



**North Belfast Ethical Investment Project  
Evaluation Report**

**June 2018**

## Contents

<b>1.0</b>	<b>Introduction</b>	<b>Page 3</b>
1.1	Project Summary	Page 4
1.2	Evaluation Methodology	Page 5
<b>2.0</b>	<b>Project Governance</b>	<b>Page 6</b>
2.1	Ashton Community Trust – Lead Partner	Page 6
2.2	Ethical Development Trust – Delivery Partner	Page 6
<b>3.0</b>	<b>Project Effectiveness- The value created and added by the NBEI Project</b>	<b>Page 8</b>
<b>4.0</b>	<b>Impact of the NBEI Research Element</b>	<b>Page 19</b>
4.1	Market Research	Page 19
4.2	Impact Series	Page 20
4.3	Working Paper Series	Page 20
4.4	Research Studentships	Page 20
4.5	Summary of Impact	Page 21
<b>5.0</b>	<b>Implications for Policy and Practice</b>	<b>Page 25</b>
5.1	Asset Transfer	Page 25
5.2	Social Value Act	Page 26
5.3	Access to Capital/Finance	Page 26
5.4	Research and Development	Page 26
5.5	Driver for Social Economy	Page 27

## 1.0 Introduction

The Social Investment Fund (SIF) was set up to deliver social change by making life better for people living in targeted areas in Northern Ireland through reducing poverty, unemployment and physical deterioration. It is focused on supporting communities to:

- Increase employment opportunities by addressing, educational underachievement, lack of skills, access to jobs and making it attractive for businesses to start up in areas which have suffered deprivation.
- Tackle issues such as mental and physical health, use of drugs and alcohol, becoming a young mother, young people's involvement in antisocial behaviour and the ability of communities to work together which can all be associated with deprivation
- Increase services in the community by improving existing facilities, making the environment better and providing additional facilities where needed and possible
- Address dereliction to make areas more appealing for investment and for those living there

SIF was designed to target areas that are most disadvantaged without duplicating existing or planned provision and developed as a new fund. The target areas included:

- Areas within the top 10% most deprived Super Output Areas on the Multiple Deprivation Measure 2010. These are all urban areas.
- Areas within the top 20% most deprived Super Output Areas on the key domains of income, employment, education and health. These will be mainly urban and some rural areas.
- Areas which could provide independently verified and robust evidence linked to the strategic objectives of SIF listed above.

The fund was delivered in partnership with communities across nine social investment zones. Each zone had a steering group with up to 14 members from the business, political, statutory and voluntary & community sectors. The Belfast North Social Investment Fund (SIF) Zone supported both capital and revenue projects and its Steering Group identified the North Belfast Ethical Investment (NBEI) Project as one of its strategic priorities. *NBEI* was a revenue-based programme to support asset based social enterprises and alternative forms of economic renewal.

## 1.1 Project Summary

The NBEI project was designed to support the development of asset-based social enterprises (SEs) in North Belfast and to identify projects capable of making a significant impact on the area's underlying social, economic and environmental problems. Ultimately, it sought to strengthen the financial resilience of social enterprises by improving their use of capital assets, bring new entrants into property investment, and help scale existing projects to their next level of growth.

The project worked to enhance skills, learning and knowledge to enable SEs to access capital for start-up and development costs, professional fees (architectural/quantity surveying etc), purchase and refurbishment of suitable properties and larger scale development funding for full implementation. It also supported SEs to manage and maintain the assets as viable business propositions contributing to the support and growth of the asset-based social enterprise sector in North Belfast as a basis for the sustainable regeneration of the area. The project offered revenue support, technical assistance and feasibility analysis at three levels:

- **Level One** interventions supported the creation of asset-based social enterprises and supported their development in the first three years of growth. This level concentrated on the acquisition, rehabilitation, or maintenance of assets and included expert support along with the provision of working capital to support this stage of development.
- **Level Two** supports sought to grow viable asset-based social enterprises to strengthen sustainability and long-term profitability within three years. Projects at this level were established social enterprises who were committed to optimising their assets to scale their operations and/or develop new social enterprises to make them more financially resilient. The NBEI project offered support in the form of working capital and technical assistance.
- **Level Three** project interventions were focused on asset-based ethical property regeneration projects which could achieve high growth potential within three years and lever mainstream grant, loan or equity finance into the North Belfast area.

At the overarching level, the NBEI projected aims to support and develop SEs through a 'staircase' approach to developing the social economy in North Belfast. Applicant projects must have participated in the North Belfast Social Enterprise Hub programme which ensured some investment and growth readiness assessment which assisted with tailoring the interventions from the NBEI project. The project commenced on November 1<sup>st</sup> 2015, concluded on April 30<sup>th</sup> 2018 and was managed by Ashton Community Trust (ACT) and delivered by Ethical Development Trust North (NBEI). Gauge NI were commissioned in May 2018 to conduct an independent evaluation of the project.

## 1.2 Evaluation Methodology

Given the short timeline for the delivery of this evaluation<sup>1</sup>, the terms of reference (TOR) were primarily - though not exclusively - focused on the strategic impact of the project, particularly in the context of:

- a) Project governance
- b) The effectiveness of the project through value created and added and the extent to which its objectives were achieved
- c) The specific impact of the research component of the project
- d) The implications for policy and practice of the NBEI approach, for the development of the enabling environment for asset based social enterprises across Northern Ireland
- e) The relevance of the project (i.e. appropriateness of the project in relation to the needs identified within the project specification and economic appraisal); and
- f) Scalability and legacy of the project

Table 1 outlines the stakeholder engagement undertaken for this evaluation. This consultation involved lead and delivery partners, Project Board members, NBEI staff, NBEI fund recipients and social enterprise stakeholders in North Belfast and involved semi-structured interviews using the question outline in **Appendix 1**.

Stakeholder
Meeting with Chief Executive of the lead partner
Meetings and ongoing liaison with the Research Director and Researcher
Meetings and ongoing liaison with the Chief Executive and Programme Director, Local Economic Development Company Ltd (LEDCOM) – Delivery Partner
Meeting with Strategic Investment Board Advisor for the Social Innovation Fund
Meeting with The Executive Office, Project Development Officer NBEI-NBEI North.
Meeting with the SE Group representative from the Department of the Economy.
Meeting with member of North Belfast Social Enterprise Group.
Meetings with CEOs of organisations who received NBEI funding and support
E-mail exchange with NISRA Statistician in the Statistics and Research Branch of TEO.

**Table 1 – Stakeholder Engagement**

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<sup>1</sup> May 17<sup>th</sup> to June 29<sup>th</sup> 2018

The Executive Office (TEO) has adopted the Outcomes Based Assessment (OBA) model to monitor the outputs and outcomes for the SIF Programme. The Northern Ireland Statistics & Research Agency (NISRA) is assisting TEO and partner organisations in the evaluation process. Project activity is monitored through regular project progress reports submitted to GSP and TEO and discussed at monthly Project Board meetings. The OBA data was made available to the external evaluation team; however, it was not part of the TOR for this study to evaluate either the process or activity data within the OBA framework for this project. The analysis of the extent to which the project delivered against its activity targets is therefore not part of this evaluation. However, the OBA data is an important reference point in the evaluation particularly for the section in this report devoted to project effectiveness and the value created and added by NBEI.

## **2.0 Project Management & Governance**

The Project Board is comprised of:

- Ashton Community Trust- Lead Partner
- Ethical Development Trust- Delivery Partner
- Department for the Economy
- The Executive Office
- Strategic Investment Board

### **2.1 Ashton Community Trust – Lead Partner**

Ashton Community Trust is a social enterprise and development trust which seeks to make North Belfast a better place for its residents to live and prosper. It does this through the provision of services, employment, training and community development. ACT has grown over the last twenty years to the extent where it now employs over 200 people and has an annual turnover more than £7m.

ACT is registered as a charity with the Inland Revenue and is a company limited by guarantee. The company was established by local residents and is controlled by a voluntary Board who ensure that it stays true to its mission and vision. The board employs staff to manage the company on a day-to-day basis. Profits are not distributed but are invested back into further ACT's regeneration objectives.

## 2.2 Ethical Development Trust - Delivery Partner

The Ethical Development Trust North is a partnership between LEDCOM, Ashton Community Trust and Queen's University, delivering a full package of social enterprise property development support in the greater North Belfast area. This is an innovative, dynamic partnership which combines proven delivery and sustainability of social enterprises in North Belfast with economic development support and academia to build the capacity of the Social Enterprise sector to become more sustainable through upscaling and diversification into high growth areas.

## 2.3 Summary

Good working relationships have been fostered between the lead partner and the consortium partners. The Board ensured professional oversight of all programme activities, It met monthly, worked to an agreed agenda with monthly activity reports and risk register updates tabled. The project management processes and systems deployed were aligned with PRINCE 2 methodology.

Applications for project funding were assessed at monthly project board meetings. In general, the quality of applications presented to Project Board were of a good standard and about 80% of applications tabled were granted support. The main reasons that projects were unsuccessful in their applications were deficiencies in scale, size and lack of capital. From quite early in the project, it became apparent that the volume of projects which would meet the criteria for support from NBEI was not going to resemble the targets within the economic appraisal, especially for level 2 and 3 supports.

In March 2017, the Level 3 Project Scope and Implementation paper was presented to the Project Board which outlined the challenges for developing Level 3 projects in North Belfast; While much engagement and negotiation had taken place with potential projects, the paper found that the existing operating environment for Social Enterprises in North Belfast limited the number of strategic partners capable of delivering a new social enterprise project in keeping with the scale and scope of a Level 3.

The paper identified six sizable organisations based in North Belfast displaying characteristics of investment readiness; **sizable financial reserves** and **own numerous assets** that could be used to help **secure loans** or **raise alternative finance**, have an **appetite for risk** and demonstrate a **strong local multiplier effect** that in theory should have the capacity to take forward a project in keeping with the scale of a Level 3. However, some opted to pursue level 1 & 2 projects while others after showing initial interest could not convince their Board to invest.

This left ACT as the only organisation *with proven social entrepreneurship capacity and an appetite to drive forward new asset based social enterprises in keeping with scale of a Level 3 project*. After intensive discussion at Project Board on governance implications of granting project funding to level 3 projects where the lead partner ACT were willing to invest capital, it was agreed that this represented an appropriate use of project resources to assist towards meeting one of the main objectives of the NBEI project i.e. the development of Level 3 asset-based ethical property regeneration projects which could achieve high growth potential within three years and lever mainstream grant, loan or equity finance into the North Belfast area.

*“We would have hoped that more groups would have come forward with projects for support but with all the funding cuts it was hard for organisations to plan beyond the next funding crisis and think strategically about investing. The timeline of the project was not conducive as such decision making for boards takes time.” Project Board Member*

### **Finding**

Overall, we found that the governance of the project was effective and fully compliant with all SIF requirements, the board was responsive to emerging issues and agreed actions efficiently when the potential for under performance against target was identified. Approval of funding for projects which were capitalised by the lead partner Ashton Community Trust was an appropriate and necessary intervention to develop the level 3 project infrastructure. Such approvals were subject to intense scrutiny by the Project Board which included the tabling of the level 3 project scope and implementation paper to ensure that all due diligence was followed.

While we would emphasise that the skill, experience and expertise of the Project Board was of a high standard, a wider representation of stakeholder interest from the Department for Communities, the community sector in North Belfast and the private sector might have provided additional stimulus.

### **3.0 Project Effectiveness - The value created and added by the NBEI Project**

This section will explore the effectiveness of the NBEI Project in supporting social enterprise to reduce poverty, unemployment and physical deterioration in North Belfast.

The focus on and support for social enterprise has increased over the past decade through a greater understanding of its ability to create jobs, tackle underlying social issues, enhance social capital and promote equality. However, this support has been somewhat fragmented, limited in resources and subject to significant changes because of lack of strategic investment.

Table 2 provides a high-level overview of the various programmes delivered by some key sectoral organisations in recent times which focus on social enterprise and the current status of each. A recurring theme illustrated through this table is that some of the flagship programmes have now ceased with no adequate replacement support in place.

Social Enterprise Programme	Focus	Current Status
<p><b>Social Entrepreneurship Programme (SEP)</b></p> <p><b>Phase 1 (June 2006-April 2009)</b></p> <p><b>Phase 2 (June 2009-March 2012)</b></p>	<p>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:</p> <ul style="list-style-type: none"> <li>- Lead In Capability Support - to provide groups with well-defined social enterprise projects and ideas;</li> <li>- 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</li> <li>- Start-up Grant - to assist with those costs that were associated with establishing their social enterprise.</li> </ul> <p>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).</p>	<p>Functions transferred to 11 District Councils</p> <p>(see below)</p>
<p><b>Social Enterprise Hub Programme (March 2014-March 2017)</b></p>	<p>The Social Enterprise Hub Programme was a project managed by a Project Board with representatives from Dept for Communities, Dept for the Economy and Invest NI. 11 hubs across NI were established and located in SIF Zones including one in each of the four Belfast SIF zones, several regional areas including Derry-Londonderry, Enniskillen, Strabane, Ballymena, Lurgan, Downpatrick and Lisburn. The services delivered within the hubs included the following;</p> <ul style="list-style-type: none"> <li>• Opportunity for aspiring social entrepreneurs to hot desk or test trade out of the hub premises</li> <li>• Meeting / training / conference room available for hub members use</li> </ul>	<p>2 Year Pilot with additional 1 Year Extension which saw Social Enterprise Hubs close in March 2017</p>

	<ul style="list-style-type: none"> <li>• One to one meetings (Social Catalyst) to assist participants in defining, exploring and developing their business ideas</li> <li>• Delivery of Social Spark Sessions aimed at assisting attendees to further develop existing business ideas and generate innovative ideas using design thinking approaches</li> <li>• Organisation and delivery of workshops tailored to the participants needs which include sales and marketing, leadership and finance</li> <li>• One to one mentoring sessions with individuals / groups to assist them with product / service development, business planning, sourcing finance / funding, company set up, strategic planning</li> <li>• Opportunity for participants to meet and hear from successful local social entrepreneurs</li> <li>• Signposting and referral system to other sources of business / financial support e.g. SEP / Unltd, Council Initiatives</li> <li>• Networking events to allow aspiring entrepreneurs to meet others and develop linkages</li> </ul>	
<b>Housing Executive Social Enterprise Strategy (2015-2018)</b>	The Housing Executive created the <b>Social Housing Enterprise Strategy</b> to provide financing and resource support to develop the local social economy and create community-owned social enterprises. It's aimed at Social Enterprises and offers grant support, commercial property and vacant garages available at NIL rent. There are five levels of funding available to encourage more social entrepreneurship, ranging from education grants to established businesses.	Ongoing but limited to NIHE/Social Housing Projects.
<b>Social Enterprise NI</b>	Social Enterprise NI (SENI) is the representative body for social enterprises and social entrepreneurs across Northern Ireland. Connecting, supporting, developing and sustaining vibrant businesses to create social change throughout Northern Ireland. SENI continues to champion the role of social enterprise, lead a campaign for the introduction of a new Social Value Act, and recognises the success of local social enterprises through its annual awards.	Ongoing but primary function is to be a representative body for social enterprise so lobbying and influencing is a key focus of work.
<b>Local Government / District Councils</b>	A number of economic development functions transferred from DETI/Invest NI to local authorities in April 2015. These include Enterprise Awareness (with a particular focus on under-represented groups, such as women's entrepreneurship, and targeting areas of disadvantage), Start a Business activity, Social Enterprise and Youth Enterprise. It is important to recognise that the functions transferred rather than the specific programmes through which DETI/Invest NI chose to deliver services to entrepreneurs, principally the Go For It	Each Council s delivering social enterprise support through various programmes but this is taking time to fully

	<p>Programme (for generic Business Start support) and Social Entrepreneurship Programme (focused on new and early stage Social Enterprises). As a result of this transfer, local authorities are responsible for the associated job promotion targets identified by the Northern Ireland Executive, through the Programme for Government, and these must be reported annually. However, the programme design and the level of support available is the responsibility of the individual Councils to decide, based on their respective budgets (and taking account of the budgets transferred from Invest NI for this activity).</p>	<p>develop and there is no consistency across Councils</p>
<p><b>Development Trusts NI</b></p>	<p>Development Trusts NI is a member led organisation established in 2010. Development Trusts NI's vision is to have a successful development trust in every community that wants one. Development trusts are community owned and led organisations. They use self-help, trading for social purpose, and ownership of buildings and land, to bring about long-term social, economic and environmental benefits in their community. There are four key areas of activity which DTNI undertake:</p> <ul style="list-style-type: none"> <li>- Encouraging the growth of new development trusts</li> <li>- Support and strengthening established development trusts</li> <li>- Promoting and representing the interests of development trusts</li> <li>- Reflecting the democratic wishes and aspirations of our membership and running our own organisation efficiently and transparently.</li> </ul>	<p>Ongoing.</p>
<p><b>Regional and Sub Regional Support Networks</b></p> <p><b>NICVA, Urban and Rural Networks</b></p>	<p>Various organisations throughout Northern Ireland have a particular focus as part of DfC and DEARA contracts to support social enterprise in Northern Ireland through a range of methods including;</p> <ul style="list-style-type: none"> <li>- Social enterprise training</li> <li>- Signposting</li> <li>- Sharing of knowledge/Best Practice Visits</li> </ul>	<p>Ongoing but only limited and often basic advice and support provided.</p>

**Table 2 – Social Enterprise Support Programmes**

The closure of Social Enterprise Hubs (March 2017) and transfer of the responsibilities to local Authorities within a relatively short timeframe created a significant void in practical support for social enterprise. The type of support available from various schemes was also been limited in range and scope – benefiting smaller start up social enterprises and social entrepreneurs in the main.

The NBEI project utilised one of existing social enterprise support networks highlighted in Table 2 engaging directly with the North Belfast Social Enterprise Hub. It was this relationship and cooperation that helped identify many of the social enterprises with high growth potential and avoided unnecessary delays. This helped expedite the project and ensured support was effectively directed to social enterprises and helped maximise the resources available.

NBEI was always intended to provide more focused, tailored and specialist support from the outset. In considering this and the social enterprise support available, it is evident that NBEI has complemented other programmes and has not caused any displacement. OBA data provided to the evaluation team evidenced positive returns for NBEI supported organisations in terms of sales; turnover; number of participants now in work who were previously unemployed; number of participants gaining qualifications; and number of participant coming off welfare benefits.

Gauge NI have extensive experience of carrying out evaluations using Social Return on Investment methodology to capture the wider social, economic and environmental impacts of an investment. This evaluation does not seek to revisit or critique the work undertaken as part of the OBA reporting process. However, Gauge NI would suggest that SROI does contain important stages within its approach which would help strengthen the OBA data produced. This includes considering how much outcome was caused by other initiatives and/or organisations (attribution) and the amount of outcome that would have even if the NBEI project had not taken place (deadweight).

Our engagement with stakeholders (See Appendix 1) through this evaluation has helped develop a deeper insight of the added value created through the NBEI project as outlined below.

### **(1) Partnership of Practitioners and Academics**

A partnership of leading successful social enterprise organisations and academics from Queen's University combined to create a distinct partnership for delivery of NBEI project. Within the NBEI team there was a combination of knowledge and experience of social enterprise, community development, community planning and peace building. This contributed to a dynamic mix of skills in business development, analysis and research.

Social enterprise has suffered from a lack of credible and robust evidence to strengthen the rationale for investing in the sector. Through the NBEI project, time and investment of resources facilitated the development of a useful evidence base in terms of the research undertaken. This is explored further in Section 4.

*'What made the NBEI project different was the combination of academics and practitioners. This was something really effective and has helped build a good evidence base for the social enterprise sector to move forward.'* (Lead Partner)

Capturing and measuring impact of social enterprise has been a focus for NBEI project and reflects a wider focus on impact measurement within the community and voluntary sector. The project recognised the value of SROI being used in recent years as a methodology to capture social, environmental and economic impact. However, it was also felt there was subjectivity in how it is implemented and interpreted. NBEI project has attempted to place a greater focus on financial raw data for the economic impact assessments of ACT and LEDCOM to avoid subjectivity.

This has been tested within the NBEI project and provides a useful body of evidence and practice which could be developed further.

*"For us the support we received has helped articulate the impact of our work using more robust and credible financial indicators."* (Social Enterprise Manager)

## **(2) Focus on Assets**

The focus on assets was welcomed by stakeholders who felt that it had provided a unique focus to this project. It helped distinguish it from other programmes of support (past and current) and created a common thread which linked all participating organisations.

*"The focus on assets was absolutely the right one. Community should also be supported in their right to own property."* (North Belfast Social Enterprise Member)

Although networking and knowledge exchange appears to have been limited within the programme, it did appear to contribute to an effective targeting of resources within the NBEI project. A deliberate emphasis on North Belfast and not city wide/regional was also welcomed as it provided a focused area for support and did not dilute the resources required to deliver a programme of this scale.

*"If you look at most successful social enterprises they have an asset for income generation. NBEI allowed us to hone down on this area and do something different."* (Delivery Partner)

One contributor highlighted that the focus on assets might disadvantage the social entrepreneur with an inspirational concept, passion and commitment to social value but in the absence of assets and capital would not be eligible for support from NBEI. However, as Table 2 illustrates many of the existing support programmes focus are tailored to the support needs of such social entrepreneurs.

### **(3) Staff Resource**

“If you want to transform a community, you need to invest in it.” (North Belfast Social Enterprise Member)

NBEI project provided an important capital resource for a number of staff to be deployed across the participating organisations. These staff were expected to focus on business development within their respective organisations. The NBEI project sought to upskill these staff so that capacity could be built within the organisation. This appears to have been a vital component of the programme and has contributed to the outputs and outcomes of the programme.

When considering other social enterprise programmes (past and current) there is clearly no comparable programme which could have levered this type of support/resource. These staff were tasked with developing a more commercial focus to their organisation. However, it has been highlighted that with 100% funding for such positions perhaps led to a potential disincentive to make these positions sustainable in all cases.

OBA data provided by the NBEI project confirms positive returns in terms of sales generated. However, qualitative feedback from one organisation supported by NBEI also confirms some unintended benefits of the staff resource.

*“My board would have known very little about social enterprise. But I was able to bring something to the table through NBEI support and they were more inclined to take a risk on this and invest in it. It has leveraged support from within the organisation and we now have a full-time events coordinator, full time archive development officer, part time project support worker and caretaker. We now have a body of evidence that is worthwhile investing in staff.” (Social Enterprise Manager)*

The additional resource has also allowed existing staff within some organisations focus on other opportunities which in some cases has yielded further positive returns for the organisation.

*“With support to develop certain areas of the organisation, I have been able to focus my efforts elsewhere for the first time. This has allowed me (and the organisation) to develop some strategic opportunities which have led to growth and development.” (Social Enterprise Manager)*

#### **(4) Specialist Support**

Specialist social enterprise support within NBEI project was delivered via a number of independent providers. Mentors/consultants were selected based on their ability to support organisations with areas directly linked to the programme outcomes – such as facilities management, business development, sales and marketing and architectural support to name a few. Matching needs of North Belfast organisations with a relatively small number of leading independent professionals in various fields has helped expedite the impact of the programme within the timeframe.

*“The NBEI project has allowed us to get from A to Z quite quickly. It changed our way of thinking.” (Social Enterprise Manager)*

It has also helped distinguish NBEI project from other previous and current basic mentoring programmes which had focused primarily on development of business plans and basic level support (e.g. governance advice).

*“There have been a lot of basis mentoring programmes which have all been useful. But NBEI was different. We sought to provide very specific support with a commercial focus and how to make money from the building.” (Delivery Partner)*

The flexibility of support was also important. It wasn't a structured programme provided through the NBEI project, but rather a tailored offering of practical support unique to each organisation. This ensured participating organisations received the right type of support at the right time. In a programme with a focus on business development, this approach was key. Matching key personnel with specialisms to each organisation also helped expedite the projects ability to make an impact.

*“For 2 (out of 3) projects that we had supported in accessing NBEI resource, the support they received was key in their success.” (North Belfast Social Enterprise Member)*

Interestingly, an unintended outcome has been where relationships with independent consultants beyond the end of the NBEI project. Relationships have been formed and there is a greater understanding of the needs of organisations through NBEI which will help advance the work of the social enterprises.

*“When you get a good consultant, you keep them. Once you create that relationship and they understand your organisation you are better to bring them in again when you need them, meaning that you are not starting from scratch.” (Social Enterprise Manager)*

Most support in the earlier phases of the programme was delivered on an organisation by organisation basis. During this period there was limited focus on networking between organisations and sharing of learning. One exception was participation in a study trip to the social enterprise EXPO in Edinburgh. As well as an opportunity to see best practice and gather learning, the trip also provided an opportunity for some participating groups to meet each other and discuss more about their own work and social enterprise activity. Some of the projects/groups did establish contact with others through the trip which may have added some value to their work. Opportunities in the latter stages for group-based training (e.g. digital sales marketing) was a welcome addition to the NBEI project. It may also have provided some opportunities for sharing of knowledge and learning between participating organisations, alongside being more cost effective in delivery.

## **(5) Commercial Focus**

*“We recognised that community representatives have good hearts....but needed more commercial experience so we invested in upskilling them to help prepare them better in managing and running their facility.” (Delivery Partner)*

A deliberate focus on ‘sweating the asset’ through a commercial focused programme was core to the NBEI project. A core emphasis within the programme was ‘growing sales’ and ‘increasing customer base’, as opposed to ‘strategising’ or ‘developing business plans.’

As these organisations had already benefited from basic support through past programmes (e.g. SEP, Hubs), the NBEI project was able to concentrate its resources in key areas which could allow the assets to achieve their true potential. This has clearly helped distinguish the programme from previous initiatives.

*“The people/fund we were dealing with understood social enterprise and nuances of getting a grant and running a social enterprise. They knew what we needed and were able to deliver a package of support which made a real difference.” (Social Enterprise Manager)*

The NBEI project has in many instances allowed organisations to take some form of managed risks in exploring opportunities they may otherwise have passed over or missed. Developing a ‘healthy’ appetite for risk and understanding the need to invest is important if social enterprises are to become viable and sustainable business models.

*“One organisation had ‘nice ideas’ when they came to us but very quickly they got the commercialism within 6 months and now they are totally self-sustaining and created 7 jobs as a result.” (Delivery Partner)*

For social enterprises to be successful, they must compete with private operators often providing **the** same or similar services. The focus on developing the capacity of social enterprises to be more commercially savvy has helped contribute to building the business acumen of key personnel and a sharper focus on growth and sales to support sustainability. Whilst this has helped contribute to positive outcomes within the timeframe of the NBEI project, it also has positive implications in shaping the strategic focus and culture of organisations in the medium to longer term.

*“We have experienced more challenging and leaner times over the past few years. The project has made us think more about the allocation and use of our resources.” (Social Enterprise Manager)*

Whilst the programme appears to have been responsive and efficient in delivery in most cases, some delays in receiving approval from the Executive Office on occasions did lead to some frustrations. However, the evaluator would suggest that in a project dealing with public finance it is imperative that such controls are in place and that this timeframe is reasonable.

*“If commercial businesses identify the need for something it is acted upon within hours. In some cases, we had to wait days for approvals to come through which has been a little frustrating.” (Delivery Partner)*

### **Finding:**

NBEI project has proven that if asset holding social enterprises receive timely, appropriate and relevant support, it can have a positive impact contributing to sustainability of that organisation. The nature of the support provided has been key, which confirms the need for tailored approaches relevant to the needs of organisations. In delivering the NBEI project within a distinct geographical area and having a specific focus on social enterprises with physical assets, it has allowed for the effective targeting of resources. This has also helped develop an important evidence base as to how this type of investment could be scaled up or applied to other regions.

As with many time bound projects, the timeframe for delivery has been restrictive. The NBEI project would certainly have benefited from a longer timescale. This is despite much groundwork having been done via the SEP and Social Enterprise Hub in North Belfast. This may not have meant additional resources necessarily, but instead more time for the project to make an impact on the SIF objectives.

#### **4.0 Impact of the NBEI Research Element**

The research component of the North Belfast Ethical Investment Programme aimed to promote best practice and share learning about the experience of asset based social enterprise development across North Belfast. The research component was divided into 4 individual streams. Each of which aimed to monitor and communicate the programmes impact over its life course but also disseminate learning and best practice across Northern Ireland’s social enterprise sector and beyond. Produced and managed by representatives from Queen’s University Belfast the content of the 4 individual research streams (which were also shaped by the sector experience of programme partners such as ACT and LEDCOM is summarised in this section.

##### **4.1 Market Research**

NBEI Market Research provided the North Belfast Ethical Investment programme with real time data and market intelligence which was used to test the viability of certain social enterprise ideas within the area- based context of the project—North Belfast. This market research, especially around housing and local house prices helped to scale the conceptual development of Level 3 projects such as Upright Housing and this intelligence was later used also during the implementation delivery phase.

This stream has also provided a detailed breakdown of certain sectors (tech-start-ups, accelerator programmes, textiles and food-based social enterprises, older peoples accommodation etc) with respect to the current state of Northern Ireland’s economy. Some social enterprise concepts and ideas were not realised within the life course of the North Belfast Ethical Investment Programme.

However, this research stream has offered the sector a comprehensive body of feasibility work that could be developed by local entrepreneurs or taken forward by future social enterprise focussed investment or support vehicles. The demonstrates a legacy which could be potentially used to also help inform policy and social enterprise practice moving forward. Some of these reports/area- based studies were produced in house but also by external consultants and totalled 17.

As referenced in Section 2, the project scope and implementation paper was an important catalyst for strengthening the business case for the capitalisation of level 3 projects through granting of funding to three level 3 projects<sup>2</sup> with investment from ACT

#### 4.2 Impact Series

The NBEI OBA scorecard captured longitudinal data and provided real time monitoring and measurement of the performance of the North Belfast Investment Programme from November 2015 to April 2018. Data was collected from each independent social enterprise project that has been supported by the programme on a quarterly basis against a set of pre-agreed OBA measures (e.g. job creation, sales, investment levered etc). It was then co-processed and validated with the statistical branch of Northern Ireland's Executive Office.

The OBA data was accompanied by an 'Impact Review Series' which demonstrates the scope of each individual project, how NBEI support has helped and what outcomes have been achieved to date. The impacts articulated through the review series prompted TEO to include NBEI in a film to demonstrate the impact and social benefits of the SIF programme across Northern Ireland. <https://youtu.be/yqjTZipia7Q>

#### 4.3 Working Paper Series

The NBEI-NBEI North Working Paper Series (7 produced in total) draws on impact, learning and practical experiences from programme delivery to share potential lessons for policy makers, intermediaries and other social enterprises working across the sector. The research areas covered by the working papers include; peace-building effects, the financial/economic impact of social enterprises (the multiplier effect of ACT and LEDCOM), local and international best practice social enterprise learning as well as the broader policy implications of the programme. The series also reflects and shares some of the best practice learning from 2 study trips that were completed during the North Belfast Ethical Investment programme.

This included a visit to Social Enterprise UK's representative in Bristol and the annual Social Exchange Marketplace held in Edinburgh. Each of these trips were attended by either members of the programme delivery team, representatives from statutory government agencies that have a stake in the management of NBEI (The Executive Office and the Department of the Economy) as well as project officials that received direct investment and technical assistance from the programme itself.

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<sup>2</sup> Task Team, 683 Antrim Road & Upright Housing

#### 4.4 Research Studentships

NBEI-NBEI Research Studentships provided 5 MSc students based at Queen's University Belfast who were enrolled on the MSc in Planning and Development and Spatial Regeneration with an opportunity to complete their MSc thesis/work-based study fieldwork on various 'live' projects that received investment and technical support from the North Belfast Ethical Investment Programme. It also helped them develop a better understanding about how social enterprises work in practice.

Some of the studentships were delivered in partnership with Santander and covered research areas that included; the potential of heritage based social enterprises, the financial impact of social enterprises across North Belfast and the community benefits of an asset based social enterprise model. The implications and learning from these student projects was fed into research produced in the other three streams and will be disseminated via academic journal articles, book chapters and conference papers after the programme delivery has been completed. Some preliminary outcomes were already presented at the Planning Research Conference in 2017.

#### 4.5 Summary of Impact

"Basic research in all fields is vital for innovation. The value of a particular piece of scholarship whether measured in the number of readers, the impact on knowledge, or new products cannot be known *in advance*. Every academic researcher is an entrepreneur, every book or article a start-up"<sup>3</sup>.

In seeking to measure the impact of the research component of the project, we have focussed on the individual research streams described previously in this section and not the bespoke research conducted for individual projects as part of the NBEI support which is captured in the OBA data. The volume and diversity of research outputs from NBEI provide comprehensive insights into the potential and challenges for social enterprises in North Belfast and critically illustrates a range of pathways which can be taken to increase capacity and sustainability.

The market research aspect delivered immediate impact as it helped to scale the conceptual development of Level 3 projects and such intelligence was later used increasingly during the implementation delivery phase.

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<sup>3</sup> <https://www.insidehighered.com/views/2014/05/15/dont-evaluate-scholarly-research-public-impact-alone-essay>

*“This market research, especially about housing and local house prices helped to inform the scale of the Upright Project, it also helped with decisions on other housing projects” Lead Partner*

The impact series of papers were highlighted for their clarity and succinctness:

*“The Impact Series which condensed the intervention and outcomes for each individual project into one page was useful for all the stakeholders. It enabled the Executive Office to see the difference the SIF funding was making, and it was also effective for the individual projects in their promotion and showcasing.” Delivery Partner*

The benefit of having a centralised and coherent range of current and accessible information on social enterprise and how it impacts in North Belfast was identified as having significant longevity:

*“I have in the past found it difficult to get up to date information on social enterprises in North Belfast and wider socio-economic indicators for the area. These papers will be useful for us in developing the business case for our new capital build particularly in the context of social impact and the multiplier effect.” Recipient of NBEI Support*

The importance of more strategic and ambitious thinking and the dissemination of new knowledge as a mechanism to develop social enterprise in North Belfast and beyond was highlighted

*“The research programme has been successful in combing the international best practice in the growth and sustainability of social enterprises with how this might play out in North Belfast.” Recipient of NBEI Support*

*“We need to move beyond low level small social enterprises to high growth more sustainable projects which is why the focus on the asset base was right.” Lead Partner*

Organisationally the impact of the research was also evident:

*“The study on the economic benefit of our organisation using the local multiplier effect (LM3) approach has enabled us to plan and deliver our work much more effectively. The LM3 indicators are now embedded in our strategic planning and reporting. We knew that we were making a difference locally in North Belfast, but we now have the evidence to prove it.” Recipient of NBEI Support*

*“The local multiplier effect studies looked at how social enterprises spend money in their own neighbourhoods, some of the money does leak outside but a reasonable proportion will stay in the local community and social enterprises will do this more effectively than any other business type. “Recipient of NBEI Support*

There is early evidence of potential impact on wider civil society through the findings and recommendations from the social economics and peace building paper:

*“The peacebuilding paper has the potential to shift the narrative in this arena away from the traditional community relations approach to one which is about the impact of social economics. This paper has been presented to the Special EU Programmes Body and further discussions will take place with SEUPB within the context of the current Peace IV Programme. Lead Partner*

### **Finding:**

This section has identified a range of early impacts of the NBEI research through increased knowledge, enhanced awareness and new methodologies for the measurement of economic impact across a sample of stakeholders in North Belfast. We have captured verbatim quotations to reinforce the impact for stakeholders.

The research component of the NBEI programme represented an investment of less than 10% of the overall programme spend. This resource delivered more than 30 research papers under the four individual streams. We would contend that this represents excellent value for money.

The research themes were informed by ACT, LEDCOM and QUB through the dimensions of a true partnership where academics understood practitioner and service delivery issues while practitioners have recognised the value of contributing to the research agenda and strengthening relationships with academia. This has undoubtedly increased the relevance of the research across all stakeholder groups and will be continued through the knowledge transfer programme.

Government department, statutory, community and voluntary organisations are continually challenged to demonstrate the value of the services that they commission and deliver, NBEI through the LM3 economic impact studies have provided a robust evidenced based template for continued investment in asset based social enterprises and measurement of its impact using real time socio economic indicators in North Belfast

The best practice papers set out the key policy and investment areas which should be actioned to grow and sustain the social enterprise sector in North Belfast and beyond. They are based on international best practice examples in areas of similar deprivation to North Belfast. How this could be rolled out in a local Northern Ireland context is discussed in more detail in the implications for policy and practice section.

**Recommendation:**

The longer-term impact of the research can be sustained through effective dissemination, we would recommend that the papers are accessible to all social economy stakeholders in Northern Ireland and would endorse the idea of achieving this through the mediums of on-line portal and published peer reviewed papers.

## 5.0 Implications for policy and practice

The NBEI project has, through its approach to delivery and outcomes, helped establish several implications for policy in relation to social enterprise – both in North Belfast and more generally across Northern Ireland.

Many of these observations have not arose as a direct result of the NBEI project but have however been affirmed as a result.

### 5.1 Asset Transfer

The NBEI project has helped contribute to a growing evidence base as to the importance of assets for community based social enterprises. As part of wider policy and practice work in Northern Ireland over recent years, there has been a growing focus on opportunities to transfer publicly owned property into community ownership through an asset transfer process. A report by Joseph Rowntree Foundation highlighted that “Community asset transfer is not new in Northern Ireland but is considerably less well developed than in the rest of the United Kingdom in terms of the number, size and impact of schemes. Successful asset transfer can bring social, environmental and economic benefits, stimulating wider regeneration processes as well as more sustainable community businesses.”

Whilst legislation in other parts of the UK present stronger vehicles to deliver community-based asset transfer projects (e.g. Right to Buy), Northern Ireland continues to face internal challenges to delivering the real potential which exists. A shift in policy and increased investment in resourcing community asset transfer projects needs to be implemented. These physical assets hold significant potential within many of Northern Ireland’s most deprived communities. There is considerable potential to affect social, environmental and economic regeneration through social enterprise development opportunities.

#### **Finding**

In addition to the transfer of assets, upskilling of community representatives and social entrepreneurs will be a crucial factor in realising the potential of any new social enterprises created through asset transfer projects. The type of support required is broadly similar to the type of capacity building that has been a feature of the NBEI project.

## 5.2 Social Value Act

Despite many efforts from across the community and voluntary sector and some progress, Northern Ireland remains devoid of a Social Value Act similar to other regions of UK. Social value clauses within government contracts (mainly construction related) have proved to be largely ineffective.

With a growing social enterprise sector in Northern Ireland, there is no legislative basis which supports them in public procurement valued at £3billion per annum. This means significant opportunities are lost to maximise social, economic, and environmental wellbeing through public procurement exercises.

### **Finding**

The NBEI project has engaged with many social enterprises who could benefit from the introduction of a Social Value Act. This would not just sustain community businesses operating in North Belfast but would propel them to a new level and help contribute to real transformation within deprived communities. However, even in the case of a Social Value Act, social enterprises must have the skills and competencies, for example tender writing and strategic partnership building, required to access these opportunities to be competitive. Standards within public procurement are significantly high and social enterprises will require support to achieve the necessary accreditations to demonstrate that they have the quality control procedures in place to deliver public contracts. These are areas where NBEI supported organisations and is further evidence of its need as and when policy changes come into effect.

## 5.3 Access to Capital/Finance

Access to finance for any business is key to its growth and development. Social enterprises are no different and are often limited by the availability of suitable finance products to stimulate growth compared to those in private sector. There are some examples of schemes providing financial support on flexible terms to social enterprise (e.g. UCIT) but the cost of finance is still a barrier.

Financial Transactions Capital (FTC) is funding allocated to the Executive by the United Kingdom (UK) Government. FTC is sometimes referred to as 'policy lending' as it involves a loan to, or equity investment in, a private entity for capital projects which contribute to the government's policy objectives. For loans made to the private sector, a rate of interest below the market rate can be charged, although the rate must be above the EU's reference rate not to breach 'State Aid' rules. This is however competitive lending which is not currently available to social enterprises. However, loans to the not for profit sector in Northern Ireland such as to Housing Associations to increase the stock of affordable housing are made at 0% interest.

## **Finding**

The NBEI project has demonstrated how important financial resources have been in allowing organisations to develop existing or new business development opportunities. In this instance, funding through the NBEI project has been the catalyst for this investment. With few other opportunities, access to financial borrowing at competitive rates through schemes such as FTC (or a dedicated social enterprise fund on similar terms) must be more accessible for social enterprises.

### **5.4 Research and Development**

The focus on academic-led research within NBEI project has created an important product and resource to further the potential of social enterprise in North Belfast (and further afield). It has helped address the void of credible evidence in Northern Ireland to strengthen the case for investment in social enterprise by Northern Ireland Government Departments. More importantly perhaps, it has homed in on themes/areas of social enterprise and related areas which can create sustainable higher value employment.

## **Finding**

There needs to be continued investment in building a robust evidence base focused on social enterprise (including NI, GB and international practice) and sharing this for the betterment of the wider social enterprise sector in Northern Ireland.

The NBEI project also highlights the need for greater investment in Research and Development (R&D). For social enterprises to develop new markets and explore new opportunities particularly within digital technology, R&D is a critical component – which private sector invests heavily in to achieve competitive advantage. Social enterprises need to be supported to undertake R&D in an equivalent way.

R&D on how the SE sector can optimise their dividend from the planned investment in North Belfast over the next 10 years should form a key component of the SE policy framework locally in North Belfast.

### **5.5 Driver for Social Economy**

Throughout the past decade, there has been increasing focus and attention given to social enterprise – largely through an increased focus on lobbying and influencing from key stakeholder bodies and representatives of the broader social enterprise sub sector. The strategic importance of the social economy sector is reinforced in the Executive's draft Industrial Strategy under 'Pillar 3 – Driving Sustainable Growth' which commits to provide support to the social enterprise sector.

To support this a Social Economy Policy Group (SEPG) has been established to develop and implement Northern Ireland's Social Economy Strategy. Membership of SEPG is drawn from a cross section of Government Departments with a role in supporting the development of the social economy sector.

### **Finding**

There needs to be a strong local infrastructure representing the needs of the social enterprise sector in key regions throughout Northern Ireland. This could align to similar structures created through the social enterprise hubs programmes (e.g. 4 areas of Belfast (North/South/East/West), Derry-Londonderry, Western, Northern etc).

These sub-regional social enterprise forums can act as an important collective voice for social enterprise across Northern Ireland. More importantly, they can provide a strong link with the SEPG regional group to ensure there is a strategic approach to development of social enterprises in Northern Ireland. From a North Belfast perspective, this would likely be best to sit with the North Belfast Social Enterprise Group.

## Appendix 1 Interview Questions

- In general, how aware do you think the community, social enterprise and public sector is of NBEI, as it operates in north Belfast?
- What do you think the main impacts of NBEI have been (probe for causal factors including, investment, technical aid, leverage, getting over short term problems)? Impacts in terms of filling the void left by the Social Enterprise Hubs)? and wider impact on the communities of North Belfast.
- Is the focus on asset holding social enterprises the right one (probe, if yes why and if not where should support prioritise)?
- What are the limitations to the impact of NBEI (identify specific barriers with evidence of cases if possible)?
- Do you feel that NBEI has duplicated services offered by other providers (Give examples)?
- Has NBEI displaced services provided by others in the social economy (for example, SENI or DTNI)?
- In broad terms, what do you think is needed in the future to develop the social economy in Northern Ireland (capital or revenue support, staff, legislation such as social value or asset transfer, working capital or bridging finance, R&D)?
- How effective and efficient were the governance arrangements between NBEI, the managing agent for North SIF (Ashton) and the TEO; What was the relevance for DEL (Social Economy); and SIB (e.g. Urban Villages); what learning, or implications did you take away from the experience of NBEI. What is needed in the future, especially in terms of the Hub and lack of supports for the social enterprise sector, outside north Belfast. **(TEO, DEL and SIB)**
- Monitoring and evaluation and the role of research in policy implementation and review, the ability of NBEI to fit with governments view of outcome-based performance. **(NISRA)**

NBEI undertook a range of research studies and analytical support. These included market research and feasibility studies, sectoral analysis, monitoring and evaluation. We are interested in the importance of *knowledge* to the development of the social economy and enterprises working in north Belfast, based on this experience.

- How important do you think that the research that NBEI has undertaken has been to the development of social enterprises in north Belfast?
- What research has been most relevant for social enterprises: (probe for each area):
  - Feasibility studies
  - Sectoral analysis
  - Market research
  - Best practice from other places and projects
  - Guides and toolkits

- Monitoring data
- Evaluation of project or programme effects
- Advocacy and campaigning research
- Analysing future trends, obstacles and opportunities
- What are the research gaps that you would prioritise in developing the social economy in north Belfast?
- Thinking more generally, what research and analysis is needed to develop the social economy in Northern Ireland as a whole (probe, the potential of new legislation and regulatory support, social finance, advocacy and lobbying for the sector, demonstration of the size and impact of the sector, the relationship between the social economy and peacebuilding and so on).