had 158 interactions with the Core Capability support strand of the SEP.
- As of September 2015, there were 157 business plans developed, across the three sub-regions and there were 154 social enterprises that had commenced trading.
- There were 24 modular training sessions delivered across the three sub-regions, with a total of 218 individuals from 171 groups/ organisations in attendance.
- There were 19 start-up grants awarded during the period January 2013 to 2<sup>nd</sup> April 2014. Discussion with Invest NI indicates that the start-up grant was no longer available as part of the Programme from the 2<sup>nd</sup> April 2014 onwards.
- Invest NI expressed its view that both Invest NI and ENI referred groups/ organisations, when appropriate, to other forms of mainstream support (e.g. other forms of support within Invest NI's portfolio of programme offerings).
- On an overall basis, 85% (N=234) of the total unique groups/ organisations that participated on the SEP were from, or were proposing to operate in, disadvantaged areas, whilst 55% (N=234) were from, or were proposing to operate in, NRAs.
- Nearly a third (30% - N=234) of the unique groups/ organisations that participated on the SEP were located with the Belfast City Council area (or the eastern region).

The Evaluation Team's analysis suggests that groups/ organisations were, on the whole, highly satisfied with the support provided through the SEP. Specifically, the feedback from participants in receipt of SEP support suggests that (amongst other things):

- The content, structure and duration of support was, on the whole, appropriate to meet the needs of participants; and
- The SEP Advisors had an understanding of participant's needs, they were technically proficient and they had knowledge of other types of support that the organisations could avail of.

Reflecting the quality of the support received and subsequent impact that it made on recipients of support, almost all of the organisations would be willing to recommend the SEP support to other organisations/ groups and nearly three quarters would be willing to pay for the support if they required similar support and advice in the future.

Given the levels of demand for the SEP, participants' high levels of satisfaction with the Programme, the positive contribution of the Programme to the Northern Ireland economy and the variations that were made to the Programme during the period under review to maintain its efficacy, the Evaluation Team suggests that Invest NI's overall approach to risk management was robust and proportionate.

There were a range of output/ activity and outcome targets established for the SEP. At this stage, the vast majority have either been achieved, or in the Evaluation Team's view, are likely to be achieved given more time to elapse.

Based upon monitoring information provided by Invest NI, the total cost incurred by Invest NI to deliver the SEP was circa £1.45m. Over three quarters (76%) of the total actual costs related to programme delivery costs (which were payable to ENI).

### 9.2.3 Performance and Impact

Based on the feedback from those groups/ organisations in receipt of support, the following key conclusions can be drawn in relation to the impact made by the SEP:

- The levels of activity (45.4%) and impact (54.2%) additionality should be considered quite favourably. In the Evaluation Team’s view, this is based on the fact that, as previously highlighted, the level of activity deadweight (54.6%) is lower (by 25.4 percentage points) than the level of deadweight calculated within the start-up strand of the Enterprise Development Programme (EDP) (where the level of deadweight was calculated at 80%). This is likely to reflect the fact that the support provided through the SEP was targeted at attracting those groups/ organisations who would be typically less likely to have started a social enterprise anyway i.e. those individuals that are more distant from the labour market, those in more disadvantaged areas etc.
- The analysis indicates that the majority of groups/ organisations would not have established their social enterprise (or would have started at a different scale and/or timescale) due to full (10%) or partial market failure factors (57%), typically in the form of asymmetric information.
- From a **quantitative perspective**, the analysis suggests that the SEP has:

**Actual Impacts**

- Contributed £1.5m in net additional GVA to the Northern Ireland economy.
- Created a total of 373 gross or 129 net additional jobs, of which:
  - 156 of the gross jobs or 54 of the net additional FTE jobs were potentially filled by individuals from disadvantaged areas; and
  - 67 of the gross jobs or 23 of the net additional FTE jobs that were created had salaries in excess of the private sector median of circa £18,000 during the period under review.
- Created 189 volunteering opportunities, of which 6 were full time volunteer positions and 183 were part time positions.

**‘Anticipated’ Impacts**

- The potential to contribute a further £4m in net additional GVA to the Northern Ireland economy over the benefits realisation period (i.e. post SEP finishing).

- Positively, given the overarching aims of the SEP, it was reported that the support provided through the SEP contributed towards the achievement of the following **wider social outcomes**:
  - Developing enterprise culture and awareness;
  - Enhancing the quality of life for beneficiaries in disadvantage areas;
  - Improving employment prospects;
  - Supporting vulnerable people;
  - Enhancing community empowerment; and
  - Reinvesting into the local community.
- Encouragingly, the support provided through the SEP led to a number of unexpected impacts/ achievements e.g. it contributed towards enhancing the reputation of the social enterprises outside of the UK; and it assisted the development of relationships with other social enterprises in order to share experiences and advice.
- On an overall basis, the majority of groups/ organisations suggested that, in the absence of the SEP, they would not have been able to get the same or similar support elsewhere. Based on this

feedback, along with a review of the broader marketplace, the Evaluation Team concludes that the risk of the SEP duplicating other similar initiatives was minimal during the period under review.

- The SEP has contributed to providing the Northern Ireland economy with a number of other wider and regional benefits including: Entrepreneurship; Knowledge Transfer; Skills development; Labour Market Impacts (in areas of disadvantage); and Addressing distributional issues (e.g. Areas of Disadvantage).

#### 9.2.4 Return-on-Investment and VFM

Given the level of net additional GVA (i.e. £1,535,914) that has been provided by the Programme to date (i.e. for a 2.5 year programme period), and the full economic cost of delivering the Programme (i.e. £1,446,960), then **the GVA return-on-investment is £1:£1.06**<sup>129</sup>.

It is the Evaluation Team's view, and one shared by Invest NI, that this represents only an intermediate position of the SEP's potential ultimate impact (in terms of gross and net additional GVA and therefore a GVA return-on-investment). In agreement with Invest NI, in order to calculate a GVA return-on-investment figure allowing for five years of benefits for each participant, the Evaluation Team has summed the actual net additional GVA (£1,535,914) and the 'anticipated' net additional GVA (£4,033,699), which equates to a total net GVA of £5,569,613. Given there are no additional costs associated with delivering the SEP, this results in a **5 year GVA return-on-investment of £1:£3.85**<sup>130</sup>.

It is the Evaluation Team's view, based upon all available evidence, that the SEP delivered VFM in respect of the costs incurred.

#### 9.2.5 Equality Considerations

The Evaluation Team has identified no negative equality impacts, and considers the Programme to have been accessible to all Section 75 groupings and people with disabilities.

<sup>129</sup> Return-on-investment is based on actual outcomes derived to date i.e. excludes outturns anticipated to be derived by businesses in the future.

<sup>130</sup> i.e. (£1,535,914 + £4,033,699) divided by £1,446,960.

### 9.3 Recommendations

1. Given the reported positive impacts that the SEP has had on groups/ organisations, social enterprises and the wider Northern Ireland economy, and evidence of continued need for support, it is recommended that this type of intervention should continue to be provided to the social economy sector moving forward.
2. The Evaluation Team recommends that the following key considerations are factored into any decision making processes relating to any future intervention of this nature:
  - The sub-regional approach that was adopted and implemented by Invest NI and ENI to deliver the SEP was effective and should be considered as a potential delivery option moving forward.
  - It is recommended that groups/ organisations seeking to establish social enterprises should continue to be provided with support that is separate and distinct from mainstream business support (such as the Regional Start Initiative).
  - It is recommended that any future model of delivery should continue to demonstrate flexibility in terms of the levels of support provided to programme participants, similar to that which was evident as part of the most recent phase of the SEP. This will allow tailored support to be provided to programme participants linked to their specific requirements.
  - The continuance of the Social Economy Stakeholder Reference Group, or some form of it, should be considered moving forward for the purposes of, *inter alia*, knowledge and information sharing and raising awareness of issues within the social economy sector.
  - The merits and demerits of introducing charging for similar types of support should be factored into any decision making processes relating to any future intervention of this nature.
  - Based on the feedback from Programme participants, the potential to provide some form of additional aftercare type support, perhaps during years two or three of trading, should be factored into any decision making processes relating to any future intervention of this nature.
3. The conclusions and recommendations from this evaluation should be shared with all relevant stakeholders in order to help inform policy and support for the social economy sector moving forward.