



# SE Support Fund: Final Evaluation Report

September 2023

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## Executive Summary

### SESF Overview

The Social Enterprise Support Fund (SESF) was established to provide grants and non-financial support to social enterprises (SEs) and charities within England, with an emphasis on supporting enterprises to recover and rebuild in a post-Covid society. The programme was delivered by UnLtd: The Foundation for Social Entrepreneurs (UnLtd), The School for Social Entrepreneurs, the Key Fund, Resonance and Big Issue Invest, with the University of Northampton acting as the external and independent Evaluation and Learning Partner, responsible for supporting the delivery partners in understanding the cost-effectiveness and lessons from the fund. This research report presents the final data on the efficacy and impact of SESF to date, based upon data gathered between December 2021 and August 2023. Specifically, the research aimed to assess:

- The extent to which onward grants and technical assistance were delivered effectively;
- The extent to which onward grants and technical assistance achieved the intended impact on the SEs and the people they support;
- How the fund delivered against its equity and inclusion targets and actions; and what helped partners reach Inclusion Targets for the scheme and what did not;
- The role played by contextual blockers and enablers that SEs have faced in implementing their plans;
- Customer satisfaction with the scheme, including for unsuccessful applicants; and
- Capture the learning developed throughout the SESF's delivery in close collaboration with the lead learning partner, UnLtd.

### Data and Findings

The report is based upon data gathered from SE application data (N = 1,507), End of Grant Reports submitted by SEs Awardees (N = 477), the University led SESF Applicant/Awardee Final Survey of SEs (N = 156), and qualitative data gathered from 33 participants engaging in focus groups and interviews (see the relevant analysis sections for full breakdowns of the samples). In summary, the key findings of this final report are as follows:

**SESF was successful at its overall purpose:**

- **Reaching diverse communities:** Over one-third of applicant SEs were focused on supporting the BAME<sup>1</sup>, LGBTQIA+, disabled and/or female/non-binary communities. Further, the majority of these SEs were led by people with lived experience, and/or whom were female/non-binary. Overall, nearly 70% of all successful SE applicants to the SESF were classed as diverse-led organisations, demonstrating that for the KPIs that were set, the SESF has been extremely successful in engaging diverse-led organisations across the country. This illustrates that SESF exceeded targets across EDI as well as across geographic areas. Applications were awarded to SEs that supported the:
  - BAME communities (38.5% of awards)
  - LGBTQIA+ communities (30.9%)
  - disabled communities (40.7%)
  - female communities (34.8%).
- **Reaching deprived areas:** Data reveals that a statistically significant differences in relation to IMD decile ( $p < .05$ ) and cash reserves held ( $p < .05$ ), with grant awardees working in more deprived areas ( $\bar{x} = 3.29$ ) than those that were rejected ( $\bar{x} = 3.61$ ); and grant awardees having lower cash reserves on average ( $\bar{x} = £48,989.19$ ) than rejected applicants ( $\bar{x} = £65,837.21$ ).
- **Supporting communities recovering from COVID:** SEs applying for SESF were from multiple sectors, with data illustrating that the top three sector areas were community development, education and social care, accounting for 53% of all sectors identified. Other sectors were identified as justice, media, sport and employability. The areas SEs operated in whereas diverse including SEs that support children, BAME communities, people requiring additional skills or training, and people with learning difficulties. COVID-19 presented challenges across the globe (Kuckertz et al., 2020), with research (Weaver, 2020) noting that the pandemic had a significant impact on SEs due to financial resilience, and the management of social and economic goals. As solving social problems with has long been a priority for social entrepreneurs (Auvinet and Llore, 2015:238), the pandemic created new pressures on SEs in delivering support. Data also reveals that the grants were that they allowed SEs to reach more beneficiaries [N = 403; 19.4% (84.5%)], adapt existing products and services [N = 354; 17% (74.2%)] and to engage with people from underserved groups [N = 309; 14.8% (64.8%)]<sup>2</sup>.

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<sup>1</sup> This was the term selected at the outset of SESF but the partners recognise that it is not satisfactory based on some individuals not identifying with the term.

<sup>2</sup> Participants could select more than one area, hence of the 477 respondent SEs, there were a total of 2,081 impact outcomes selected from the below eight areas, equal to over four (4.36) impact outcomes per SE on average. The

- **Supporting organisations affected by COVID:** Data reveals that grant income received in the 12 months prior to application was lower for awardees ( $\bar{x} = £84,419.52$ ) than for rejected applicants ( $\bar{x} = £105,281.26$ ); likewise, turnover for grant awardees ( $\bar{x} = £302,896.31$ ) was also lower than those of rejected applicants ( $\bar{x} = £408,518.39$ ). There were no significant differences in these trends between Rounds 1 and 2, albeit there was a much greater difference between IMD deciles in Round 2 (Approved = 3.17; Rejected = 3.83) than in Round 1 (Approved = 3.38; Rejected = 3.40), suggesting that deprivation played more of a role in Round 2.
- **Funding Need:** Funding that allows SEs to offer activities and/or services in times of crisis and/or financial challenge is welcomed, and for some SEs, pivotal to their survival. SESF provided essential financial support to help SEs in England to rebuild and grow their income from trading. This illustrates the close alignment of awards with SESF aims, specifically in funding those SEs most in need.

#### Evidenced impact and reach:

- **Impact on beneficiaries, volunteers, jobs created:** SE applicants clearly faced sustainability challenges post-Covid when assessing their application data, especially with regards to staffing, finances and support needs. Indeed, whilst SE turnover grew on average in the three complete financial years prior to their applications (broadly 2019-2022), this was not matched by significant increases in profitability. The SE applicants had also accessed several government support programmes including the Job Retention Scheme, Small Business Grants and Bounceback Loans (as was also witnessed in the wider economy).
  - *Current Sustainability:* Data gathered in the final SESF survey suggests that SEs have experienced increased turnover since application (+15.3%), reduced profitability/surplus generation (-24.5%), and increased debt levels (but also increased assets) since applying to SESF.
  - *People Centred:* SESF enabled an estimated 33,500 extra beneficiaries to be supported, 500 FTE staff roles to be created and an estimated 1,000 new volunteers in the sector)<sup>3</sup>.
  - *SESF Impact:* However, grant awardees performed better, increasing their turnover more versus unsuccessful applicants, with net increases in annual turnover of £48,819 and

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percentages displayed in brackets correspond to the proportion of SE respondents selecting this outcome, rather than the proportion of overall responses as represented by the first percentage (and the Figure).

<sup>3</sup> These figures are estimates as they are based on the median values calculated from the 477 End of Grant Reports received, rounded to whole numbers, and then extrapolated to totals across all 500 SESF grants.

profits/surplus of £15,490. This was irrespective of the extra funding they received, on average, from SESF of £29,247 (for the survey sample).

- *Space to Adapt:* During the interviews, social entrepreneurs argued that SESF provided ‘space’ for them to adapt services and/or plan for future funding, enabling them on a journey to sustainability and financial stability. This was particularly important during COVID.
- *Investment:* A total of 180 SEs also received additional external investment, in part leveraged by their SESF grant, amounting to nearly £13.2 million across the SE cohort<sup>4</sup>.
- **Impact on SEs that were more financially insecure:** As above, data reveals that grant income received in the 12 months prior to application was lower for awardees ( $\bar{x} = £84,419.52$ ) than for rejected applicants ( $\bar{x} = £105,281.26$ ); likewise, turnover for grant awardees ( $\bar{x} = £302,896.31$ ) was also lower than those of rejected applicants ( $\bar{x} = £408,518.39$ ).
- **Impact on SEs ability to have increased trading and income (more than non-awardees):** Data was also collated on changes in the percentage of turnover that was from trading income<sup>5</sup>. This reveals that organisations post-application as a whole, experienced a decline in trading income of -4.5% ( $p < .001$ ) between submitting their grant application and the end of the SESF grant programme. Further, if the data is interrogated to explore how this differed between those SEs awarded grants and those SEs not awarded grants, the analysis reveals that those awarded grants experienced a larger decrease in trading income (-5.5%) versus those that did not receive grants (-2.9%) ( $p < .05$ ). However, it should be noted that the average grant £32,162 for the SEs awarded grants in this sample amounted to 13.3% of turnover<sup>6</sup>, which more than explains the differences in decline in trading income. Indeed, when that grant income increase is factored in, the grant awardees arguably performed better on trading income changes overall. Figures 3.36 and 3.37 below outline these findings.
- **Impact on additional funding/investment:** A total of 180 SEs had also received additional external investment, in part leveraged by their SESF grant, amounting to nearly £13.2 million across the SE cohort<sup>7</sup>. The leveraging of additional funding was enabled by the ‘space’ created by SEs through the SESF award, with one SE noting “...*I would say that the SESF money gave us the confidence to go for that and to ask for something that didn’t have arduous targets attached to it. We well over-achieved in terms of this project. From the top of my head, I think*

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<sup>4</sup> Exact figure of £13,193,527.

<sup>5</sup> N = 143 here due to 13 SEs not providing this data.

<sup>6</sup> One SE was removed from this analysis as its ratio of grant to turnover was 118% (the next nearest was 63%). This however, only reduced the median ratio from 13.5% to 13.3%.

<sup>7</sup> Exact figure of £13,193,527.



*we said that we would get £85,000 additional funding and we got loads more than that. I've got a list of them somewhere, but we got more than double that." (A08)*

- **Impact on operational expenses and the development of sustainability plans:** Three most popular areas of support were internal organisational strengthening [N = 402; 24.1% (84.3%)], covering core operational expenses [N = 394; 23.6% (82.6%)] and the development of new sustainability plans [N = 304; 18.2% (63.7%)]<sup>8</sup>.
- **Reach (including national reach - diversity and targeting diversity by region, reach to deprived areas):** This can be further explored by breaking down diverse-led organisation grant success by region, to see which of the nine English regions had the highest success rates. Analysis here reveals that the regions with the highest proportion of successful diverse-led organisations were the North East (52%), the East of England (46.7%) and the East Midlands (44.4%) (see Figure 3.19). The areas with the lowest diverse-led grant success were London (31.7%), the South East (33.84%), and the North West (35%). However, there should be some caution in interpreting these figures, given the disparity in total application numbers received from each region, with lower samples having the potential to skew success rates. For example, the East of England (N = 30) and the East Midlands (N = 54) received comparatively few diverse-led applications when compared with London (N = 262) and the North West (N = 143). This could suggest that some of those regions with lower grant award success rates for diverse-led organisations, were in fact reaching more diverse organisations, but correspondingly getting more lower quality applications.

#### **Design of programme and benefits of partnership approach:**

- **Ease of application and access routes:** In total, 1,507 applications were made by the SEs in this dataset requesting a total of £65,721,757, with 500 applicants successful. Applicants viewed the application process positively, with most SEs noting that the applications were accessible and easy to complete. There were opportunities within SESF to discuss the application at pre-application stage. Furthermore, SEs were positive with regards the one-to-one support surgeries, workshops and webinars offered through SESF including webinars were offered on 'Marketing and Communications' and 'Marketing Strategy and Tactics'.

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<sup>8</sup> Participants could select more than one area, hence of the 477 respondent SEs, there were a total of 1,668 resilience outcomes selected from the below seven areas, equal to over three (3.49) resilience outcomes per SE on average. The percentages displayed in brackets correspond to the proportion of SE respondents selecting this outcome, rather than the proportion of overall responses as represented by the first percentage (and the Figure).



- **The benefit of flexible funding and access to business support:** The business supported offered through SESF was viewed positively, specifically in creating opportunities for external support, prioritising organisational development areas and identifying/developing business opportunities. This support provided SEs with a ‘space’ for them to adapt services and/or plan for future funding, enabling SEs on the journey to sustainability and financial stability.
- **Use of inclusion and development partners:** Engaging inclusion and development partners has benefits in supporting access, ensuring inclusion in decision making, and provision of ongoing support.
- **Creating opportunities for SEs:** Support available through the fund included helping SEs to get back on track by providing support, such as the costs of getting trade back up and running, supporting outreach and marketing, supporting SE costs while businesses get back to full strength, and developing new markets and services.
- **Collective partnership approach:** Collective partnership approaches to the assessment of complex and multifaceted application is beneficial. Although each partner has nuances in the approach to accessing applications, with some partners reviewing all applications for completeness whilst others reviewing applications based on assessors scoring and/or recommendations, the overarching process was consistent.
- **Robust and valid approach:** Partners shared learning throughout, resulting in a robust and valid assessment process. The only area for development and/or consideration noted by one partner was to have opportunities to meet staff from other partners, to learn more about approaches and share learning.
- **Fit for purpose:** The scoring criteria was viewed by partners as “fit for purpose”, as it helped to shape decisions but provided flexibility in how it was applied. Indeed, the discretionary scoring element allowed partners to apply nuances in approach; however, partners tended to apply discretionary scoring in similar ways.

## The future

- **Future challenges:** SE respondents were also asked to identify the challenges that were facing them in the future. The largest two areas identified were client demand [N = 265; 27.5% (55.6%)], energy cost increases [N = 224; 23.3% (47%)], and growing sales [N = 215; 22.3% (45.1%)]<sup>9</sup>. For the ‘Other’ category respondents identified challenges including raw materials

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<sup>9</sup> Participants could select more than one area, hence of the 477 SEs that responded to this question, there were a total of 962 challenges identified from the below six areas, equal to over two (2.02) challenges per SE on average. The

cost increases, capital investment challenges, cost of living outside of energy (i.e. staffing costs/wage increases), and ongoing funding challenges outside of sales (i.e. grant availability and/or investment). This is supported by data from the interviews in which SEs reflected on the emergence of new challenges, resulting from the cost of living, that require the investment of additional funding and/or a protracted period of support from existing funding streams.

## Report Recommendations

Based upon the above findings, the following four recommendations are made with regards to the design and delivery of either future iterations of SESF or similar such programmes.

- 1. Confirmation of Outcomes:** In programmes with multiple delivery partners, there should be a test panel created for all partners to attend to ensure consistency in scoring i.e., certainty that awardees would have received awards regardless of the partner. Given some of the discrepancies across the numbers of awards made by partners as a proportion of their application caseload (which may be due to variation in application quality as opposed to partner differences), as well as differences in EDI aligned awards, this could assuage any fears that scoring and application success across partners led to disparities in outcomes for SEs<sup>10</sup>. Another way to explore differences could also be to test partner-specific scoring matrices on the same set of applications, and/or to analyse the scoring patterns of individual assessors.
- 2. Clarity in Definitions/Expectations:** Within programmes like the SESF, clarity is required on the definition of specific elements including what does equality, diversity and inclusion mean? This can enable partners to have a clear understanding of exactly what EDI relates to within a fund and specifically the application process. Whilst there was a clear focus on EDI and defining this within SESF, the focus was on diverse-led organisations, which given the breadth of the definition has led to the majority of applicants being classed as diverse-led. More focus in future funds could be given to applicant's EDI practices (trainings for staff, EDI policies, plan for improvements, recruitment practices, grievance procedures, resourcing) and adopting a more nuanced view than just leadership diversity (hence a broader, more nuanced take on what diversity in an organisation means). This is particularly pertinent when considering

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percentages displayed in brackets correspond to the proportion of SE respondents selecting this outcome, rather than the proportion of overall responses as represented by the first percentage (and the Figure).

<sup>10</sup> It should be noted that partners did explore holding test panels to try to ensure more consistency in scoring, but resource issues and capacity within SESF meant that this was not possible.

disabled-led and/or disabled-focused SEs, particularly those working with beneficiaries experiencing mental or learning disabilities where typically (although not always) the leadership of an organisation will not include people with severe mental/learning disabilities.

- 3. Clarity on the Post-Award Support:** Support for social entrepreneurs following receipt of awards could have been clarified to ensure maximum impact. This support should focus on providing social entrepreneurs with the opportunity to understand what is available including a needs assessment, workshop opportunities and post award-end provision.
- 4. Protracted period of support:** Social entrepreneurs, and partners, reflected on the need for additional money and/or a protracted period of support - especially with the current cost of living crisis. Whilst it is perhaps no surprise to hear SEs arguing that more support and funding is required, what can be seen from the data gathered within SESF is that the Fund did have tangible positive impacts on SEs post-award, with a significant increase in turnover and leveraged external investment for successful applicants to the SESF.

Overall, the SESF clearly performed strongly and has created extremely beneficial impact for the sector, during what has been a very challenging period given the COVID pandemic and the nation's recovery from this. The funders, delivery partners, associated stakeholders and most importantly the SE sector engaged, should all be proud of the impact created through the SESF and for society as a whole.

## 1. Introduction

### 1.1. Overview to SESF & Evaluation

The Social Enterprise Support Fund (SESF) was established to provide grants and non-financial support to SEs and charities within England. This round of the SESF seeks to support SEs, with an emphasis on supporting enterprises to recover and rebuild in a post-Covid society, whilst also ensuring equitable and inclusive delivery of said support. UnLtd: The Foundation for Social Entrepreneurs (UnLtd), The School for Social Entrepreneurs, the Key Fund, Resonance and Big Issue Invest, have co-delivered the fund, with the University of Northampton acting as the external and independent Evaluation and Learning Partner, responsible for supporting the delivery partners in understanding the cost-effectiveness and lessons from the fund. A structural overview of the SESF and the possible journeys through it for SEs is provided at Appendix A<sup>11</sup>.

This research report represents the final data on the efficacy and impact of SESF to date, based upon data gathered between December 2021 and August 2023. Specifically, the research aimed to assess:

- The extent to which onward grants and technical assistance were delivered effectively;
- The extent to which onward grants and technical assistance achieved the intended impact on the SEs and the people they support;
- How the fund delivered against its equity and inclusion targets and actions; and what helped partners reach Inclusion Targets for the scheme and what did not;
- The role played by contextual blockers and enablers that SEs have faced in implementing their plans;
- Customer satisfaction with the scheme, including for unsuccessful applicants; and
- Capture the learning developed throughout the SESF's delivery in close collaboration with the lead learning partner, UnLtd.

The University of Northampton's 'Institute for Social Innovation and Impact' (ISII) has delivered this monitoring and evaluation project with the aim to answer the above questions and also identify

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<sup>11</sup> Appendix A also provides an overview of the roles of Development Partners, Inclusion Partners and Panel Inclusion Members.

the impact of the SESF as of September 2023. The rest of this report focuses upon providing an outline of the ISII's approach to the research design, methodology and development of a Theory of Change, followed by presentation of the quantitative and qualitative results gathered. The report ends with an overview of the key findings and some key recommendations for the SESF (and other future programmes of a similar nature) in terms of delivery and impact.

## 1.2. Prior Research on SE Support

Solving problems with poverty and social inequality has long been a priority for social entrepreneurs, with Auvinet and Llore (2015:238) stating that social entrepreneurs aim “to address the most pressing social problems”. Bornstein and David (2010:1) provide a broad definition of SE as “a process by which citizens build or transform institutions to advance solutions to social problems, such as poverty, illness, illiteracy, environmental destruction, human rights abuses and corruption, in order to make life better for many”. SEs operate as independent, self-sustaining entities (Dart et al., 2010) who use market-based approaches to address social inequality (Nicholls, 2007). Zahra et al. (2009:519) builds on the definition of social entrepreneurship stating that it “...encompasses the activities and processes undertaken to discover, define and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organisations in an innovative manner”. The fluid nature of SE (Teasdale, 2012:100) creates challenges for social entrepreneurs in finding the right support, especially with the recent (and to a degree ongoing) COVID-19 pandemic. The COVID-19 pandemic has created health, social and economic implications across the globe (Kuckertz et al., 2020). It has also created challenges for the SE sector; however, there is limited research on the impact of COVID-19 on said SEs. Weaver (2020) outlined three challenges SEs may face including financial problems, managing social and economic goals, and securing institutional collaboration.

Research has shown that SEs often experience challenges obtaining start-up and investment, managing cash flow, and scaling their enterprises (Battilana et al. 2012; Hynes 2009; Teasdale, Sunley, and Pinch 2012). Some SEs chose to live within their financial means, rather than accepting loans, for fear of economic crises (ibid), such as those resulting from the global pandemic. Loans are not the only method of funding for SEs, with other funding types including grants, crowdfunding, venture capitalist finance and grants (Lyons and Kickul 2013); however, pursuing funding can be complicated due to legal structures and processes. The financial challenges experienced by SEs have been compounded by the pandemic with existing funding streams having

decreased; however, new funding opportunities have been created including the current SE Support Fund.

Another challenge experienced by SEs relates to the management of social and economic goals (Weaver, 2020). Bacq and Lumpkin (2021, p287) propose a core question that impacts on the management of social and economic goals ‘To what extent does a sudden shift in societal needs expose the boundary conditions of mission drift and reveal the need for “mission agility” instead?’. Missions drift refers to SEs’ deviation from their social mission in response to social and/or economic concerns (Ebrahim, Battilana and Mair, 2014); whilst mission agility refers to flexibility of mission in response to social and/or economic concerns (Bacq and Lumpkin, 2020). Social and/or economic concerns, then, create challenges for SEs, leading to a reimagining of their social mission to ensure sustainability.

Finally, limited opportunities for institutional collaboration are another challenge for SEs, with research showing that institutional collaboration and partnership can have a beneficial impact on SEs (Mair and Marti 2009; Shaw and Carter 2007). Indeed, collaboration with institutions can be instrumental in helping SEs create social and economic value through resource acquisition and partnership support (Weaver, 2020; Mair and Marti 2009; Shaw and Carter 2007).

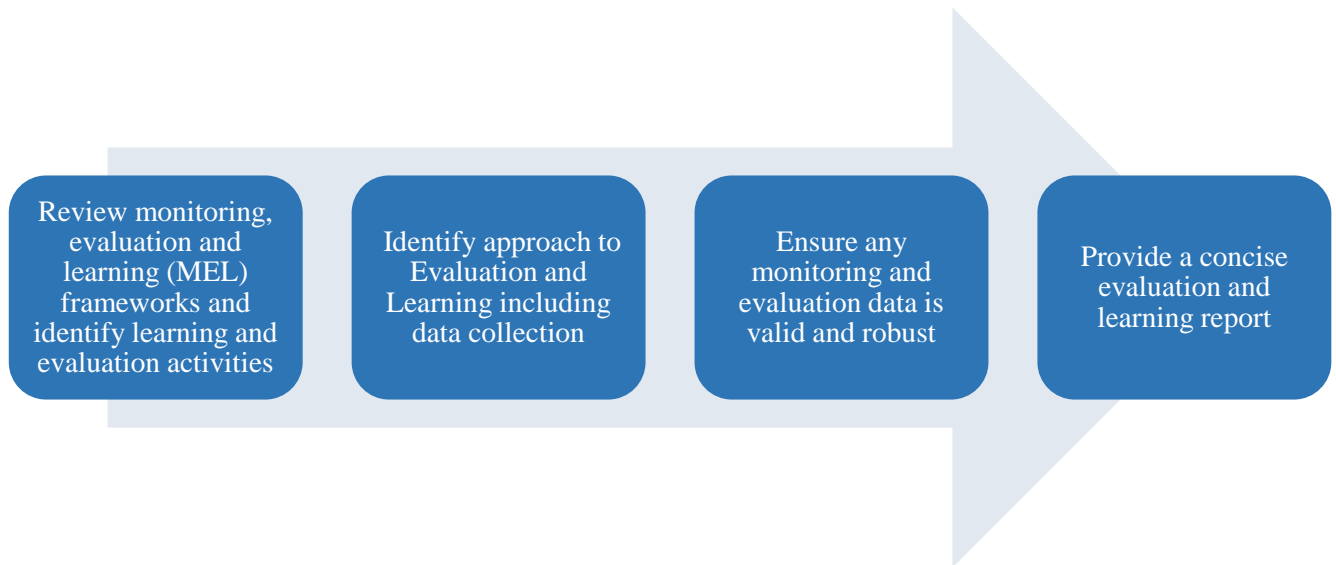
The SE Support Fund has provided essential financial support to help SEs in England to rebuild and grow their income from trading, following the impact of COVID-19. It focused on SEs supporting people facing increased social and economic challenges as a result of COVID-19. The Fund sought to support them in evolving and growing sustainable community services, in the face of ongoing disruption from COVID-19, with £16.3m of grants. The Fund was a two-year project, delivered by Big Issue Invest, Key Fund, Resonance, the School for Social Entrepreneurs (School for Social Entrepreneurs) and UnLtd, in partnership with The National Lottery Community Fund. Support available through the fund included helping SEs to get back on track by providing support, such as the costs of getting trade back up and running, supporting outreach and marketing, supporting SE costs while businesses get back to full strength, and developing new markets and services. The Fund also helped SEs to work with communities that are recovering, through support such as assisting communities that have been hard hit by COVID-19; for example, supporting people to get back to work, helping marginalised children catch-up with education, supporting families who have been bereaved, or providing services for people affected by long COVID-19. For example, the grant could be used to:

- Fund the costs of a community outreach worker to support people to return to their community centre.
- Help pilot the provision of additional educational support for children and young people who need help to catch up, with a view to this eventually being commissioned by schools.
- Provide funding for a community supermarket to enable them to continue to provide affordable food for their local community.
- Help organisations to build local partnerships to provide skills training and employment for communities particularly hard hit by COVID-19.



## 2. Research Design & Methods

The ISII’s approach to the research involved the following key developmental activities and outputs that can be broadly categorised as below in figure 2.1, with a key aim to ensure that the evaluation design was based within a robust Theory of Change (see section 2.1), and utilised valid and reliable methods and data analysis techniques in drawing out conclusions and trends from the data.



**Figure 2.1.** Research Approach

### 2.1. Theory of Change Development

Developing a Theory of Change (ToC) was essential for tracking the progress and impact of the SESF. A Theory of Change is a comprehensive roadmap that outlines “how and why a desired change is expected to happen in a particular context” (Centre for Theory of Change, 2019:1). A robust Theory of Change helps organisations to identify the steps necessary for long-term impact. Using a Theory of Change also illustrates the journey of change for social entrepreneurs from the support provided and the desired goals (i.e. increase confidence) of said support. The benefits of utilising a ToC are:

- A clear and testable hypothesis about how the change will occur that not only allows you to be accountable for results, but also makes your results more credible because they were predicted to occur in a certain way.

- A visual representation of the change you want to see in your community and how you expect it to come about.
- A blueprint for evaluation with measurable indicators of success identified.
- An agreement among stakeholders about what defines success and what it takes to get there.
- A powerful communication tool to capture the complexity of your initiative.

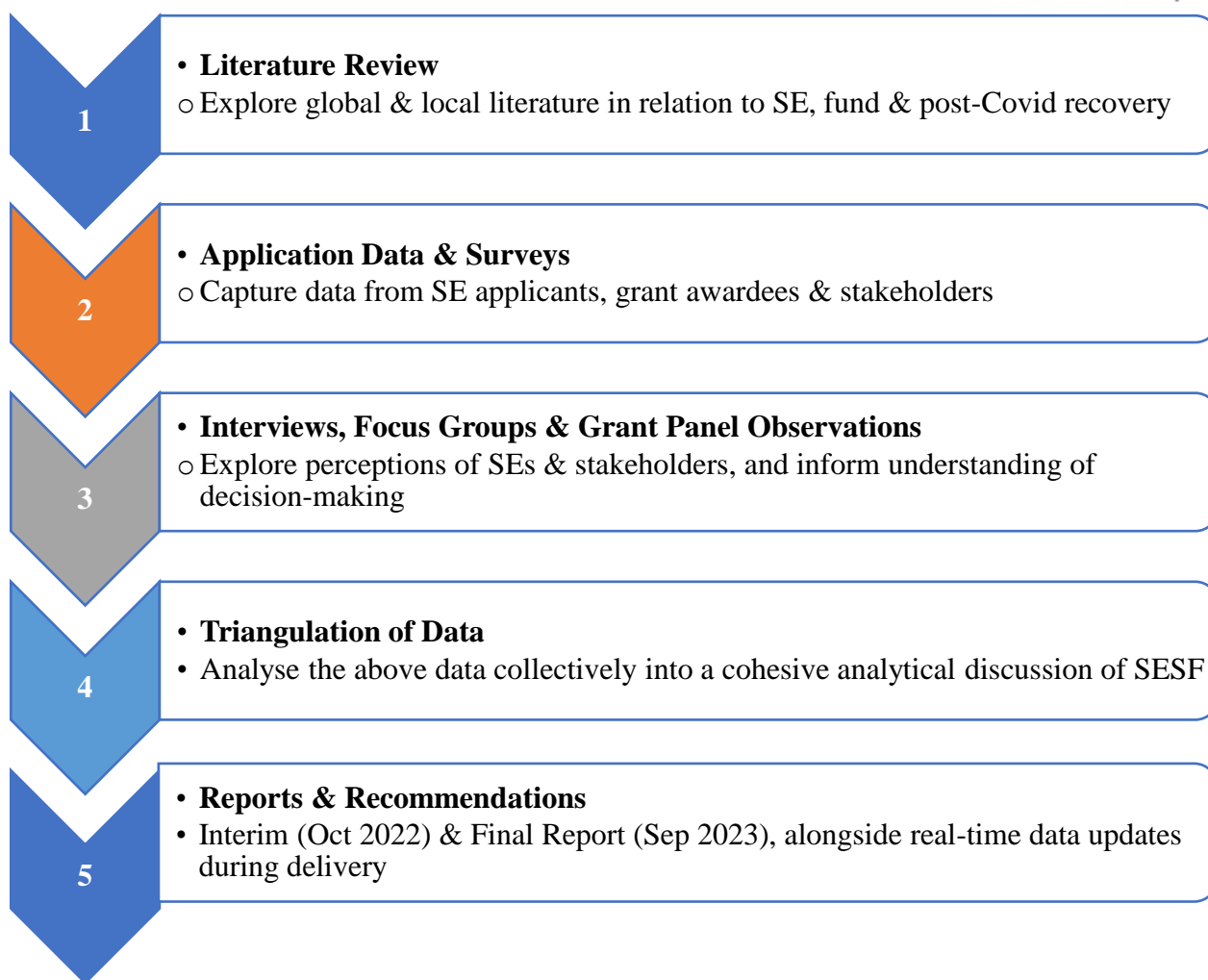
(Centre for Theory of Change, 2019)

In developing the ToC the ISII liaised with partners and other stakeholders to identify and refine the ToC in order to ensure the direction of travel for the SESF was clear (for example, inputs, activities, outputs, outcomes and impact) (see Appendix B for the ToC developed). This ToC was developed iteratively and co-productively with the SESF delivery partners in order that it represented as clearly as possible the overarching impact aims of the SESF.

Following review of data structures/data collection tools, used by the partners, the ISII agreed the final methodological design for the SESF (see section 2.2). The ISII supported the Fund partners in the design of additional surveys and questions (including in the End of Grant reporting), identified as required iteratively during the programme, so as to ensure a valid and robust approach to data collection. This approach acknowledged the timescales and burden for data collection and recognised that not everything can be collected and not all methods are applicable or usable in the context of live fund delivery.

## 2.2. Research Methodology

The evaluation adopted a mixed-methods approach to the research design in order to answer the questions outlined in Section One, with qualitative data complementing quantitative data (see figure 2.2). This offered a holistic overview of SESF efficacy and impact through the gathering of statistical and richer narrative data through the evaluation.



**Figure 2.2.** Research Methodology & Approach

### 2.2.1. Quantitative Data

Data from the grant application and monitoring processes implemented by the partners was gathered, with application data for 1,507 SEs collected across the two SESF rounds. This data was complemented by data gathered through SESF End of Grant Reports (N = 477), and a survey designed and administered by the ISII that sought to capture SESF applicant demographic data for 2022/2023 (as a further longitudinal dataset) and applicant experiences of SESF (N = 156<sup>12</sup>). Quantitative data was analysed through IBM’s Statistical Package for the Social Sciences (SPSS v28.0), utilising descriptive statistics, correlations, cross-tabulations, paired/independent sample t-tests and one-way ANOVAs as appropriate.

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<sup>12</sup> A total of 167 surveys were submitted, however, 11 of these were removed due to duplicate surveys, missing data or an inability to match the respondent to the original dataset.

### 2.2.2. Qualitative Data

Qualitative semi-structured interviews and reflective focus groups were held with social entrepreneurs and other stakeholders to identify the impact of COVID-19 on the sector and to understand experiences of SESF. This report presents qualitative data collated from interviews with two Inclusion Partners and 17 Awardees, as well as 14 participant partners involved in two reflective focus group, giving a total of 33 individual participants overall<sup>13</sup> (interview and focus group schedules can be found at Appendix C).

Interviews with Inclusion Partners and Awardees were conducted in two stages, with the first stage from October to November 2022 and the second stage from May to July 2023. The focus was on understanding:

- (1) What services do you offer to beneficiaries within your organisation/venture?
- (2) How has COVID-19 impacted on you and the support/activities that you offer?
- (3) Has SESF impacted your delivery of services for beneficiaries and/or the impact you generate for them?
- (4) Did you engage with technical support from an Inclusion and Development Partner?
- (5) What has been the key impact of the SESF on your social impact?
- (6) Are there any barriers/negatives to the SESF from your perspective?

Reflective focus groups were conducted with eight stakeholders in September 2022 to reflect on the implementation and embedding stage of the programme, with a focus on understanding:

- (1) How did SESF select for applications with the strongest alignment to programme priorities?
- (2) What mechanisms did SESF use for giving diverse-led organisations a competitive advantage?
- (3) What was SESF's approach to risk (re financial sustainability) when making awards?
- (4) What approach did SESF take on budget cuts, especially on the external support line?
- (5) How much influence did assessors have over the decision to reject/award and over the award amount and how was it embedded in the process?

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<sup>13</sup> One additional participant provided feedback by email.

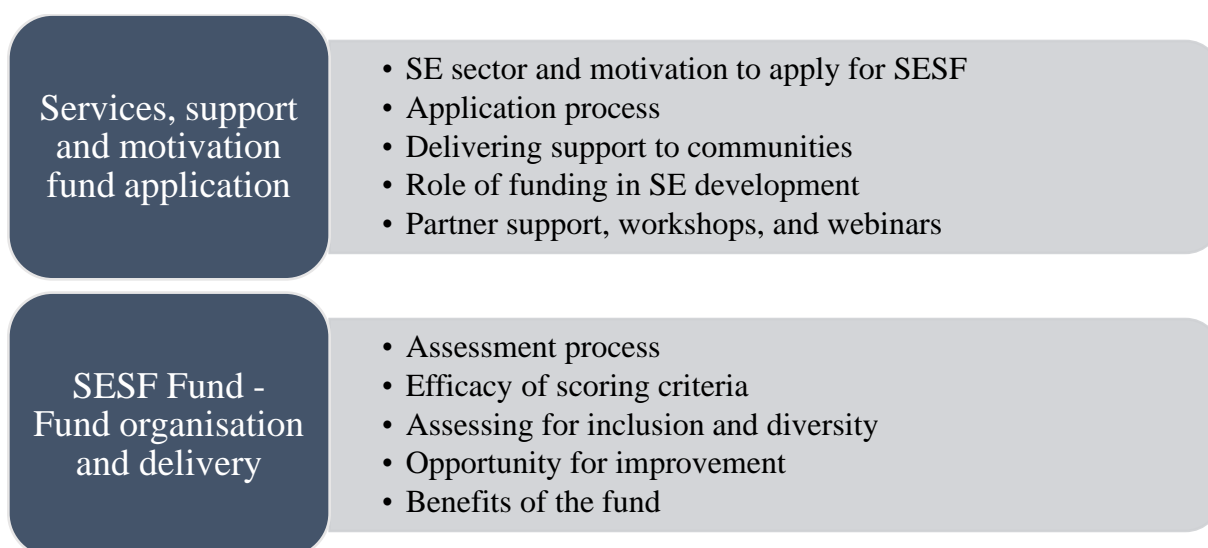
- (6) How much influence did Awards Panel members have over the decision to reject/award and over the award amount and how was it embedded in the process?
- (7) What were the main reasons for rejection or grant amount reduction raised at awards panels?
- (8) What process did Award Panel members go through to prepare for the panel; were there any briefing packs/pre-panel meetings to discuss expectations?
- (9) What areas were most important to individual Award Panel members and assessors? Panel observations were also conducted at *four* assessment panels held between April-June 2022, so as to understand the selection and decision-making processes for applications.

A further reflective focus group was conducted in August 2023, with six stakeholders to reflect on the role of SESF in supporting social entrepreneurs, with focus on:

- (1) How were awards managed? What support was offered to Awardees?
- (2) What additional opportunities did Awardees have through SESF (i.e., workshops)?
- (3) What were the biggest impacts on Awardees from the fund (i.e., reflection on the findings from reports)
- (4) Awardees noted in interviews the need for future funding to manage issues such as cost-of-living crisis. What are your thoughts?
- (5) What (if anything) would you do differently if you were to offer SESF again?

Interview and focus group participants volunteered to participate with anonymity and confidentiality assured; therefore, the results presented in this report are anonymous and any names that appear in quotations are pseudonyms. The research team labelled the Partner' feedback as "S(numbers) - Partner (code)]", Awardee interviews as "A(number)" and Inclusion Partner feedback as "IP(number)". Focus groups were organised in NVivo 11.4.0 and analysed using a six-phase thematic analysis approach – 'data familiarisation'; 'data coding'; 'theme development'; 'theme review and development'; 'theme refinement and naming', and 'reporting' (Braun and Clarke, 2006; Clarke and Braun, 2017; Braun and Clarke, 2020). 'Data familiarisation', a detailed review of interview transcripts, was essential for 'data coding'. 'Data coding' involved identification of key codes (assigned shorthand labels) that were interrogated to identify categories ('theme development'). The codes and categories were reviewed and developed in the 'theme review and development' stage, including findings from the observation. The themes are divided

into two categories (‘Services, support and motivation fund application’ and ‘Fund organisation and delivery’) (see figure 2.3).



**Figure 2.3.** Interview and focus group themes.

This qualitative data was also complemented by observational data gathered by the ISII through attendance at SESF partner meetings and most importantly through the partners’ own Grant Panel assessment sessions where applications were considered and awarded/rejected as appropriate. These observations further complemented the richness of the data and the research team’s own understanding of the SESF delivery model and efficacy.

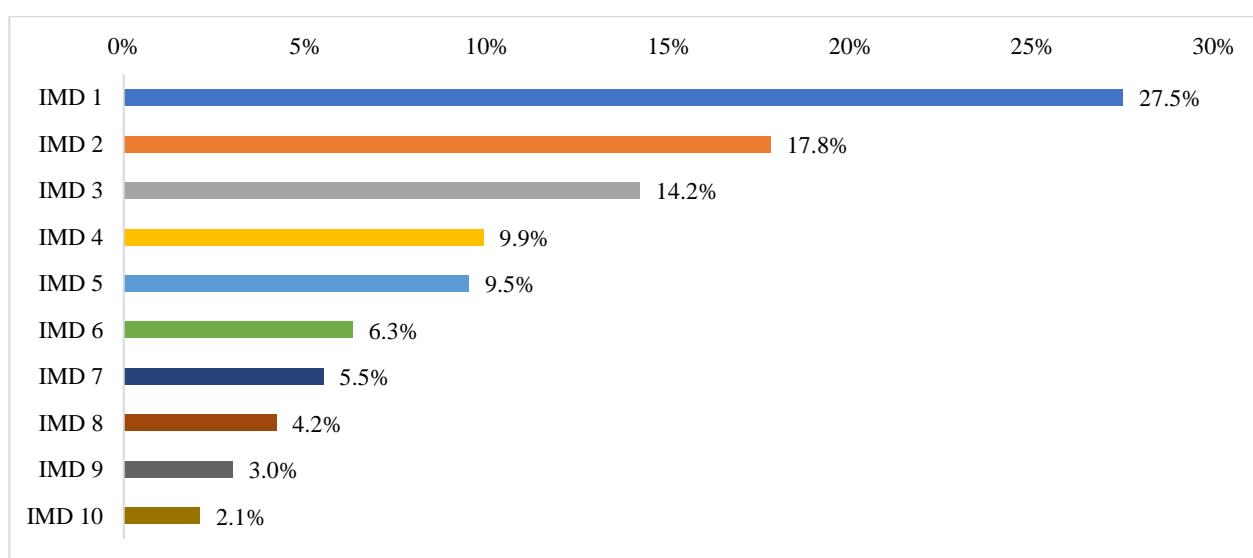
The data gathered and analysed will now be presented, with the quantitative data presented in Section Three and the qualitative data presented in Section Four.

### 3. Quantitative Data Analysis

As noted in Section Two, data was collated from a total of 1,507 SEs across the two rounds of SESF, with 810 SE applicants in Round One and 697 applicants in Round Two. This data is presented here holistically across the analysis with both Rounds presented together, albeit these will be separated where appropriate to highlight differences within the data. This section is divided into four main sections, focused on understanding the makeup of applicants with regards to their organisational demographics; assessing the financial income and sustainability of applicants and awardees; exploring the applications made to SESF and the awards given; and understanding the EDI characteristics of applicants/awards.

#### 3.1. Organisational Demographic Data

The average operating age of SEs that applied to SESF was 8 years ( $\bar{x} = 10.6$ ;  $SD = 9.5$ ; Range = 1-98)<sup>14</sup>. These SEs were generally operating in deprived areas of England, with 69.4% of applicants working in the top 40% most deprived areas and an average Index of Multiple Deprivation decile of 3 ( $\bar{x} = 3.5$ ;  $SD = 2.5$ ; Range = 1-10). The median values for IMD decile and organisational age were the same for both Round 1 and Round 2 applicants. Figure 3.1 below illustrates the spread of applicant by IMD decile.

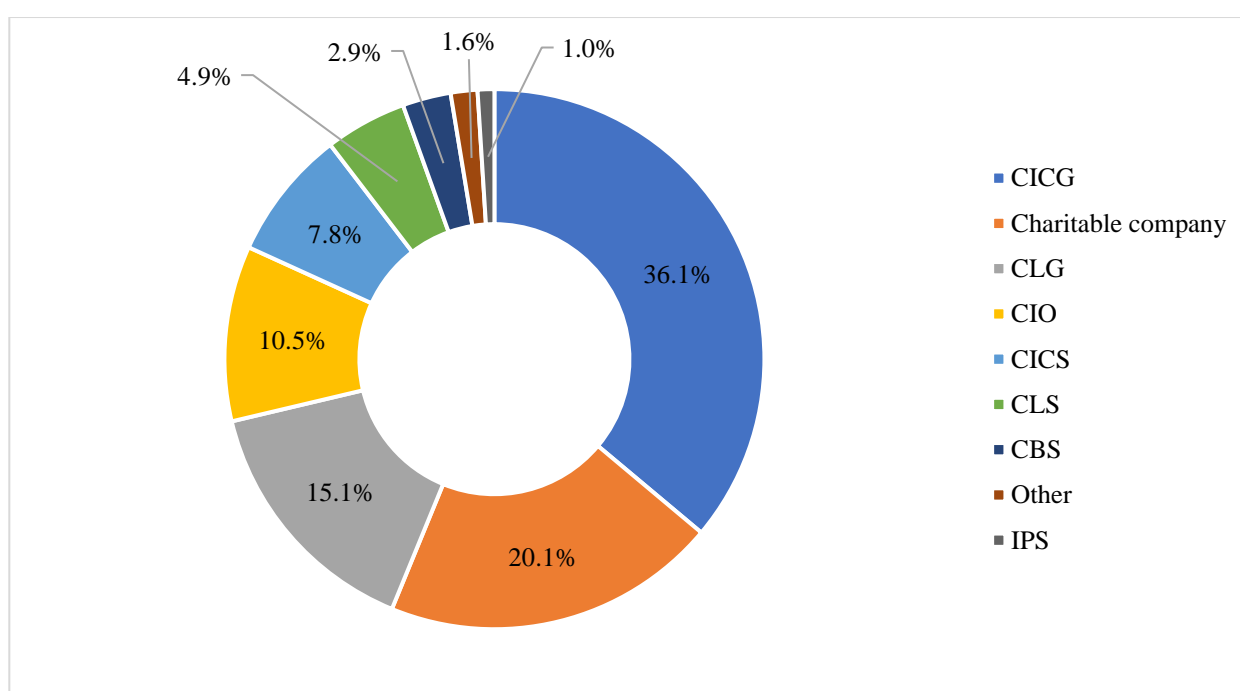


**Figure 3.1.** Applicants’ SE IMD Deciles

<sup>14</sup> All averages reported are median values to prevent skewing of the data by outliers. However, the mean ( $\bar{x}$ ), standard deviation (SD) and range data is also reported in brackets. All data is reported to one decimal point and rounded up where necessary.



Data was also collated for applicants with regards to applicant legal structure, revealing that Community Interest Companies (CICs) represented the largest sub-group, accounting for 43.9% of the sample collectively. Charitable organisations whether as a Charitable Incorporated Organisation or a charitable company accounted for 30.6% collectively, whilst traditional companies accounted for 20% of applicants collectively (see figure 3.2). There were no significant differences between Round 1 and Round 2 applicants, with the top three applicant structures in Round 1 (CICs = 46.8%; Charitable = 27.1%; Companies = 21.2%) and Round 2 (CICs = 40.7%; Charitable = 34.6%; Companies = 18.5%) broadly similar.



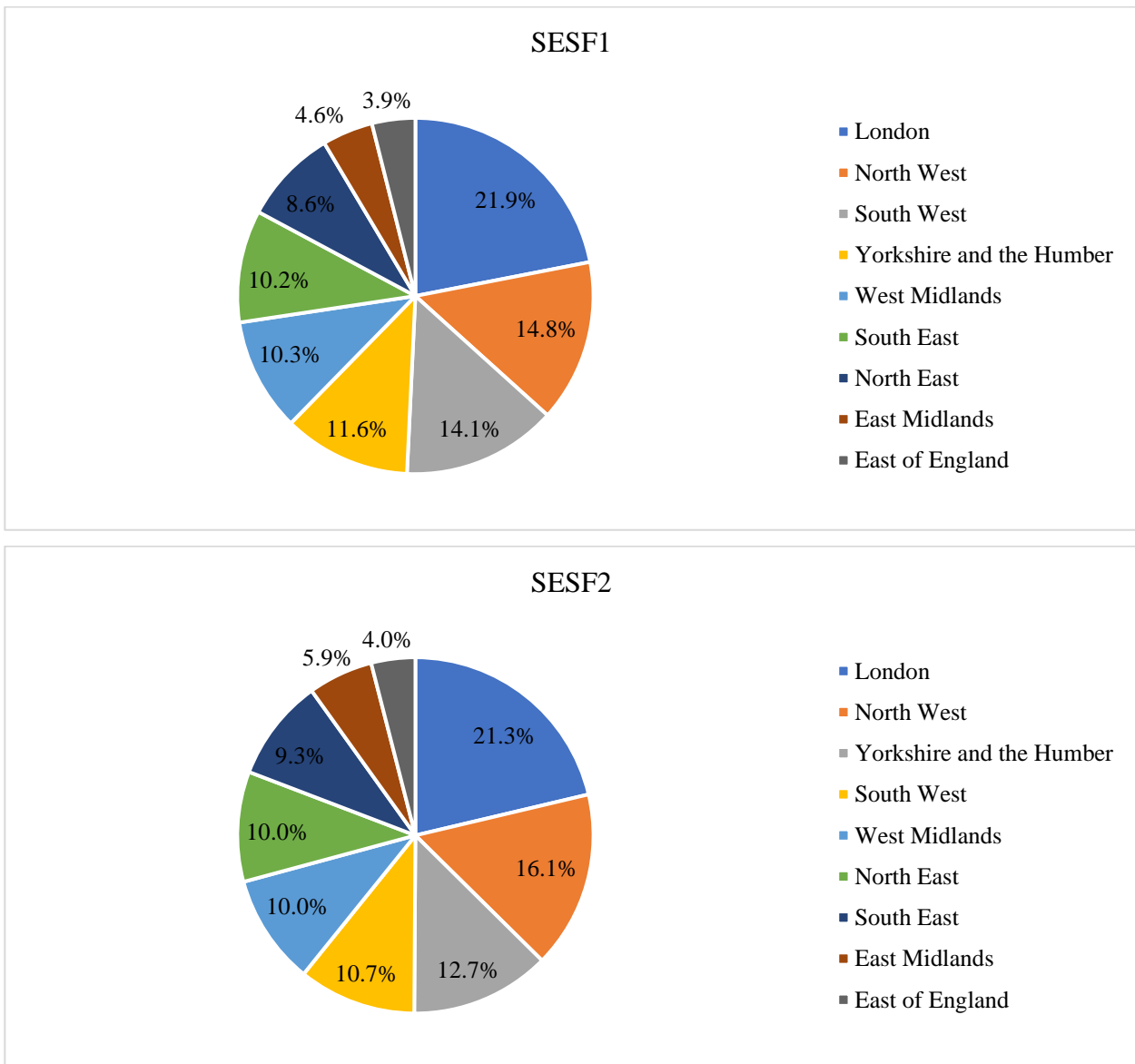
**Figure 3.2.** Applicants' Legal Structure<sup>15</sup>

Applicants' location within the nine English regions was also captured, identifying London (21.3%), the North West (16.1%) and Yorkshire and the Humber (12.7%) as the main areas of application activity (see figure 3.3). Again, there were no significant differences between Round 1 and Round 2 regions, with the top three regional applicants in Round 1 (London = 20.5%; North West = 16.3%; North East 11.5%<sup>16</sup>) largely similar to Round 2 (London = 22.2%; North West = 15.8%; Yorkshire and the Humber 14.1%). The data when compared with applications by regions

<sup>15</sup> Community Interest Company by Guarantee (CICG); Community Interest Company by Share (CICS); Company Limited by Guarantee (CLG); Company Limited by Share (CLS); Charitable Incorporated Organisation (CIO); Industrial Provident Society (IPS); Community Benefit Society (CBS).

<sup>16</sup> Yorkshire and the Humber was 4<sup>th</sup> in Round 1 with 11.5% of applications.

across SESF1 was very similar, demonstrating similar regional engagement across both programmes of funding<sup>17</sup>.

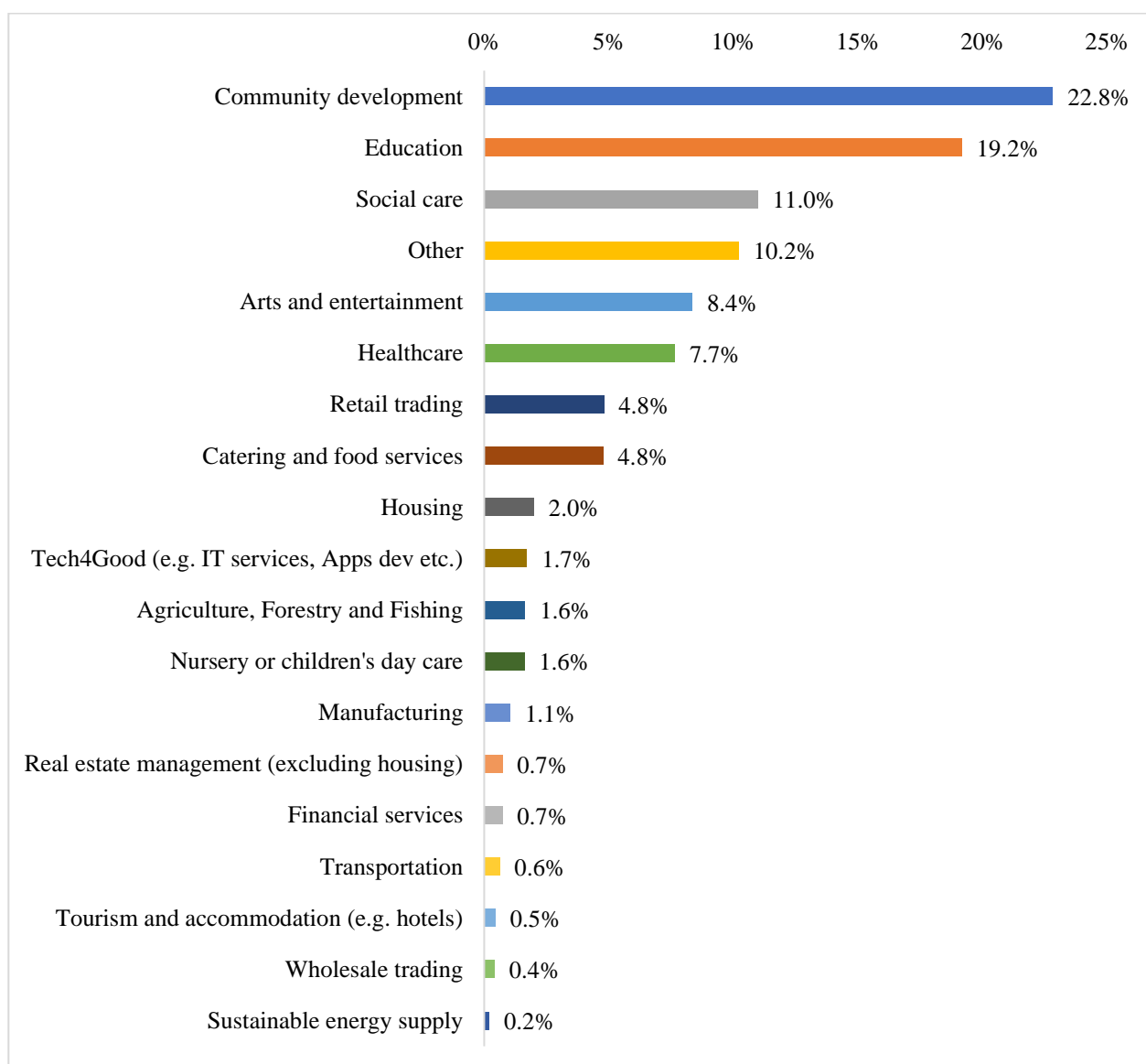


**Figure 3.3.** Applicants’ Region (SESF1 and SESF 2 Comparison)

When assessing applicants’ sector of operations, SEs were able to select multiple sectors to align with their missions, with some organisations selecting as many as six sectors. These were then collated into cumulative totals (2,849 sectors identified across the 1,507 SE applicants) to create a picture of sectoral work for SESF applicants (see figure 3.4). The data reveals that the top three sectoral areas of work were community development, education and social care, accounting for

<sup>17</sup> Data drawn from the SESF Comparison Dashboard produced by the School for Social Entrepreneurs (School for Social Entrepreneurs). Further comparison charts focused on EDI can be found at Appendix D.

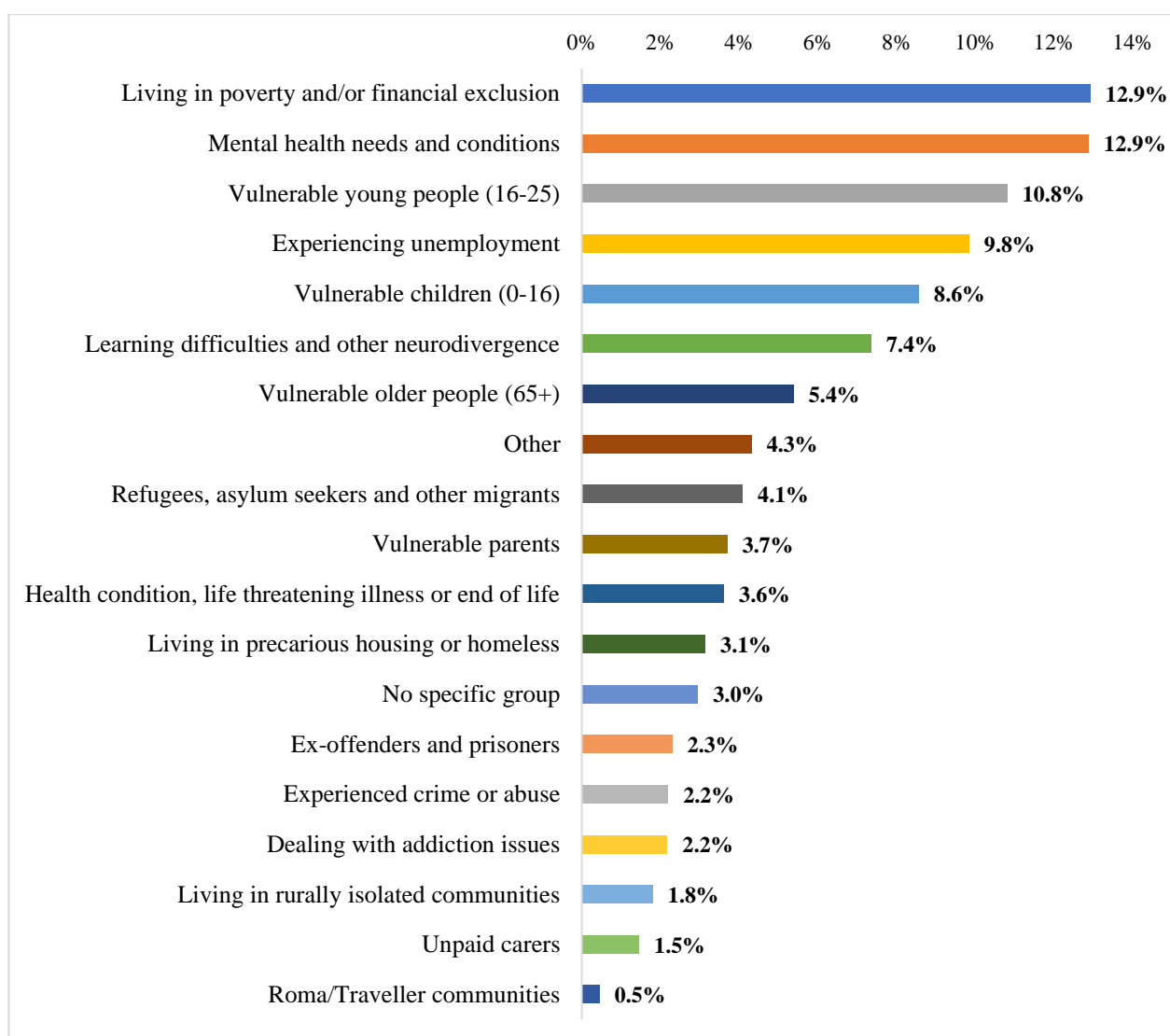
53% of all sectors identified, whilst ‘other’ also accounted for a significant proportion and included sectors such as justice, media, sport and employability.



**Figure 3.4.** Applicants’ Sector

Data was collated with regards to the main beneficiary groups supported by SE applicants. Again, applicants could specify multiple respondent groups with some SEs selecting as many as nine beneficiary groups, these were then collated into cumulative totals (4,866 beneficiary group selections identified across the 1,507 SE applicants) to illustrate beneficiary support through SESF applicants (see figure 3.5). The analysis reveals that the top three beneficiary groups supported were people ‘living in poverty and/or financial exclusion’ (12.9%), those with ‘mental health needs and conditions’ (12.9%) and ‘vulnerable young people aged 16-25’ (10.8%). Data was also collated

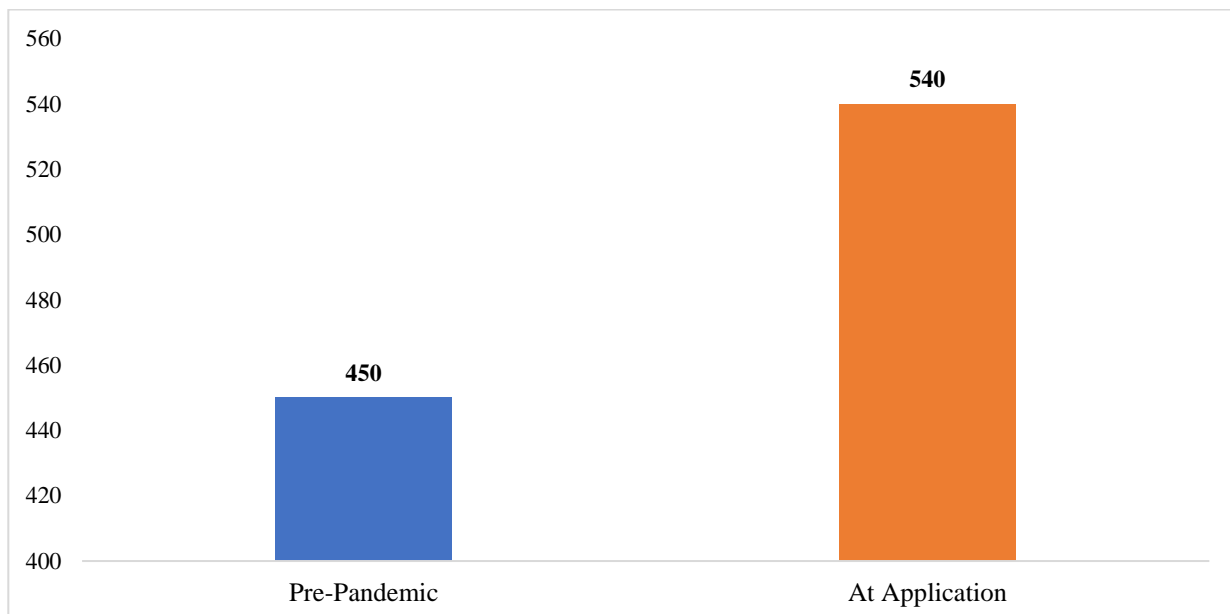
specifically on whether SEs worked with children aged under 18 or adults at risk, as well as whether they had safeguarding policies in place. This analysis revealed that 69.7% of all applicants worked with children aged under 18 or adults at risk and 67.7% had a safeguarding policy in place. Unsurprisingly, when exploring only those that responded yes to working with children or at-risk adults, the proportion with a safeguarding policy grew to 97.2% of organisations.



**Figure 3.5.** Applicant Beneficiary Groups

Finally, the numbers of beneficiaries supported by SEs both at the present time and also in the year before the COVID-19 pandemic began, were also collated. The data reveals that overall beneficiary numbers have grown during the pandemic period, with an increase on average of +20% over that period from 450 beneficiaries per annum to 540 beneficiaries (see figure 3.6). This increase was similar across both Rounds 1 and 2, with a 20% increase in beneficiaries in Round 1 (Pre-Covid =

500; At Application = 600) and a 25% increase in Round 2 (Pre-Covid = 400; Present = 500). The EDI characteristics of organisations are explored in section 3.4.



**Figure 3.6.** Beneficiaries Supported

### 3.2. SE Sustainability

In assessing the applications made to SESF, the data also provided an interesting overview of sustainability, with respect to organisational staffing, income and size; whilst in some data areas it also provided an opportunity to understand how areas had been impacted by the COVID-19 pandemic with longitudinal data gathered for data points pre-, during and post-Covid<sup>18</sup>.

One area to understand organisational size is to assess staffing, as well as reliance on volunteers. Here, the data revealed that for organisations applying to SESF, average staffing levels were 4 Full-time Equivalent (FTE) employees as of 31<sup>st</sup> March 2021 ( $\bar{x}$  = 6.6; SD = 8.9; Range = 0-150), which had increased from an average of 3 FTE staff on March 31<sup>st</sup> 2020 ( $\bar{x}$  = 6.0; SD = 8.2; Range = 0-75). In terms of the size of management teams, this illustrated that the average size of a Senior Leadership Team (SLT) was 3 people ( $\bar{x}$  = 3.2; SD = 2.0; Range = 0-24), with organisation Boards

<sup>18</sup> The authors recognise that the pandemic is ongoing and merely use the term post-Covid with respect to the present period post-lockdowns.

consisting of an average of 5 people ( $\bar{x} = 5.3$ ;  $SD = 2.9$ ;  $Range = 0-42$ )<sup>19</sup>. Further, on average organisations benefitted from the support of 11 volunteers ( $\bar{x} = 30.6$ ;  $SD = 104$ ;  $Range = 0-2,127$ ), with a large range and some high volunteer numbers in outlier organisations skewing the mean and SD values here. Nevertheless, this shows a volunteer to FTE staff ratio of nearly 3:1, albeit volunteers will not provide full-time support. Table 3.1 below illustrates this data.

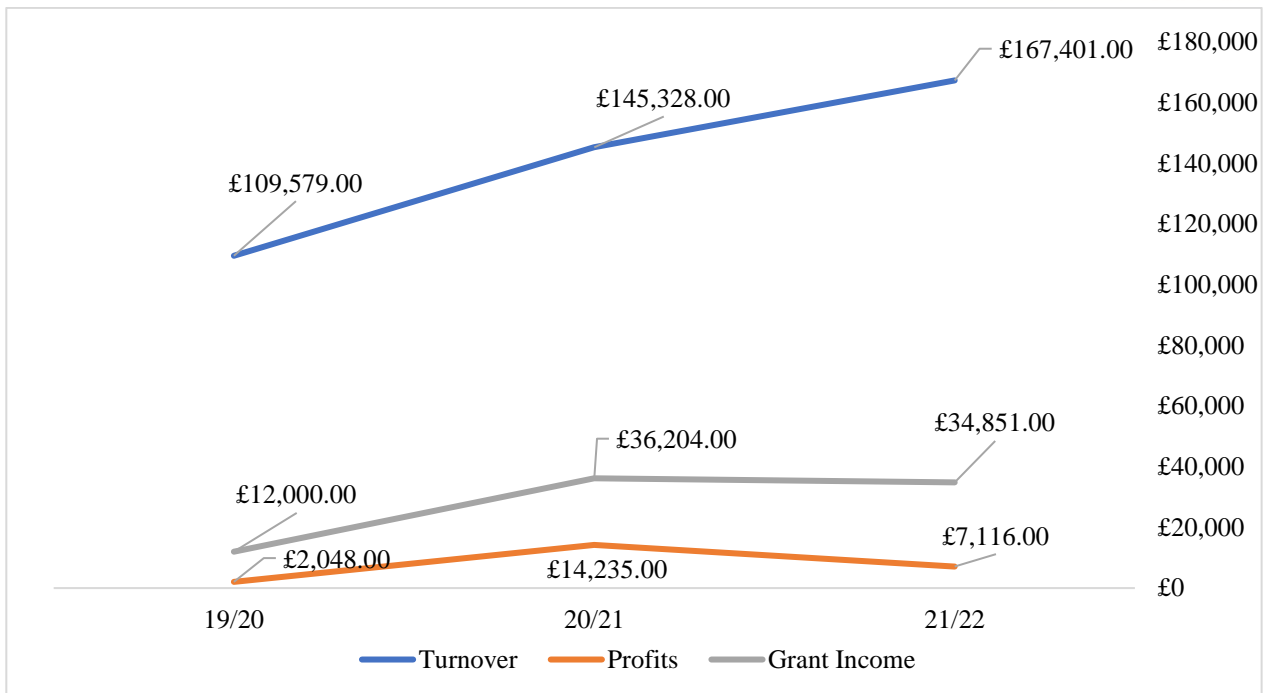
<b>Table 3.1 – Staffing &amp; Volunteers at Application</b>				
<i>Category</i>	<i>Median</i>	<i>Mean</i>	<i>SD</i>	<i>Range</i>
Staffing FTE	4.0	6.6	8.9	0-150
SLT	3.0	3.2	2.0	0-24
Board	5.0	5.3	2.9	0-42
Volunteers	11.0	30.6	104	0-2,127

Data was also gathered in relation to the finances of applicant SEs, gathered at three different stages: turnover pre-Covid; turnover in (2020/2021) and turnover in (2021/2022)<sup>20</sup>. The data reveals that turnover has grown on average by +£57,822 or +52.8% across organisations since the pre-Covid period, whilst profitability has also grown in that time by +£5,068 (albeit profits remain at only 4.3% of turnover in 2022). However, this seemingly positive financial growth does not tell the full story, with reliance on grant funding standing at an average of £34,851, up from £12,000 pre-Covid. This means that grant funding accounts for on average 20.8% of turnover and also helps to illustrate the drops in trading income seen since the pre-Covid period (59% today versus 66% then). Indeed, during the height of the pandemic in 2020/2021, trading income dropped to 43% on average across the applicants. Average cash-reserves currently sit at £16,000 per organisation or 9.6% of turnover (equivalent to just over one month of gross income). These figures present clear evidence of the financial sustainability challenges facing SEs both during and post-Covid<sup>21</sup>. Figure 3.7 below illustrates this data and the trends over time for turnover, profitability and grant income.

<sup>19</sup> Whilst this could suggest that organisations are top heavy with respect to their overall staffing versus SLT, it should be noted that overall staffing was captured at FTE, whereas SLT/Board was captured with regards to people; hence, some SLT/Board staff may not actually be full-time employees.

<sup>20</sup> More recent turnover data and analysis is presented later in this chapter when exploring the survey administered to SEs at the end of the SESF programme.

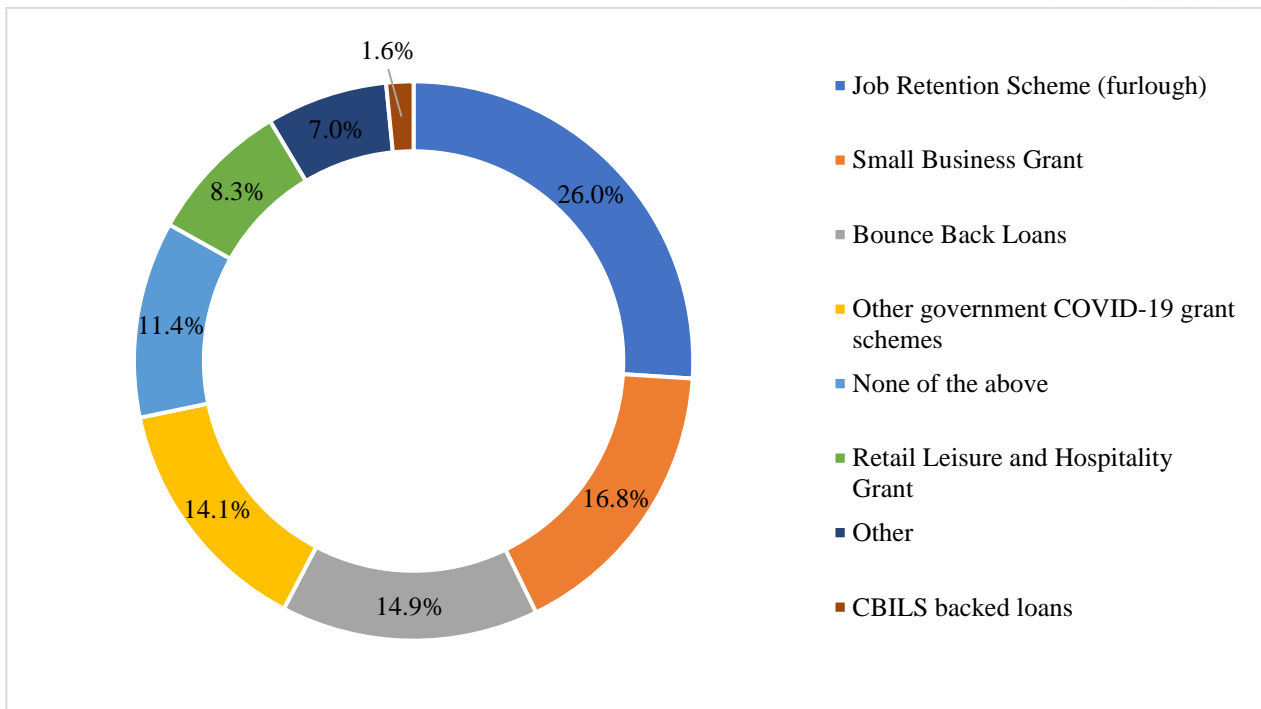
<sup>21</sup> It should be noted that in no way are we trying to suggest that the SE is unsustainable. Indeed, given the challenges facing the entire economy during Covid and the Cost of Living crisis, the sustainability of the SE applicants to SESF and their financial data remains robust. This is particularly true when the data around their trading income (minor reduction from Pre-Covid levels and a strong bounce-back in the last year) and average increases in surplus/profit generation demonstrate.



**Figure 3.7.** Turnover, Profits & Grant Income over time

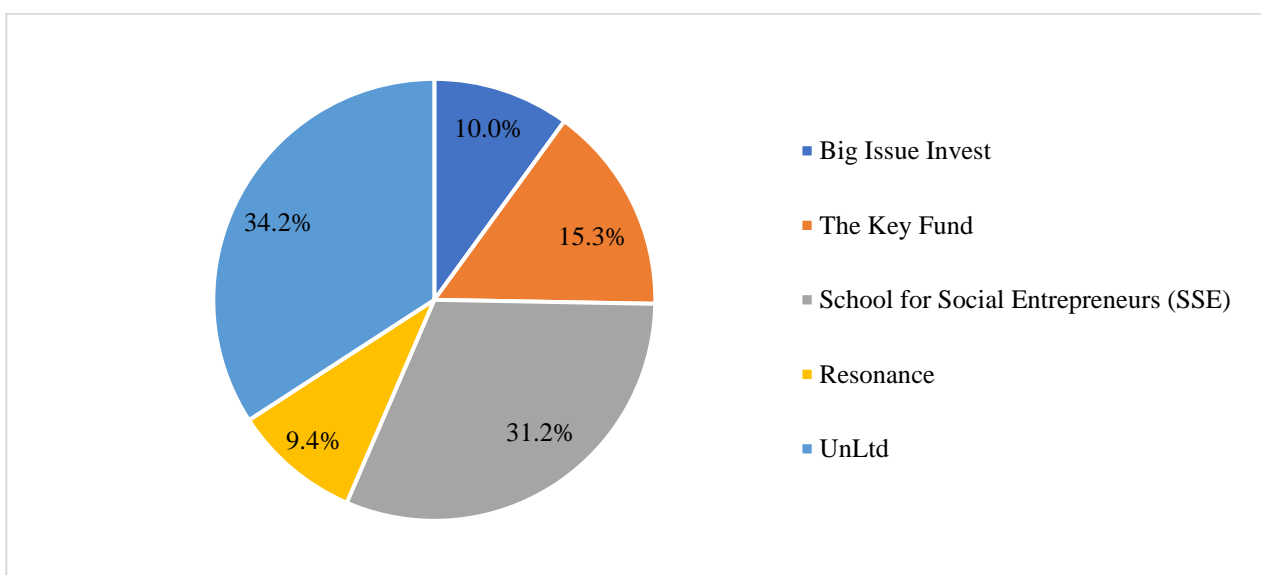
Data on the amount of emergency funding support provided to SEs outside of SESF also provided interesting insights into sustainability. Applicants could select as many of the schemes as were applicable, with some SEs accessing up to five different programmes of support. This led to a total of 2,800 identified forms of support across the 1,507 applicants, equivalent to nearly two streams of funding/loans per organisation. The data revealed that only 11.4% of respondents had not accessed any support, with the most popular schemes being the government’s Furlough Scheme (26%), Small Business Grants (16.8%), and Bounce Back Loans (14.9%). This demonstrates the challenges facing the SE sector during Covid (as well as the wider economy and business sector also), offering further evidence of the need for support from funds such as SESF.





**Figure 3.7.** Emergency Government funding/loans received

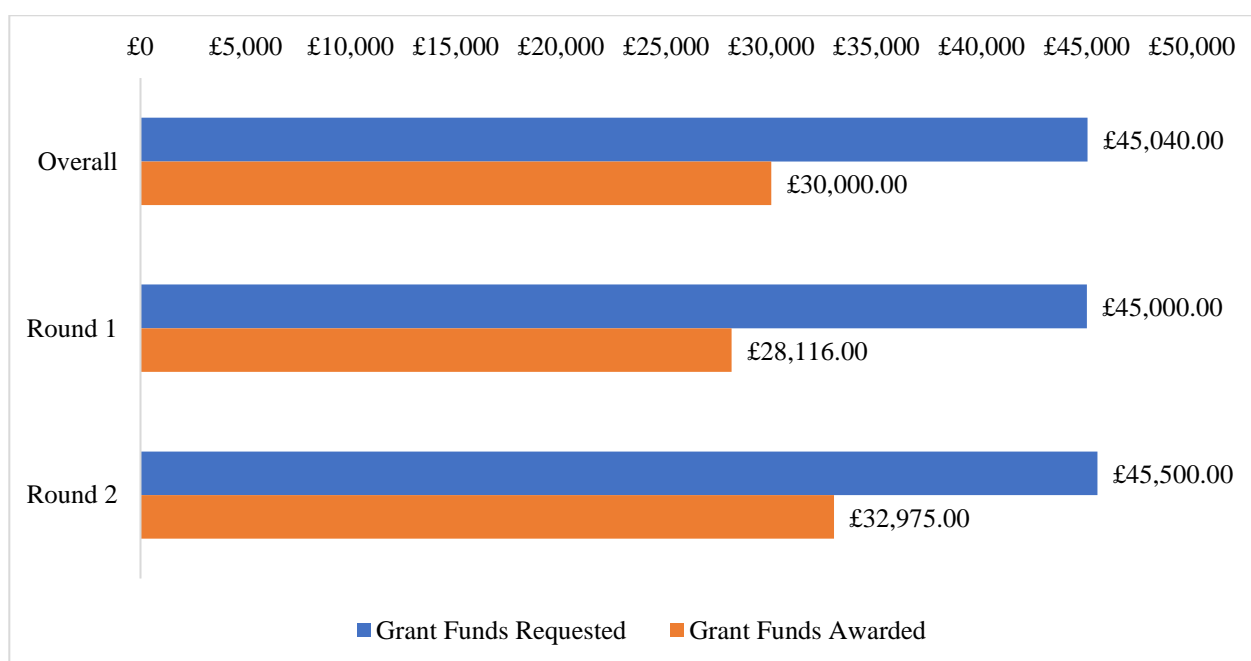
Finally, the application also asked SEs to identify previous support that they had received from elsewhere, including the organisations that had provided this support (from amongst the SESF partners), as well as access to emergency government funding/loans. With regards to previous support/training, 54.3% of applicants had received this in the past, with the majority of support being provided by UnLtd (34.5%), followed by the School for Social Entrepreneurs (31.2%) and The Key Fund (15.3%) (see figure 3.8). Given that Big Issue Invest and Resonance primarily run investment programmes, and not wider support programmes, the lower reach is not surprising.



**Figure 3.8.** Prior Organisational Support/Training

### 3.3. Applications & Awards

In total, 1,507 applications were made by the SEs in this dataset requesting a total of £65,721,757.00 in funding at an average grant request amount of £45,040.00 ( $\bar{x}$  = £43,610.99; SD = £17,837.84; Range = £6,791.00-£119,328.00). Of these applications 500 were successful, with a total of £16,149,508 awarded to SEs across Rounds 1 and 2<sup>22</sup>. This amounted to an average grant amount awarded of £30,000.00 per organisation ( $\bar{x}$  = £32,299.02; SD = £14,313.74; Range = £10,000.00-£100,000.00). Figure 3.9 below illustrates these findings overall and for both rounds.

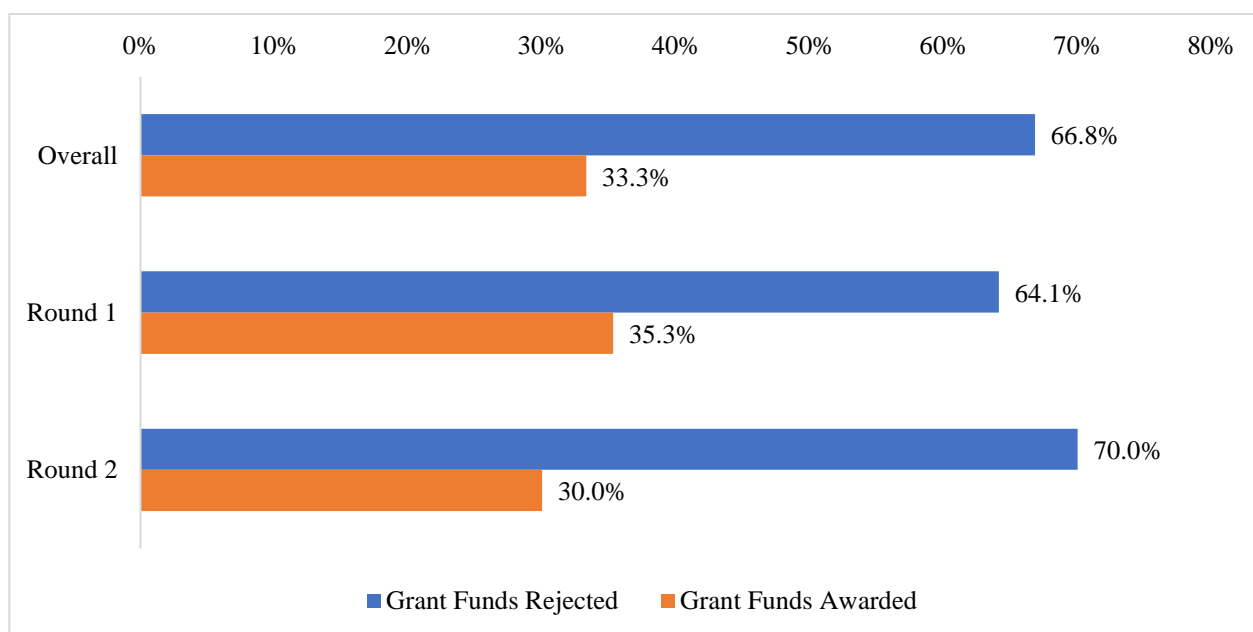


**Figure 3.9.** Grant Funds Requested & Awarded

The data in figure 3.9 and broken down into individual application rounds demonstrates that the amounts requested awarded were broadly similar, albeit total amounts awarded were slightly lower in Round 1 than in Round 2. Indeed, when exploring the differences between the two rounds, utilising one-way analysis of variance (One-way ANOVA), the lower amount of funding awarded in Round 1 (£31,082.14) was statistically significantly lower ( $p < .05$ ) than in Round 2

<sup>22</sup> When the £150,000 of Development Partner grants are included, along with £492 of under-spend in UnLtd’s budget, this matches with the total fund grant dispersal target of £16.3 million.

(£33,993.06)<sup>23</sup>. Further, there was also a higher proportion of awards made in Round 1 when compared to Round 2 when accounting for the differing numbers of applications. A Cross-tabulation Chi-squared test shows this difference to be statistically significant ( $p < .05$ ) with 70% of applications in Round 2 being rejected compared with 64.1% in Round 1 (see figure 3.10).



**Figure 3.10.** Grant Applications Rejected/Approved across Rounds

Analysis was also conducted on the award rates for the five different partners involved in assessing the applications. Cross-tabulation Chi-squared tests revealed that there was a statistically significant difference ( $p < .001$ ) between partners, with UnLtd having the lowest award success rate (75.4% of applications were unsuccessful), followed by The Key Fund (73.6%), the School for Social Entrepreneurs (63.3% unsuccessful), Resonance (60.0% unsuccessful) and Big Issue Invest (58.0% unsuccessful). In respect of these figures though, it is important to contextualise the data. The SESF decided against a uniform approach to grant awarding decisions, leaving it to the discretion of the partners and their panels. This meant that some partners (i.e. The Key Fund) awarded fewer but larger grants (usually for the full amount requested); whilst others awarded more grants, but for reduced amounts versus that which was requested<sup>24</sup>. Indeed, when exploring this data we see the following figures for each partner with respect to the average grant reduction

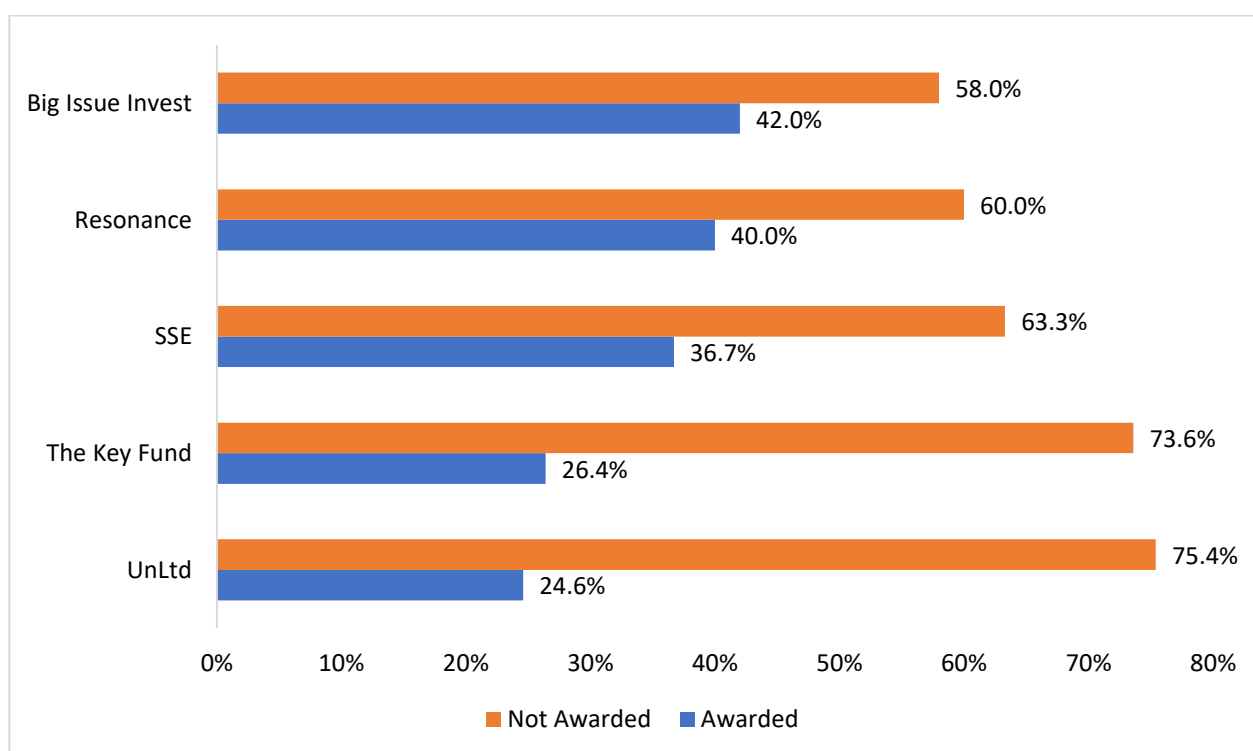
<sup>23</sup> The figures used for assessing differences in One-way ANOVAs is the mean, not the median values as reported in figure 3.9.

<sup>24</sup> This was an observation made by the research team when attending the different partner award panels.

awarded, with much larger reductions for Big Issue Invest and Resonance, versus UnLtd and The Key Fund. Table 3.2 and Figure 3.11 below outline this data.

Partner Organisation	Grants Awarded (N)	Average Reduction
Big Issue Invest	105	£17,256.80
The Key Fund	66	£2,225.32
School for Social Entrepreneurs (School for Social Entrepreneurs)	128	£11,393.88
Resonance	102	£16,219.61
UnLtd	99	£2,851.32

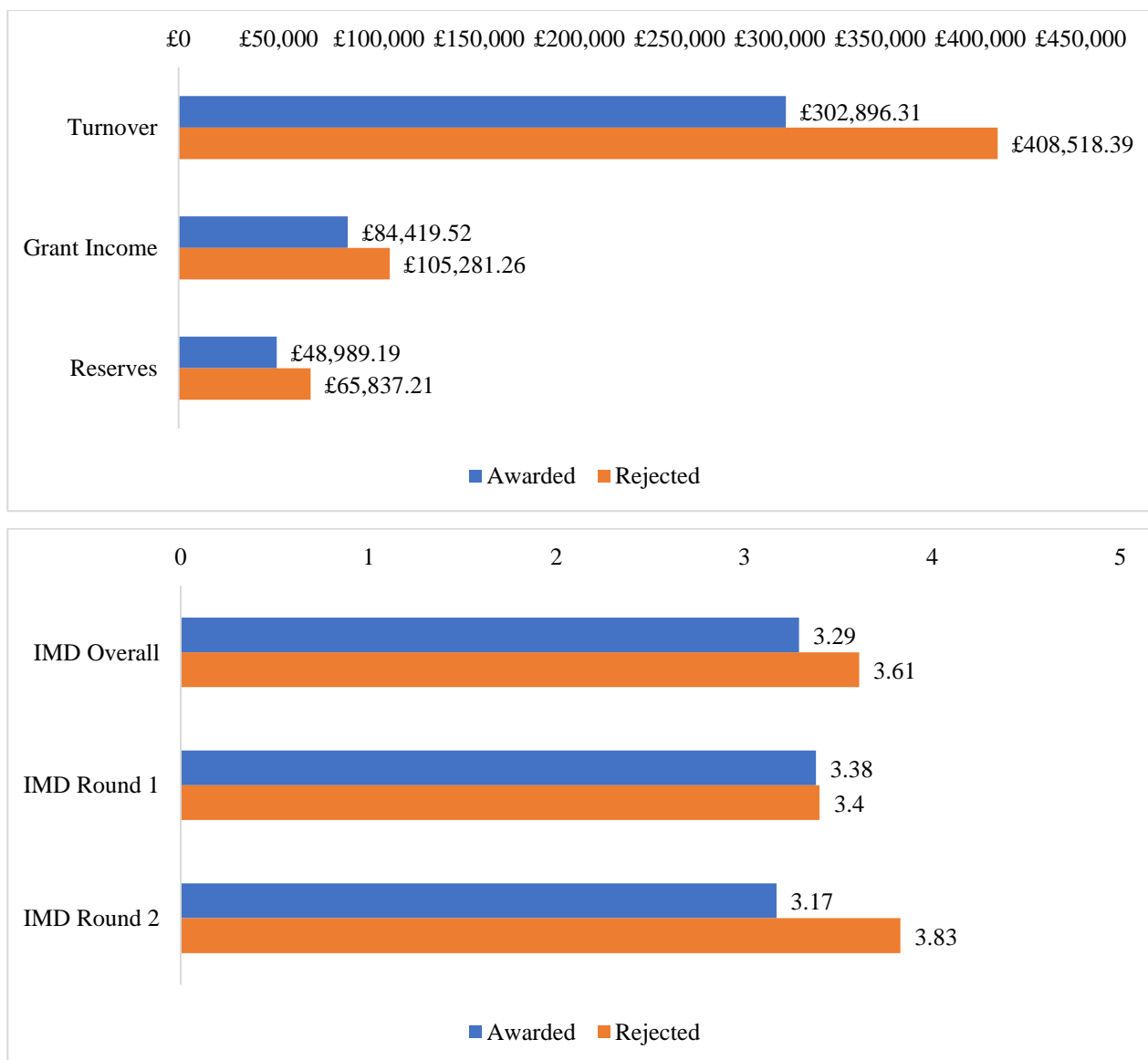
**Table 3.2.** Partner Average Reductions in Grant Award Amounts Versus Application



**Figure 3.11.** Grant Applications Rejected/Approved by Assessor

One-way ANOVAs were also used to explore whether variables including current turnover, profitability, grant income, reserves, trading income percentage, staffing, organisation age and IMD decile were a factor in the awarding of grants to SEs. The data reveals that the only statistically significant differences here were in relation to IMD decile ( $p < .05$ ) and cash reserves held ( $p < .05$ ), with grant awardees working in more deprived areas ( $\bar{x} = 3.29$ ) than those that were rejected ( $\bar{x} = 3.61$ ); and grant awardees having lower cash reserves on average ( $\bar{x} = £48,989.19$ ) than rejected applicants ( $\bar{x} = £65,837.21$ ). However, there were some interesting differences across these variables, even if the comparisons were not statistically significant. Grant income received in the

12 months prior to application was lower for awardees ( $\bar{x} = \text{£}84,419.52$ ) than for rejected applicants ( $\bar{x} = \text{£}105,281.26$ ); likewise, turnover for grant awardees ( $\bar{x} = \text{£}302,896.31$ ) was also lower than those of rejected applicants ( $\bar{x} = \text{£}408,518.39$ ). There were no significant differences in these trends between Rounds 1 and 2, albeit there was a much greater difference between IMD deciles in Round 2 (Approved = 3.17; Rejected = 3.83) than in Round 1 (Approved = 3.38; Rejected = 3.40), suggesting that deprivation played more of a role in Round 2. The patterns identified in the data demonstrate that SESF aligned awards with the aims of the fund, specifically in funding those SEs most in need. The data for these financial trends overall across the SESF is visually represented in figure 3.12, alongside a Round breakdown for IMD.



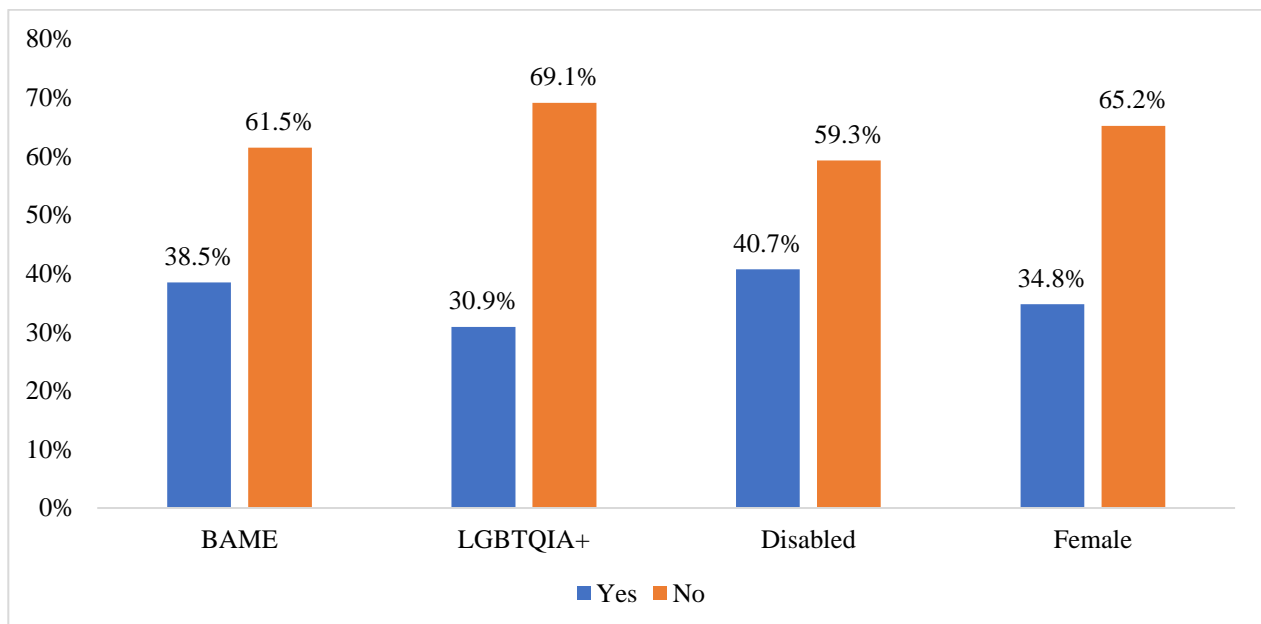
**Figure 3.12.** Organizational demographics versus grant application outcome

Finally, data was also captured from applicants asking them whether they had applied elsewhere to fund the activity that was the target of the current application to SESF. Analysis utilised Cross-tabulation Chi-squared tests reveals that there was a statistically significant relationship ( $p < .01$ ) between application rejection and applications submitted elsewhere, with 77.7% of applicants with applications also submitted elsewhere being rejected, compared with a rejection rate of 65.9% for those SEs that did not have applications submitted elsewhere.

### 3.4. Equality, Diversity & Inclusion (EDI)

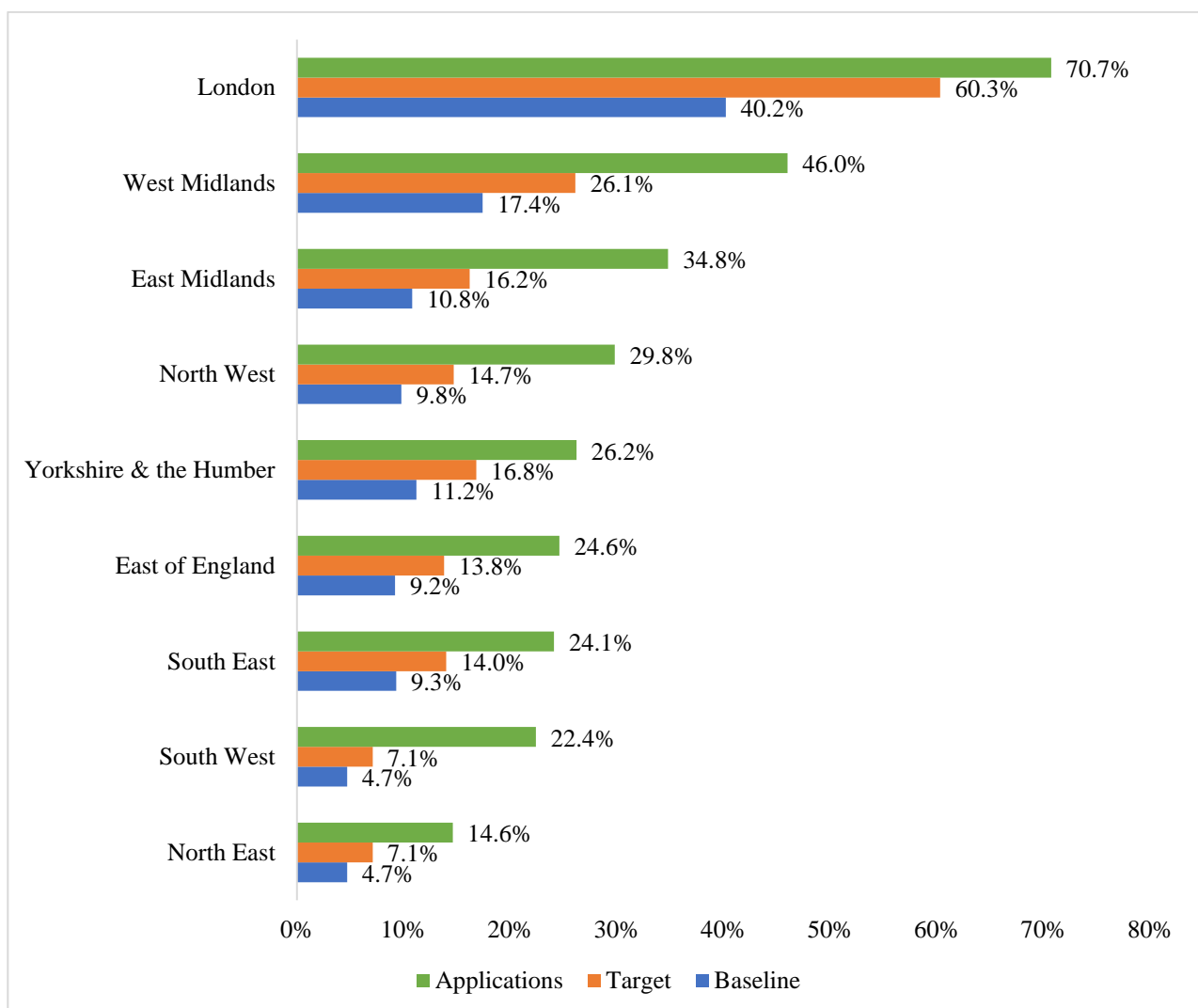
#### 3.4.1. EDI Applications

A key focus of the SESF was on EDI and ensuring that the support delivered by the fund was targeted at organisations that work with or are led (or both) by people from diverse backgrounds. Indeed, this is a key feature of the Theory of Change for the programme. Application data was captured from SEs regarding whether their work was targeted at people who were BAME, LGBTQIA+, disabled and/or female. The data reveals that 38.5% of applicants supported the BAME, 30.9% supported the LGBTQIA+, 40.7% supported the disabled and 34.8% supported the female communities. Figure 3.13 outlines this data.



**Figure 3.13.** Organisational EDI Focus (Beneficiaries)

The SESF had clear targets around the engagement of diverse-led<sup>25</sup> organisations in terms of applications and for most categories these targets were broken down by region, to reflect the different demography and SE ecosystem composition within each of the nine English regions. These targets were often dual, with a baseline figure that matched the known demography for the region, and a SESF target that sought to stretch this. For BAME-led organisations<sup>26</sup> this target was 50% above the baseline figure, and the data gathered shows that SESF exceeded its stretch targets across all nine regions, with particular success in the East Midlands, West Midlands and South West. Figure 3.14 outlines this data.



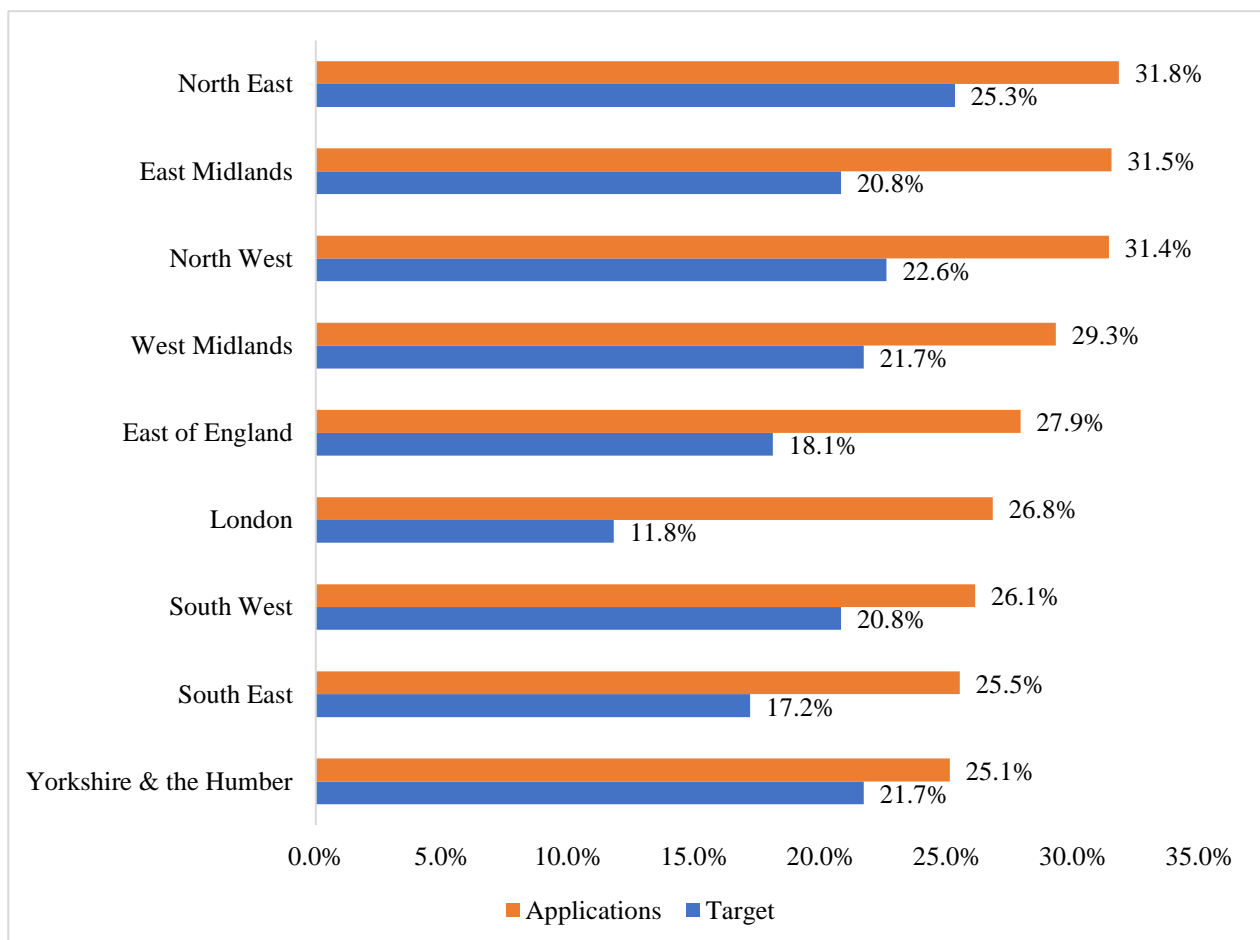
**Figure 3.14.** BAME-led Applications by Region

<sup>25</sup> The SESF definition of a diverse-led organisation was: either 50%+ of Board members or 50%+ of SLT members or CEO fall within one of the diversity categories (BAME/disability/LGBTQIA+). However, as the Fund was also interested in SEs that were led by women and people with lived-experience, some analysis of this is included here.

<sup>26</sup> The criteria adopted here was that either 50%+ of Board members **OR** 50%+ of SLT members **OR** the CEO are classed as BAME. This was repeated subsequently for the LGBTQIA+, disability, gender and lived experience analyses.

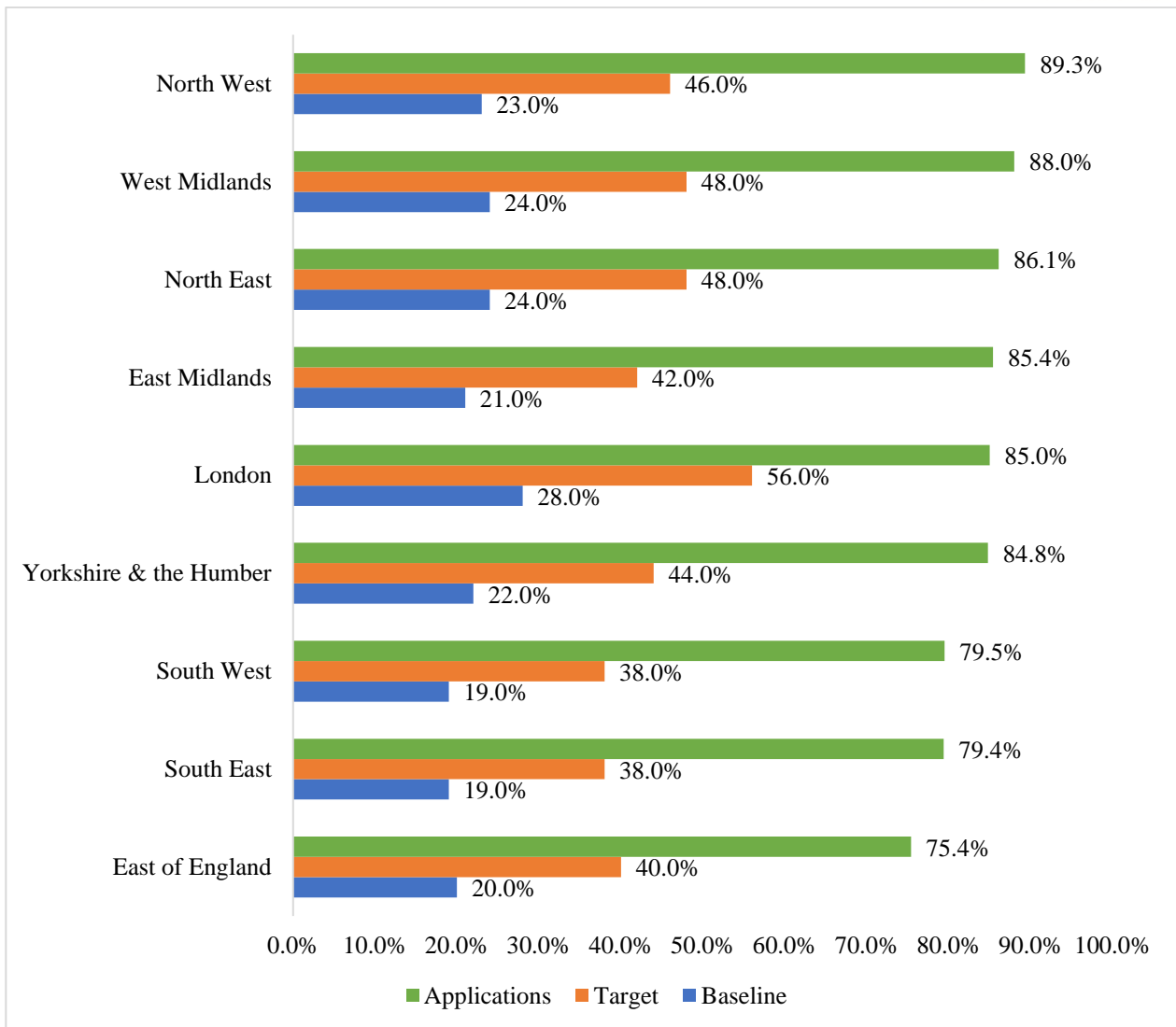


The targets for disabled-led applications were also regionally set depending upon known demography, albeit the target here matched the known baselines and did not include any stretch targets. The data reveals again that SESF outperformed its targets, with particular success in London, the East of England and the East Midlands (see figure 3.15).



**Figure 3.15.** Disabled-led Applications by Region

The final EDI area that had regional targets was for the EDI category of ‘lived experience’ (of the issue the organisation sought to alleviate/solve), where the SESF had both baseline and stretch targets, the latter of which were double the baseline figure. The analysis here also reveals that SESF had great success in receiving applications from diverse-led organisations characterised by lived-experience, with very strong application rates from across the nine regions that far exceeded the targets set (see Figure 3.16).

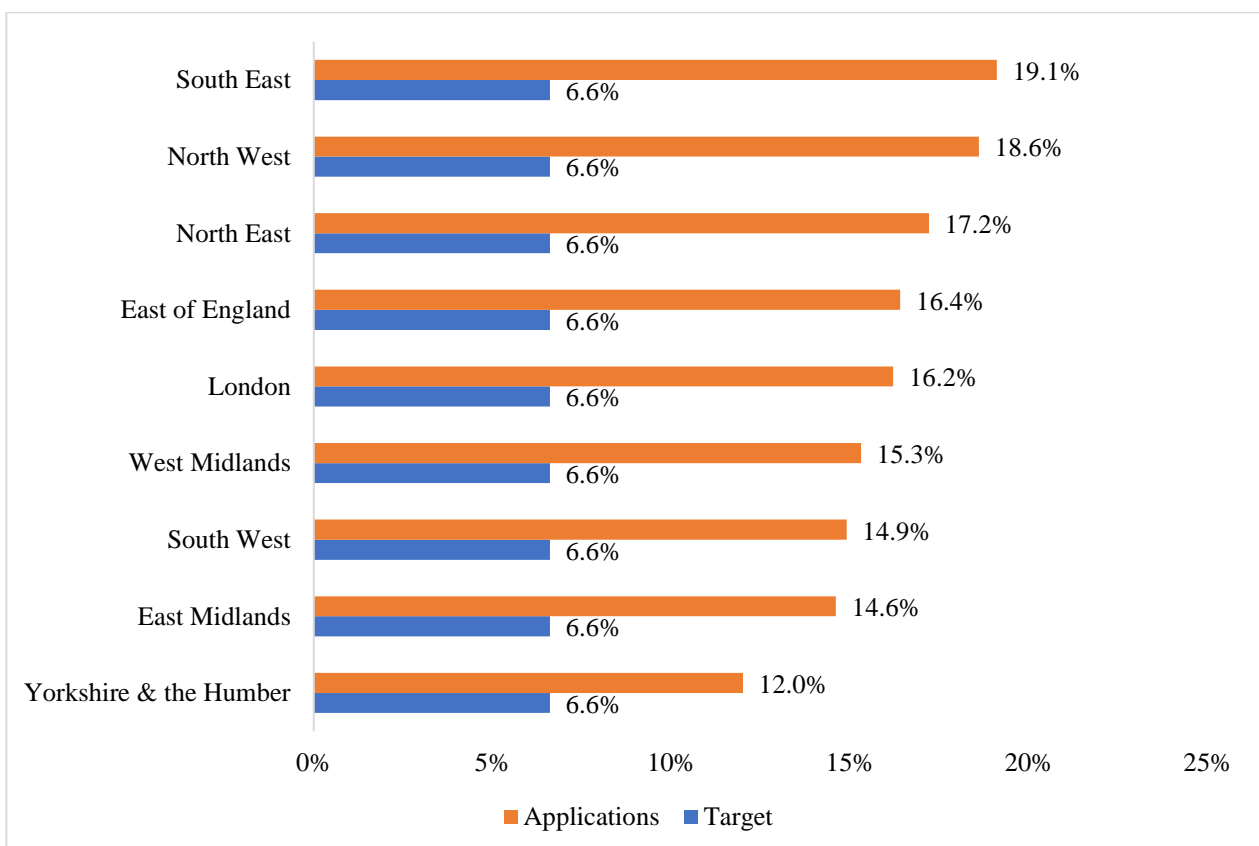


**Figure 3.16.** Lived-Experience Led Applications by Region

For the EDI categories of gender and LGBTQIA+, regional targets were not set, rather national baseline targets were used and set across the regions, with a national average of 50% set for gender and 6.6% for LGBTQIA+. Figures 3.17 and 3.18 below outline this data for both these EDI areas and show that again SESF outperformed its targets, with particularly strong gender-balanced engagement in the West Midlands, North East and South West, and strong LGBTQIA+ led engagement in the South West, North West and North East.



**Figure 3.17.** Gender-led Applications by Region



**Figure 3.18.** LGBTQIA+-led Applications by Region

### 3.4.2. EDI Grant Awards

Applications were also assessed with regards to whether the grant awarded was to a diverse-led organisation, characterised here as being an organisation that is led by BAME, LGBTQIA+, or disabled individuals<sup>27</sup>. When assessing this factor against grant awards made, the data reveals that 349 of the 500 (69.8%) grant awards were given to diverse-led organisations [if the women-led and lived-experience led SEs are included then this rises to 493 diverse-led grant awards (98.6%)]. There was no significant difference in the amount of grant funding requested or awarded between applicants classed as diverse or non-diverse<sup>28</sup>. Further, the diverse-led organisations did emanate from more deprived areas (Diverse-led IMD = 3.29; Non Diverse-led IMD = 3.81) ( $p < .05$ ).

Further understanding of diverse-led funding, can be delivered through exploration of the ratios of diverse-led versus non diverse-led application success, which also accounts for the proportion of diverse-led and non-diverse-led applications received across SESF. Here, a ratio is calculated based upon the grant success rate for the Fund for both diverse-led and non diverse-led applications. The non-diverse application ratio is then divided by the diverse application ratio, to provide an overall odds ratio. Table 3.3 below outlines this data, illustrating that the odds ratios for successful applications from diverse-led organisations was 1.89, meaning that across the Fund diverse-led organisation applications were 1.89x more likely to succeed.

Assessor	Application Type	Grant Not Awarded	Grant Awarded	Ratios	Odds Ratio
Overall	Diverse-led	61.4%	38.6%	1.59	<b>1.89</b>
	Non Diverse-led	75.0%	25.0%	3.00	

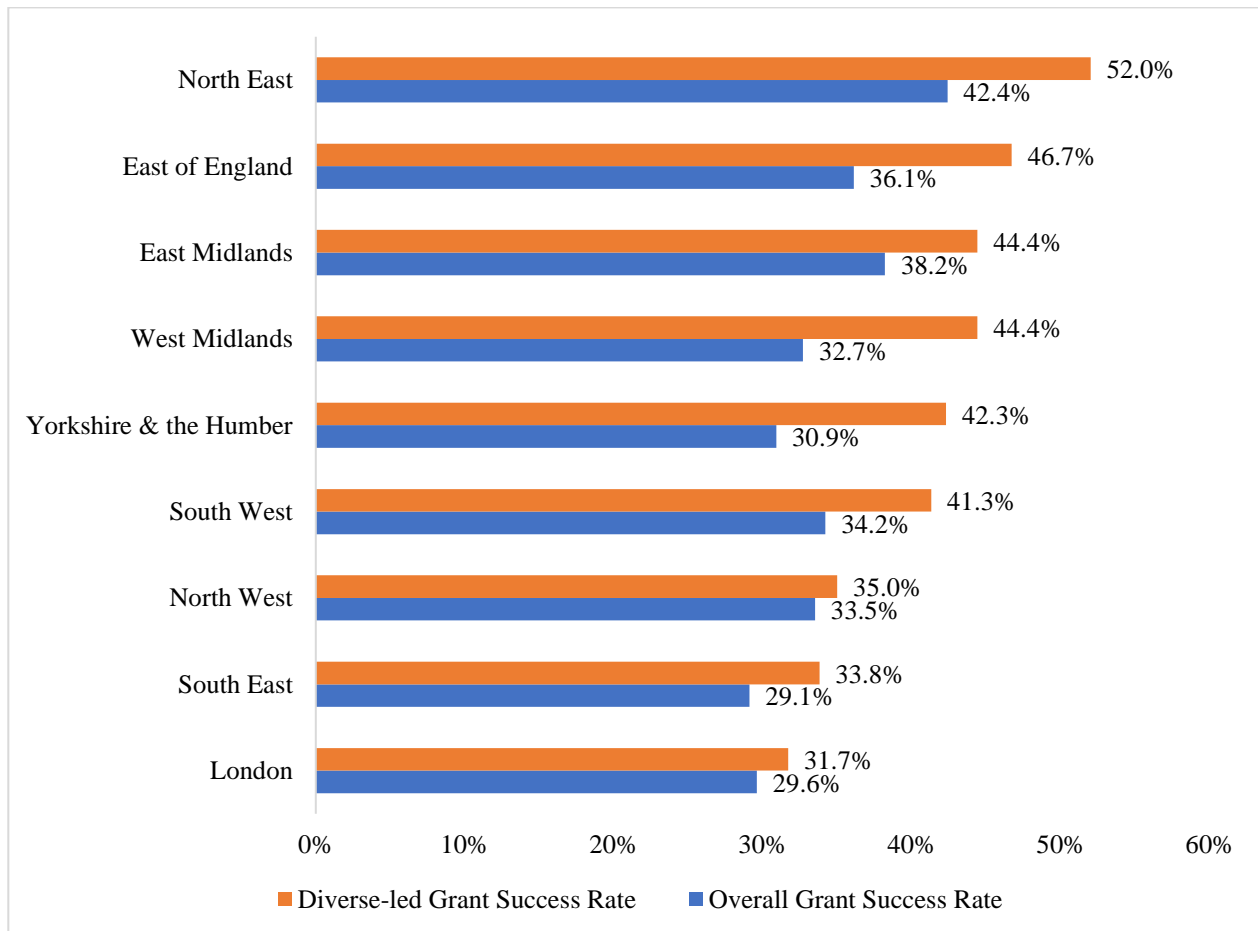
**Table 3.3.** Grant Application Success Ratios for Diverse-led/Non Diverse-led Applicants

This can be further explored by breaking down diverse-led organisation grant success by region, to see which of the nine English regions had the highest success rates. Analysis here reveals that the regions with the highest proportion of successful diverse-led organisations were the North East (52%), the East of England (46.7%) and the East Midlands (44.4%) (see Figure 3.19). The areas with the lowest diverse-led grant success were London (31.7%), the South East (33.84%), and the North West (35%). However, there should be some caution in interpreting these figures, given the

<sup>27</sup> By diverse-led the criteria adopted is: either 50%+ of Board members **OR** 50%+ of SLT members **OR** CEO are classed as BAME/LGBTQIA+/disabled).

<sup>28</sup> Diverse-led organisations received an average award-size of £32,878.63, versus £30,959.38 for non-diverse-led organisations.

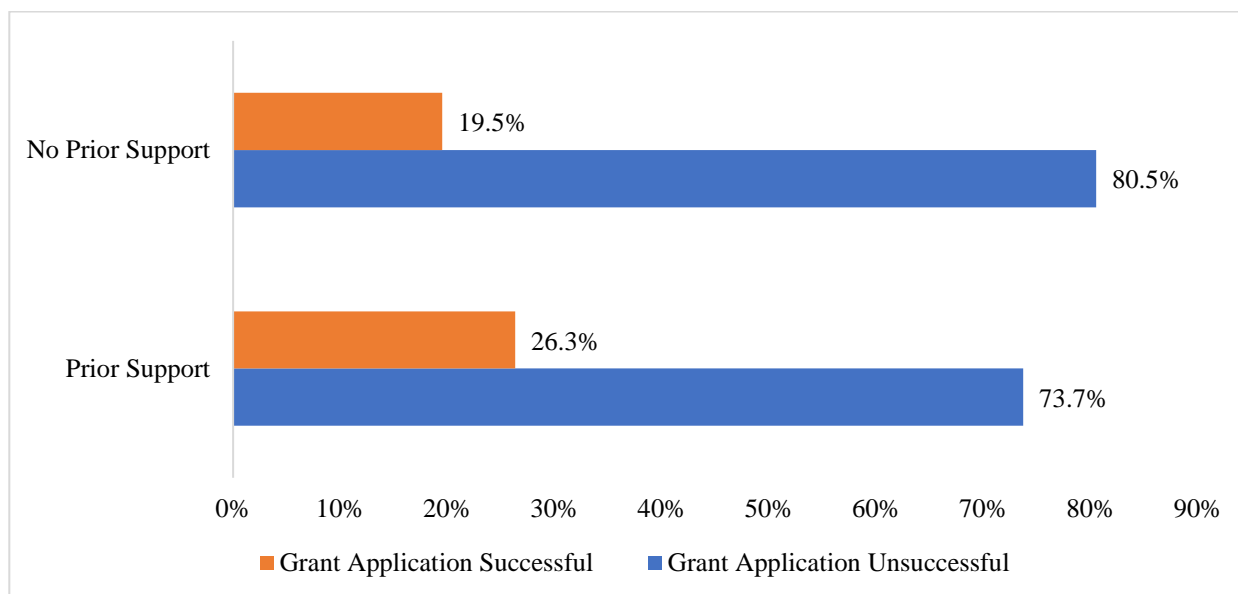
disparity in total application numbers received from each region, with lower samples having the potential to skew success rates. For example, the East of England (N = 30) and the East Midlands (N = 54) received comparatively few diverse-led applications when compared with London (N = 262) and the North West (N = 143). This could suggest that some of those regions with lower grant award success rates for diverse-led organisations, were in fact reaching more diverse organisations, but correspondingly getting more lower quality applications.



**Figure 3.19.** Grant Application Success Rate for Diverse-led Applicants by Region

Finally, Cross-tabulation Chi-squared tests were conducted to explore whether prior relationships/support with the SESF partners impacted the grant success rates for diverse-led organisations. The analysis shows that a prior relationship did indeed increase success rates, with 19.5% grant-award success for organisations without a prior relationship, versus 26.3% success for those that had previously been supported ( $p < .001$ ). The odds ratio for this demonstrates that for those diverse-led applicants that had received prior support from an SESF partner, they were 1.47x

more likely to receive a grant than those that had not had a prior relationship. Figure 3.20 below illustrates this data.



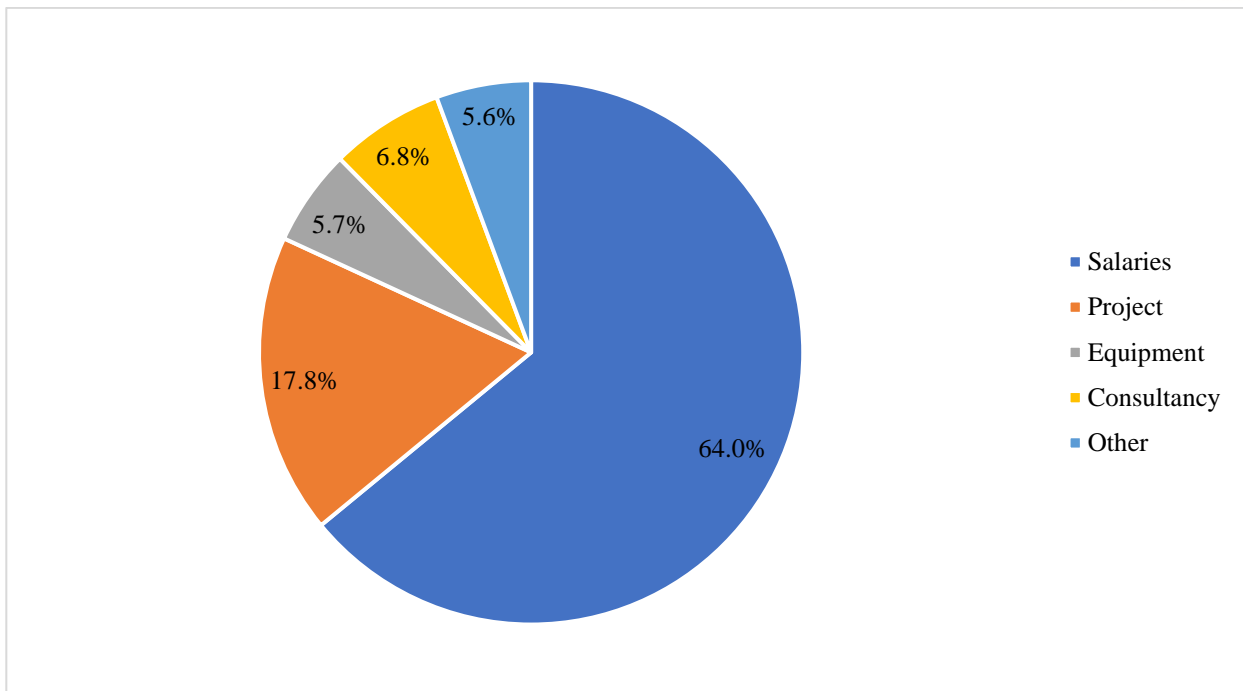
**Figure 3.20.** Grant Application Success Rate for Diverse-led Applicants by Prior Support

### 3.5. End of Grant Report Data

Data was also gathered from SE awardees at the end of their grant award periods, in the form of an End of Grant (EoG) Report that awardees completed. These EoG Reports asked SEs for information on their grant spending, impacts on the businesses, their perceptions of the support provided to them during their grant journey, the impacts that they had delivered in their communities, the challenges facing them for the future and their expectations regarding financial performance into the future. This section details the analysis of this data, gathered from 477 of the 500 SE awardees<sup>29</sup>. The data reveals that the vast majority of grants were spent as planned (N = 389; 84.6%), with 46 (10%) having had alternative spending plans approved and the remaining 25 (5.4%) having varied spending that still needed to be discussed with SESF. In terms of the breakdown of spending, this shows that around two-thirds of the grants were spent on salaries, with the full breakdown as follows<sup>30</sup>: salaries = £21,305; project = £5,934; equipment = £1,904; consultancy = £2,246; and other = £1,879. Figure 3.21 below breaks this down into percentages.

<sup>29</sup> Data points often have < 477 responses due to data cleaning and/or missing responses.

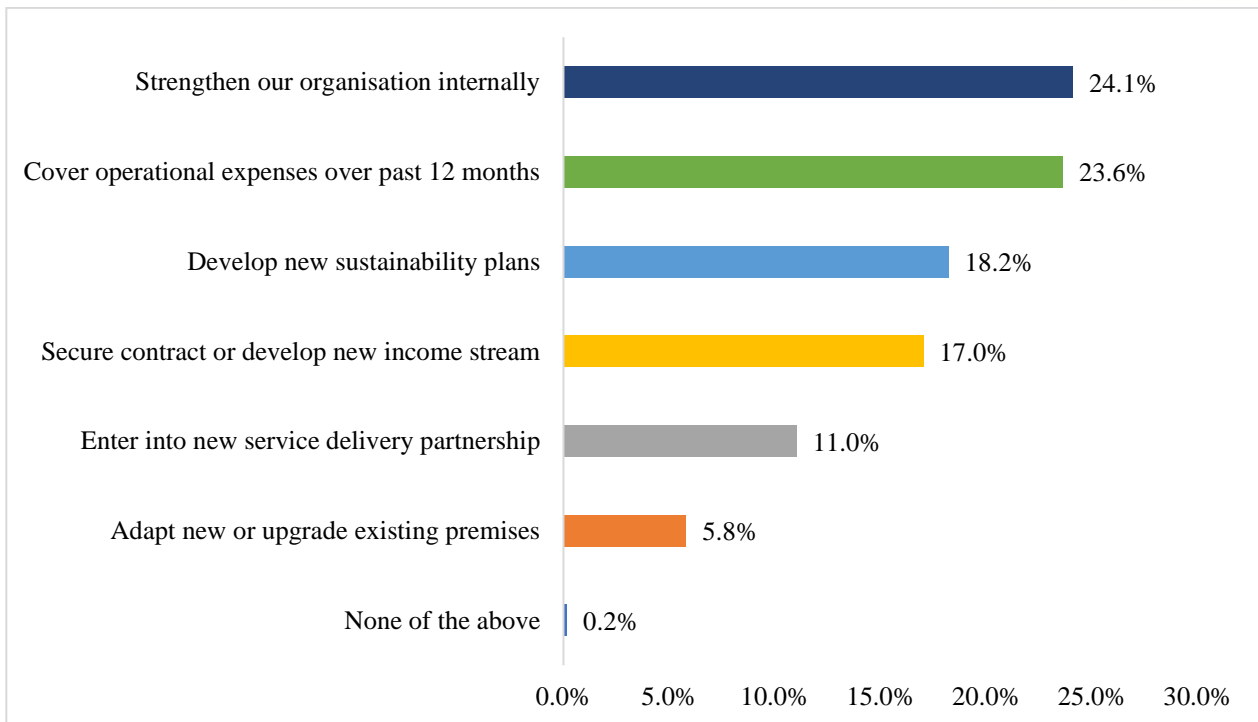
<sup>30</sup> All figures presented are mean values.



**Figure 3.21.** Grant Award Spend Breakdown

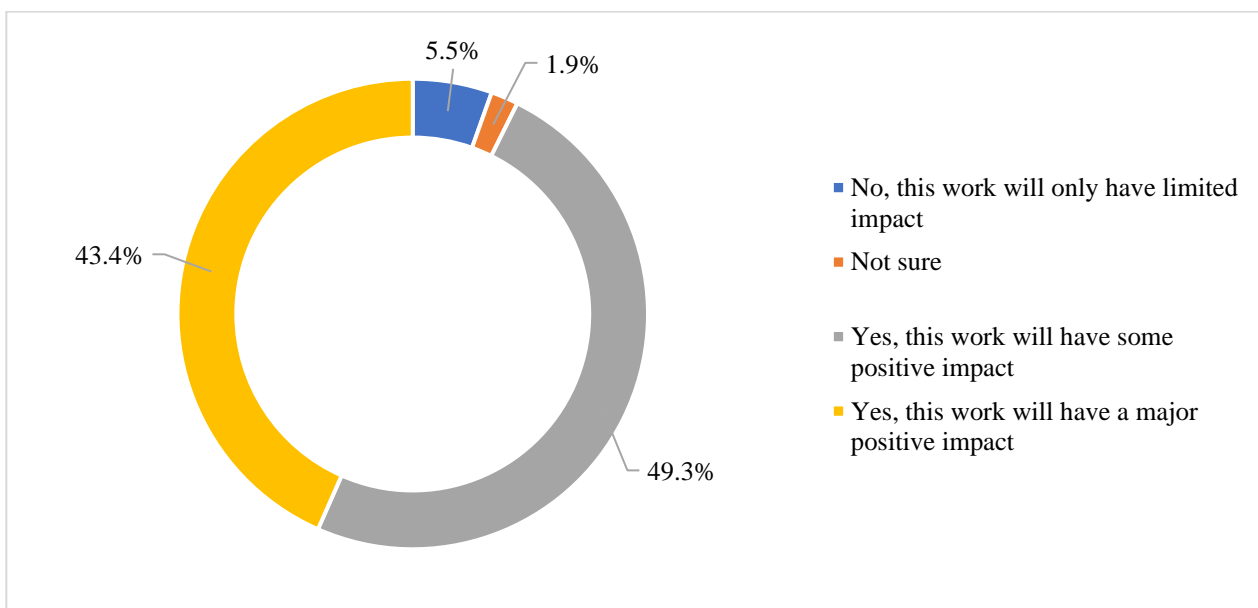
Data was also captured from respondents with regards to how they perceived SESF had supported their organisational resilience. The data is outlined in Figure 3.22 below, with results revealing that the three most popular areas of support were internal organisational strengthening [N = 402; 24.1% (84.3%)], covering core operational expenses [N = 394; 23.6% (82.6%)] and the development of new sustainability plans [N = 304; 18.2% (63.7%)]<sup>31</sup>. Only three SEs stated that SESF had not supported their organisational resilience at all.

<sup>31</sup> Participants could select more than one area, hence of the 477 respondent SEs, there were a total of 1,668 resilience outcomes selected from the below seven areas, equal to over three (3.49) resilience outcomes per SE on average. The percentages displayed in brackets correspond to the proportion of SE respondents selecting this outcome, rather than the proportion of overall responses as represented by the first percentage (and the Figure).



**Figure 3.22.** Organisational Resilience Support

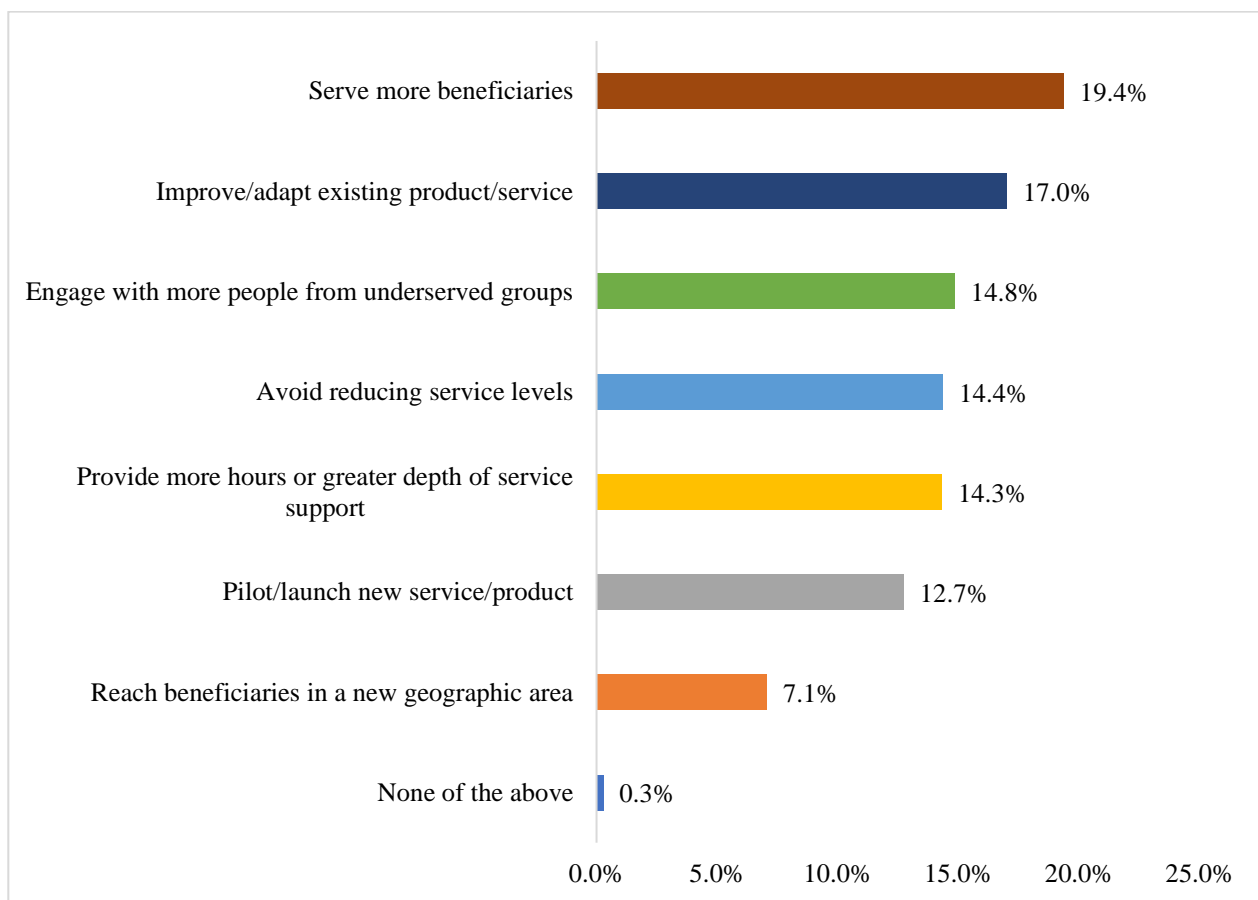
The survey also explored resilience with regard to the impact that SEs perceived the SESF had on their financial outlook over the next 1-2 years. The participants were overwhelmingly positive here, with 92.6% identifying at least some positive impact into the future, with 43.4% of the sample seeing SESF as having a major positive impact.



**Figure 3.23.** SESF Impact on Financial Outlook for Future 12-24 Months



SE grant awardees were also asked how the SESF had supported their impact through their work operationally and in the community. The data reveals that the three largest impacts of the grants were that they allowed SEs to reach more beneficiaries [N = 403; 19.4% (84.5%)], adapt existing products and services [N = 354; 17% (74.2%)] and to engage with people from underserved groups [N = 309; 14.8% (64.8%)]<sup>32</sup>. However, the distribution of the data also demonstrates the wide impact delivered by SESF across a variety of areas (with only six SEs reporting no impact in the categories identified).



**Figure 3.24.** SESF Effect on SE Work and Impact

Data was captured from SEs with regard to the impact that SESF had on the beneficiary engagement, as well as staffing and volunteer recruitment. The data for beneficiaries demonstrated that the grants had allowed for a significant increase in beneficiary engagement, with a median

<sup>32</sup> Participants could select more than one area, hence of the 477 respondent SEs, there were a total of 2,081 impact outcomes selected from the below eight areas, equal to over four (4.36) impact outcomes per SE on average. The percentages displayed in brackets correspond to the proportion of SE respondents selecting this outcome, rather than the proportion of overall responses as represented by the first percentage (and the Figure).

increase across the sample of 67 beneficiaries per SE ( $N = 410$ ;  $\bar{x}=122$ ;  $SD=145$ ;  $Range=0-602$ )<sup>33</sup>. For the increases seen in staffing as measured by FTE, the data reveals that on average SESF grant awardees were able to hire new staff equivalent to a median value 1.0 FTE ( $N = 460$ ;  $\bar{x}=1.1$ ;  $SD=1.1$ ;  $Range=0-5$ )<sup>34</sup>. Finally, volunteering was also assessed with SEs providing data on how many extra volunteers they had recruited due to their SESF grant. The data here illustrates that on average a grant awardee engaged with a median value of two volunteers ( $N = 449$ ;  $\bar{x}=5$ ;  $SD=6$ ;  $Range=0-25$ )<sup>35</sup>. Nevertheless, the data here shows that the SESF had a significant, positive impact on SEs' engagement with their beneficiaries, the recruitment of new staff and their volunteer engagement. Figure 3.25 illustrates these impacts.



**Figure 3.25.** Beneficiary Engagement and Staff/Volunteer Recruitment

Participants in their EoG reports also provided data around the additional funding that they had secured to support their activities beyond the SESF grant. The data here reveals that 180 of the 477 respondents (37.7%) had gone on to secure further income (whether grant or investment) since

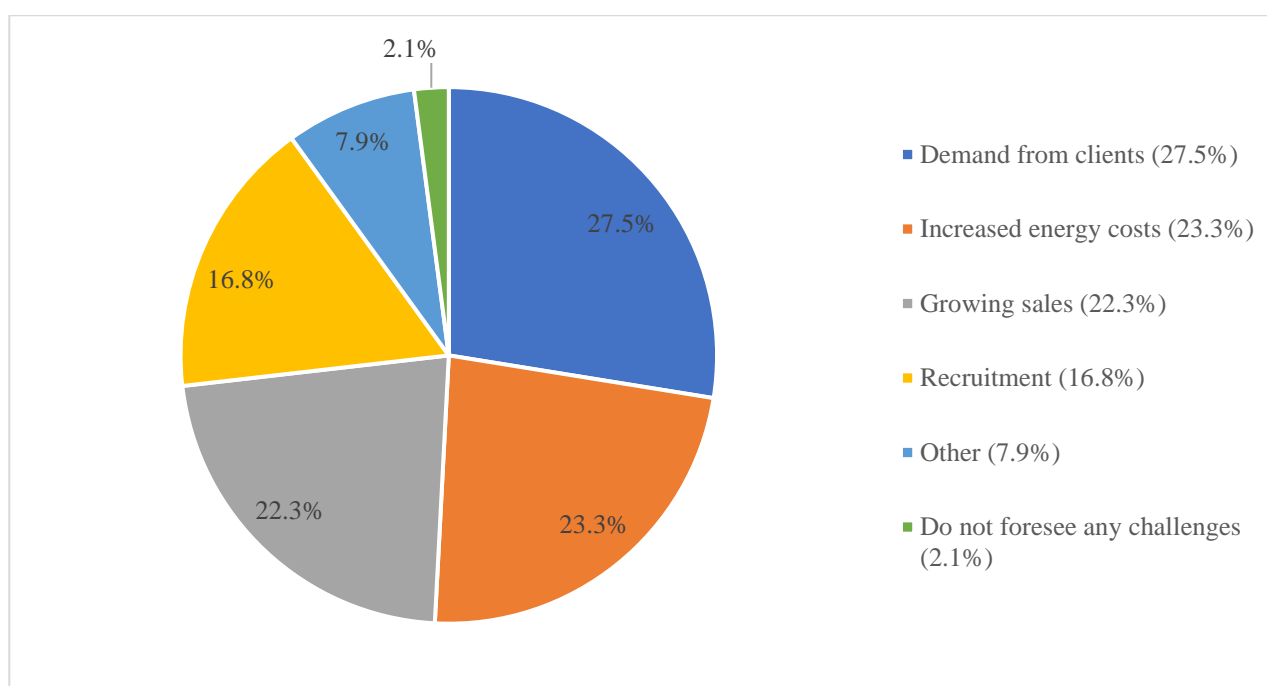
<sup>33</sup> Note: A total of 67 SEs were removed from the dataset as outliers for this variable. To identify an outlier the IQR (Inter Quartile Range - the difference between the 75<sup>th</sup> and 25<sup>th</sup> percentile, as identified by Tukey's Hinges) is multiplied by 1.5 and then added to the 75<sup>th</sup> percentile (3<sup>rd</sup> quartile) and subtracted from the 25<sup>th</sup> percentile (1<sup>st</sup> quartile). In this instance the lower outlier bound was negative and as there were no negative values reported, all outliers removed were above the 3<sup>rd</sup> quartile (responses > 628). This was necessary as some of the responses were very high (maximum value of 250,000 beneficiaries) and significantly skewed the data (the mean value with outliers included was 1,144 beneficiaries per SE); hence the reporting of the median values also here for context. Data here is rounded to whole values as it corresponds to beneficiaries.

<sup>34</sup> As above, 15 SEs were removed from the dataset as outliers for this variable. In this instance the lower outlier bound was negative and as there were no negative values reported, all outliers removed were above the 3<sup>rd</sup> quartile (responses > 5). This was necessary as some of the responses were very high (maximum value of 60 FTE) and significantly skewed the data (the mean value with outliers included was 1.7 FTE extra staff per SE); hence the reporting of the median values also here for context.

<sup>35</sup> As above, 28 SEs were removed from the dataset as outliers for this variable. In this instance the lower outlier bound was negative and as there were no negative values reported, all outliers removed were above the 3<sup>rd</sup> quartile (responses > 25). This was necessary as some of the responses were very high (maximum value of 600 extra volunteers) and significantly skewed the data (the mean value with outliers included was 11 extra volunteers per SE); hence the reporting of the median values also here for context. Data here is rounded to whole values as it corresponds to beneficiaries.

securing their SESF grants, with a median value of £25,000 per SE (N = 175;  $\bar{x}$ =£75,392; SD=£166,063; Range=£0-£1.5 million)<sup>36</sup>.

SE respondents were also asked to identify the challenges that were facing them in the future. The largest two areas identified were client demand [N = 265; 27.5% (55.6%)], energy cost increases [N = 224; 23.3% (47%)], and growing sales [N = 215; 22.3% (45.1%)]<sup>37</sup>. For the ‘Other’ category respondents identified challenges including raw materials cost increases, capital investment challenges, cost of living outside of energy (i.e. staffing costs/wage increases), and ongoing funding challenges outside of sales (i.e. grant availability and/or investment). Figure 3.26 illustrates these findings.



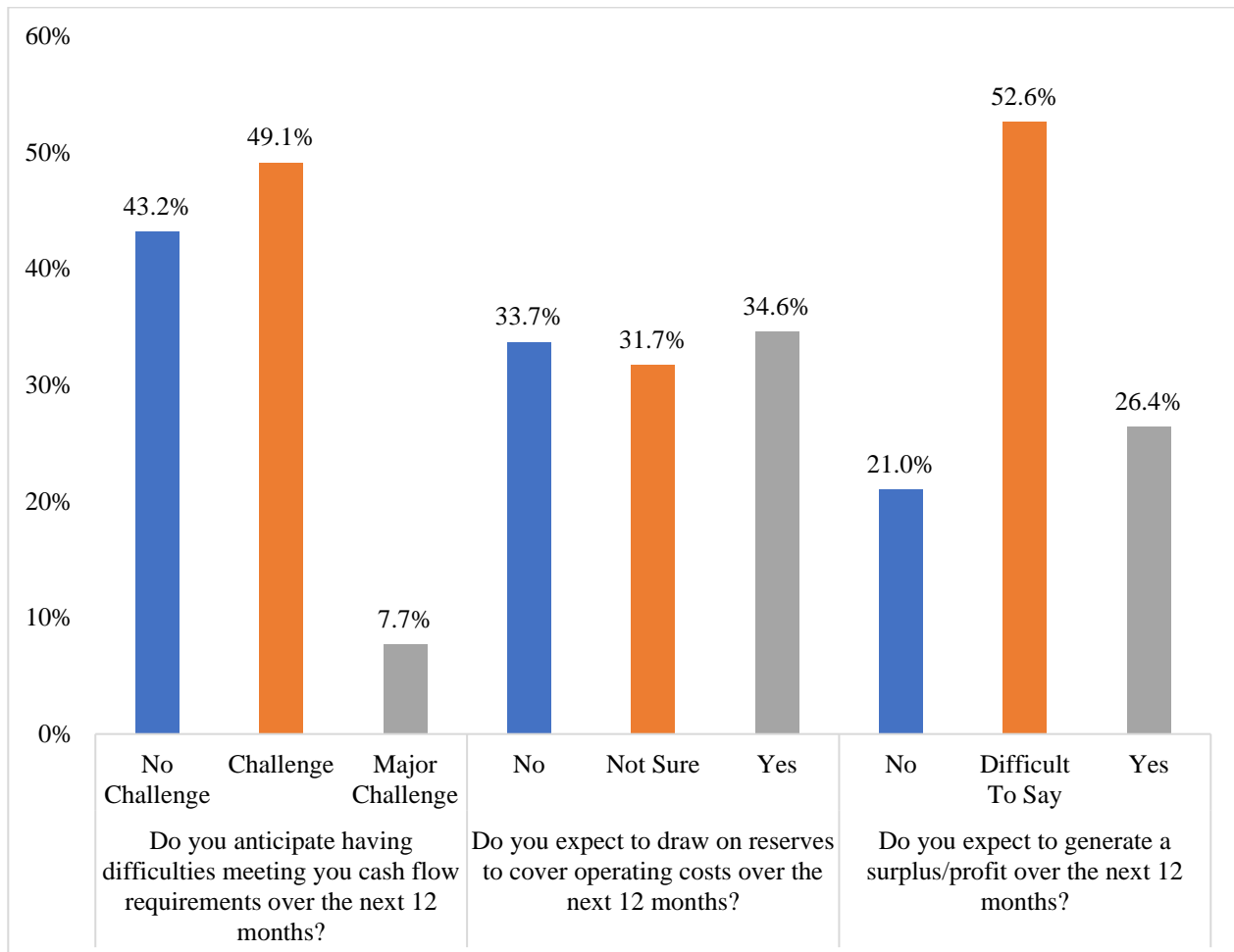
**Figure 3.26.** Future Challenges Facing SEs

SESF grant awardees were also asked about the financial challenges facing them in the future, specifically in relation to cashflow, reserves and surplus/profit generation. The data here makes for more sobering reading, with 56.8% of respondents identifying that cashflow would be an issue

<sup>36</sup> For this variable, there were 21 outliers identified, however, they have been left in for this analysis, as a maximum grant/investment win of £1.5 million is not unfeasible. However, if these 21 outliers had been removed, then the median value would have been £20,750 (N = 154;  $\bar{x}$ =£32,316; SD=£30,907; Range=£0-£132,000). For the original dataset, only 175 of the 180 SEs that stated they had won funding, provided income figures.

<sup>37</sup> Participants could select more than one area, hence of the 477 SEs that responded to this question, there were a total of 962 challenges identified from the below six areas, equal to over two (2.02) challenges per SE on average. The percentages displayed in brackets correspond to the proportion of SE respondents selecting this outcome, rather than the proportion of overall responses as represented by the first percentage (and the Figure).

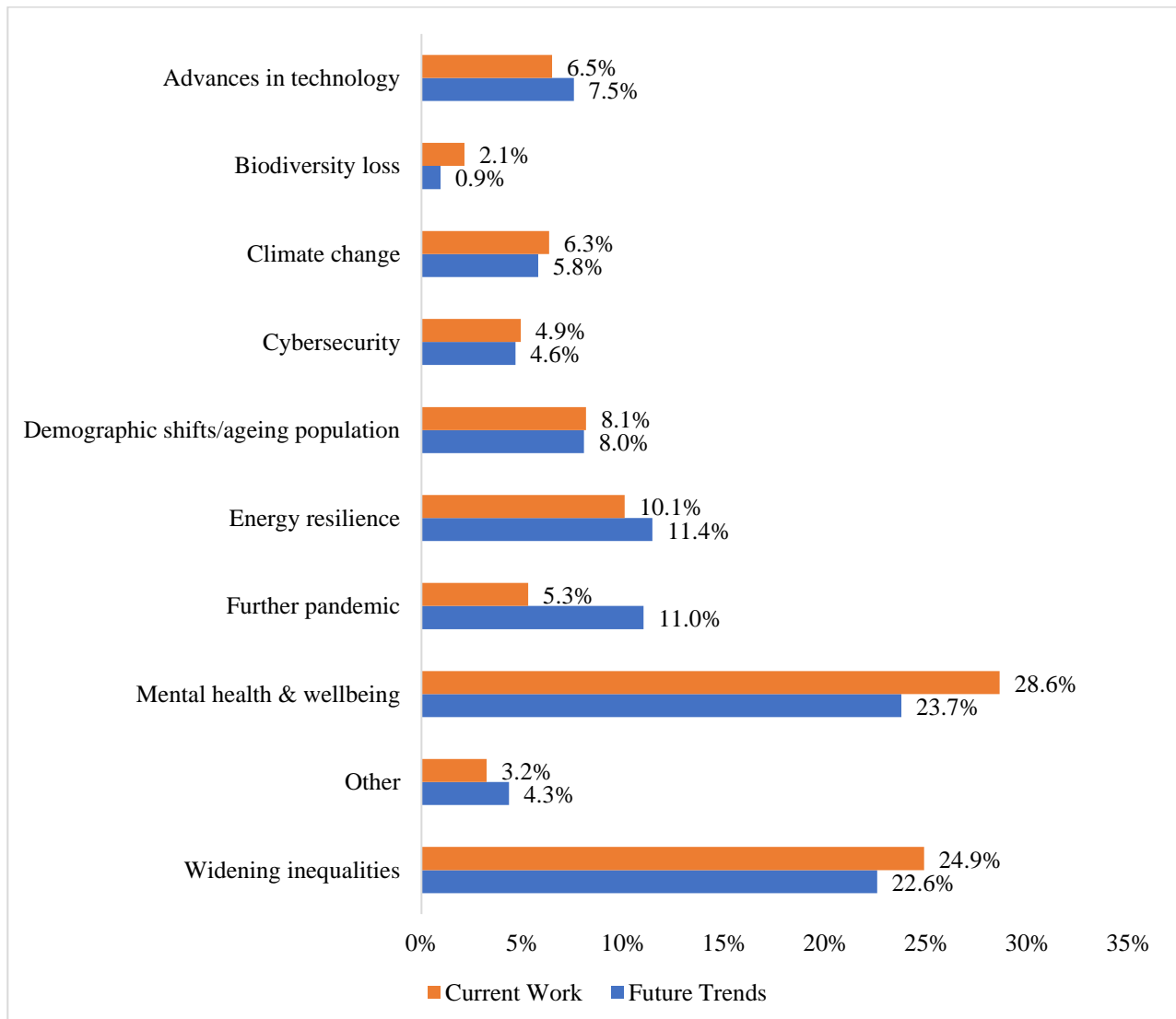
(albeit on 7.7% thought it would be a major issue). With regards to the use of reserves and future profitability/surplus generation the picture was more mixed; for the use of reserves, there was a very even split of almost one-third in each category as to whether reserves would be required; whilst for profitability/surplus generation, 21% stated that they would not generate a profit/surplus versus 26.4% that said they would (the remainder were not sure). Figure 3.27 below outlines this data.



**Figure 3.27.** Future Financial Challenges Facing SEs

SEs were also asked both ‘what the future trends were that they thought would affect their organisation’, and ‘which of these current trends were they currently working on to address’. The data analysis reveals that SEs are relatively well aligned in their current work versus the future trends they think will impact them, albeit there are some gaps with regard to further pandemic issues (a gap of -5.7% between perceptions and current mitigating work), advances in technology (-1%), and energy resilience (-1.3%). However, most of these gaps are minor and indeed in many

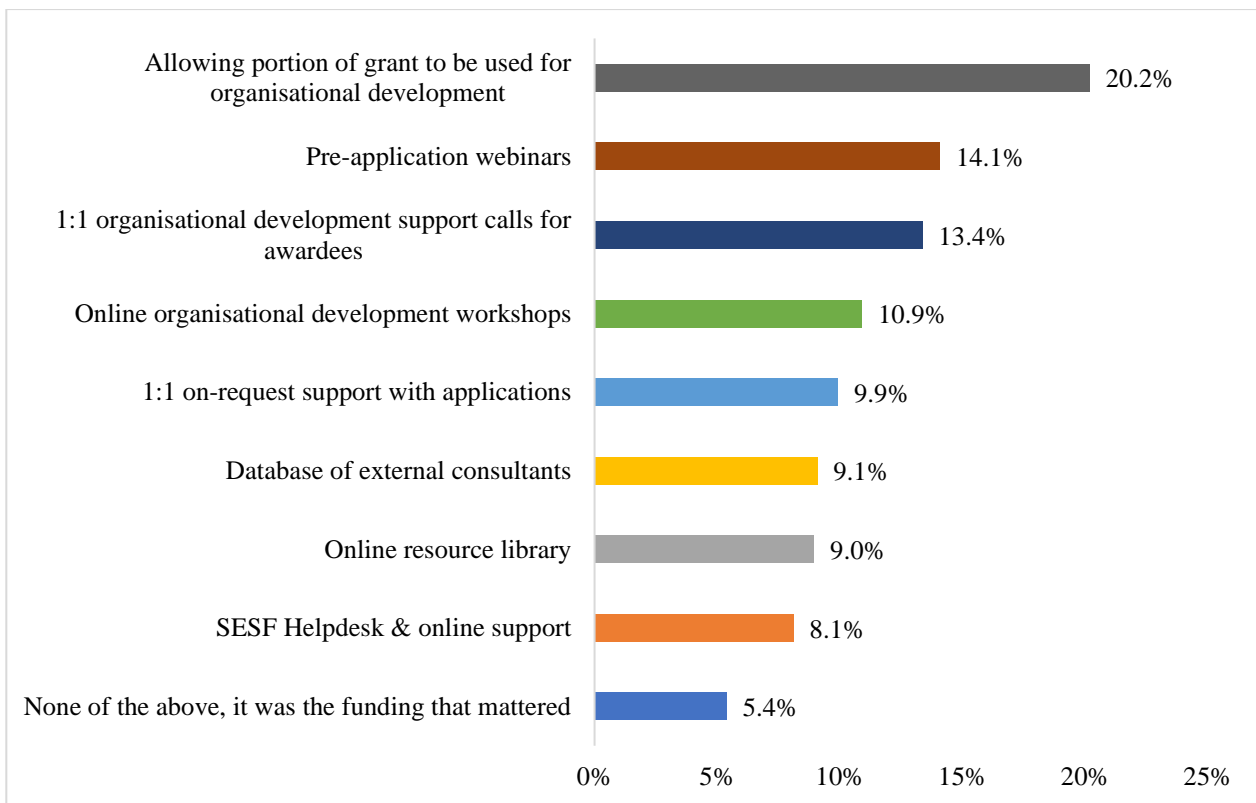
areas ongoing work provision exceeds expectations (i.e. mental health and wellbeing +4.9%). Figure 3.28 outlines this data analysis.



**Figure 3.28.** Future Work Versus Future Trend Areas

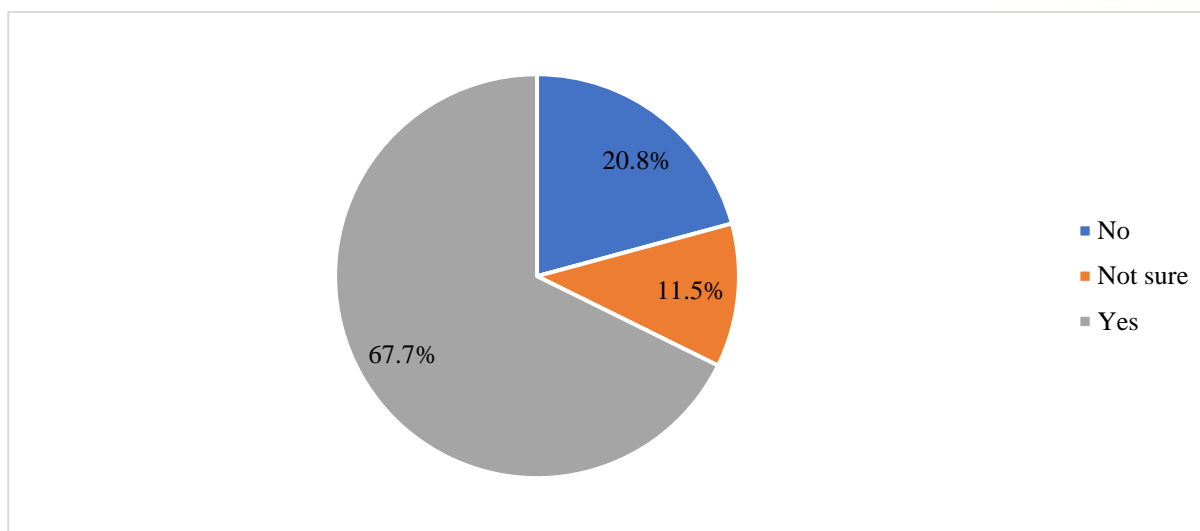
The SE grant awardees were also asked about which elements of the SESF programme they found most useful. The data reveals that the most popular element was the fact that the grant could be used for organisational development [N = 477; 20.2% (65.2%)], followed by the pre-application webinars [N = 477; 14.1% (45.5%)] and the 1:1 organisational development call for awardees [N = 477; 13.4% (43.2%)]<sup>38</sup>. Figure 3.29 below illustrates this.

<sup>38</sup> Participants could select more than one area, hence of the 477 SEs that responded to this question, there were a total of 1,541 SESF features identified from the below nine areas, equal to over three (3.23) SESF features liked per SE on average. The percentages displayed in brackets correspond to the proportion of SE respondents selecting this outcome, rather than the proportion of overall responses as represented by the first percentage (and the Figure).

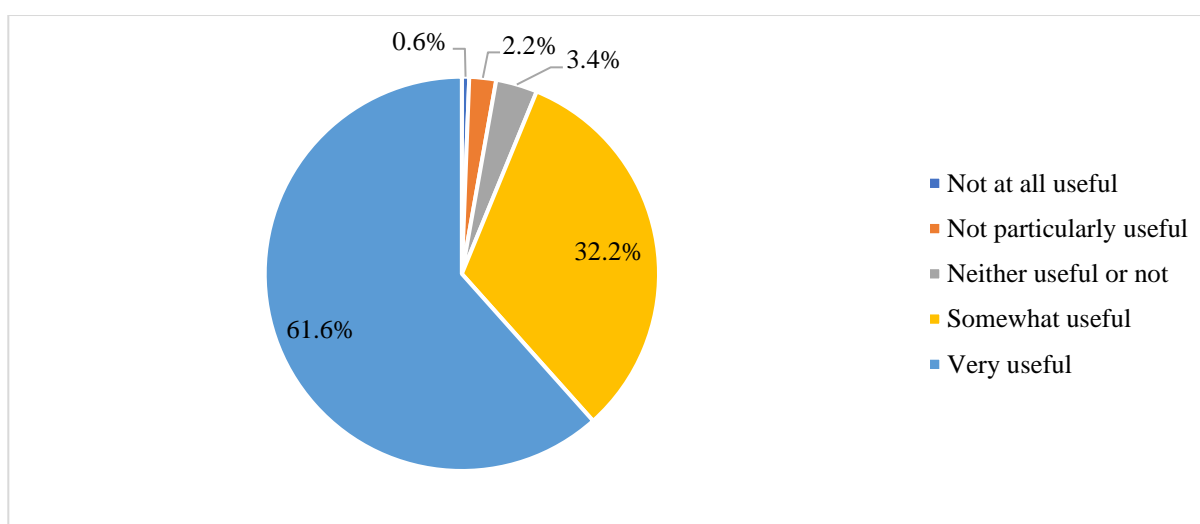


**Figure 3.29.** SESF Elements that SEs Recommend for Future Programmes

Respondents also stated whether they had held at least one business support call with the SESF partner that they had received their grant from. The data reveals that 323 of the respondents (67.7%) had held at least one call, with 55 SEs (11.5%) being unsure and 99 (20.8%) stating that they had not. Further, when asked to rate the usefulness of this support, 303 of the 323 (93.8%) that had held these calls rated them as somewhat/very useful, with only 9 SEs (2.8%) rating them as not at all/not particularly useful. Figure 3.30 below illustrates these findings.



A) *Did you have at least one business support call?*

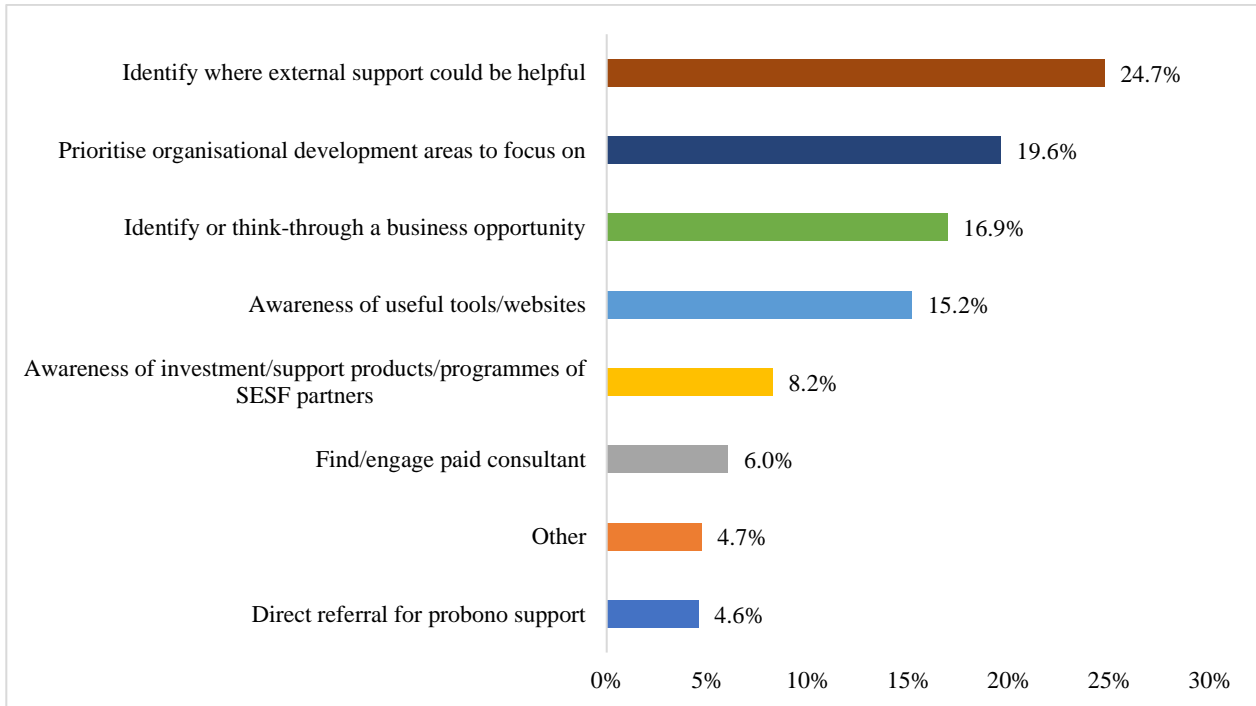


B) *How useful did you find this support?*

**Figure 3.30.** Business Support Call Prevalence and Usefulness

For those 323 SEs that received a business support call(s), respondents were asked to select those aspects of the call that were most useful to them. The data shows that for SEs the most useful aspects were the identification of external support [N = 168; 24.7% (52%)], help to prioritise their organisational development needs [N = 133; 19.6% (41.2%)] and the support to identify or think-through a business opportunity [N = 115; 16.9% (35.6%)]<sup>39</sup> (see Figure 3.31).

<sup>39</sup> Participants could select more than one area, hence of the 323 SEs that responded to this question, there were a total of 679 business support aspects, identified from the below eight areas, equal to over two (2.1) business support aspects liked per SE on average. The percentages displayed in brackets correspond to the proportion of SE respondents selecting this outcome, rather than the proportion of overall responses as represented by the first percentage (and the Figure).

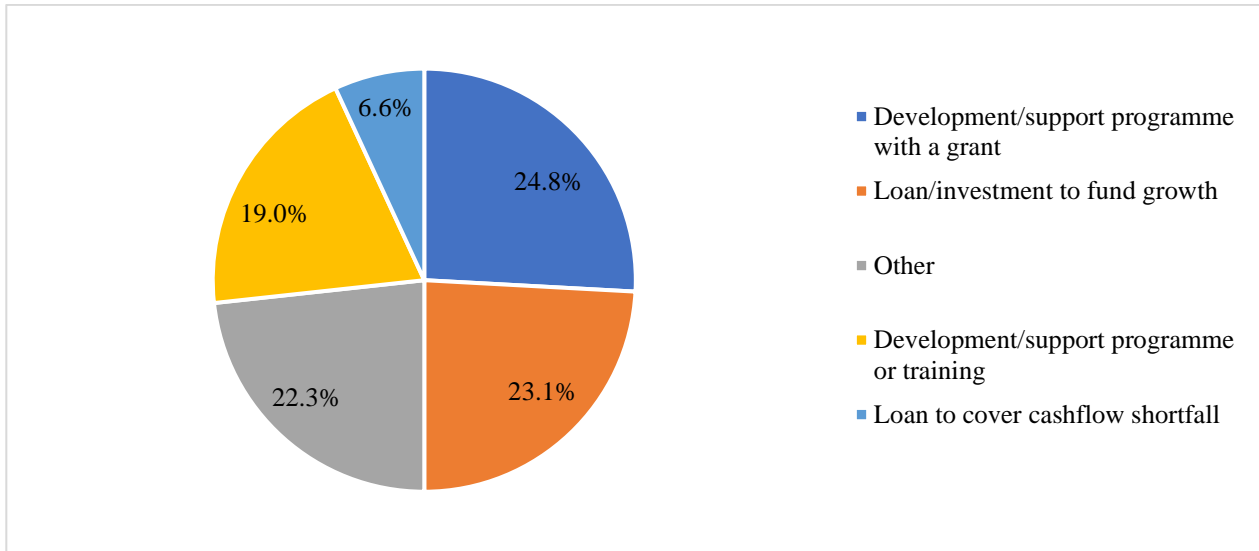


**Figure 3.31.** Business Support Call – Most Useful Aspects

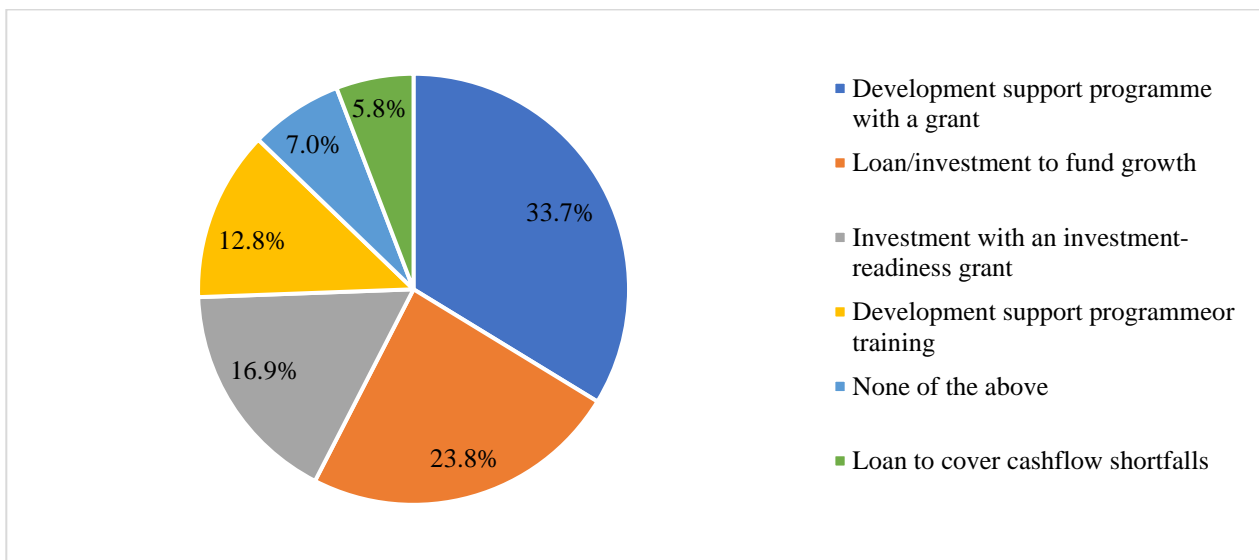
Some SEs utilised part of their SESF grant to bring in an external consultant, with 244 of the 460 SEs (53%) that responded to this question stating that they had done this; of which only 24 of the 244 (9.8%) used an SESF recommended consultant. In rating the quality of these consultants, the results were overwhelmingly positive, with 233 of 234 respondents (99.6%) rating their consultant as good (scale: Poor; Average; Good).

Finally, respondents were asked both whether they had accessed additional support from SESF Partners since being awarded their grant and what support they feel they would need over the next 12 months. The data reveals that 108 SEs have accessed support from SESF partners, with this support including a development/support programme with a grant (24.8%), a loan/investment to fund growth (23.1%) and other support (22.3%) that included elements such as applying for other grants, technical assistance, business development support and social impact measurement. In terms of support potentially required from SESF Partners over the coming year, the data shows that the most needed areas are a development support programme with a grant (33.7%), a loan/investment to fund growth (23.8%) and investment with an investment readiness grant (16.9%). Figures 3.32 and 3.33 illustrate these findings.





**Figure 3.32.** Support Received from SESF Partners



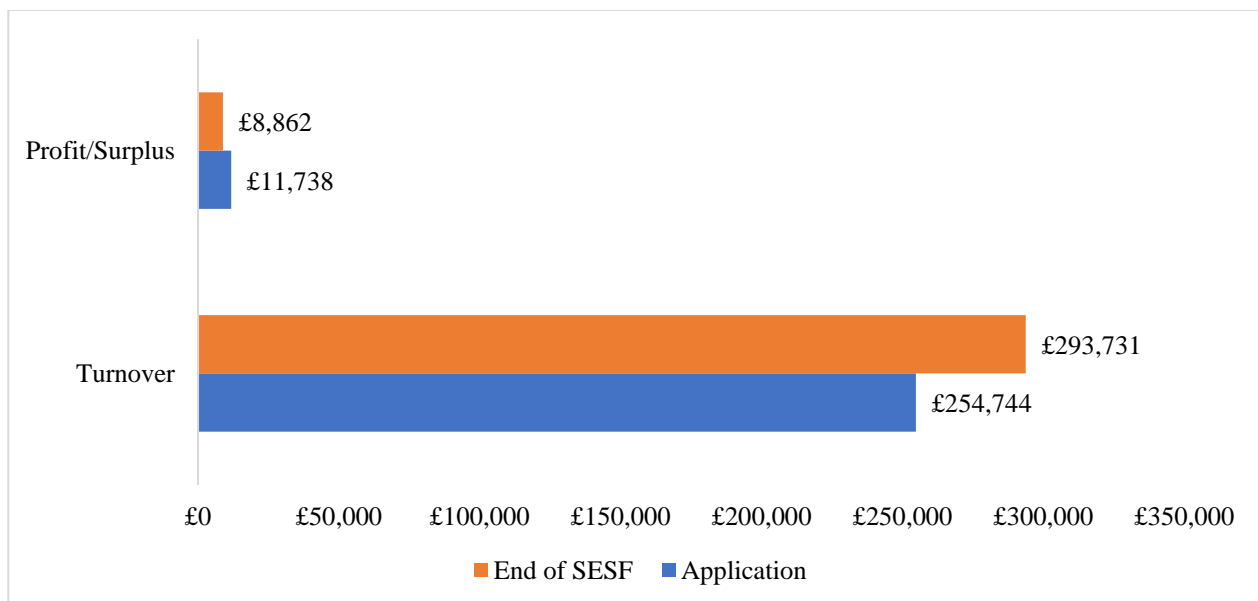
**Figure 3.33.** Support Required from SESF Partners in the Next 12 Months

### 3.6. Final SESF Applicant/Awardee Survey Data

The final area of quantitative data collection involved a survey that was distributed to all SESF applicants (irrespective of whether their grant award was successful), sent out at the end of the SESF programme after all the EoG Reports had been submitted. This survey sought to understand the finances of SESF applicants at the current time (in order to compare them to the data gathered at the application phase). The survey also asked SEs to provide data on their assets and debt levels both pre-Covid (2019) and at the current time. Finally, the survey also asked participants to rate the impact of Covid on their organisation (utilising Likert style response scales) in areas including

beneficiary engagement, staffing changes, volunteer engagement, hybrid mission balance (social versus financial) and financial resilience. A total of 156 usable surveys<sup>40</sup> were gathered from SESF respondents, with 100 (64.1%) of these being from SESF grant awardees and 56 (35.9%) being from unsuccessful applicants<sup>41</sup>. This was then matched to the original application data in order to provide a data window for these 156 SE respondents for the period between submitting their grant application and the end of the grant. This data is now presented in this section.

Data gathered in relation to turnover and profit/surplus generation illustrates that over the period of the SESF grant, turnover increased for SEs by £38,988 ( $p < .001$ )<sup>42</sup>. This was equivalent to a 15.3% increase based on the baseline turnover level ( $\bar{X}$ =£254,744). In addition, profitability was found to have dropped over the grant period by £2,876, a drop of 24.5% on the profitability at application of ( $\bar{X}$ =£11,738)<sup>43</sup>. However, it is important to note that this decrease was not statistically significant. Figure 3.34 below outlines this data.



**Figure 3.34.** Changes in Turnover and Profitability Since Grant Application

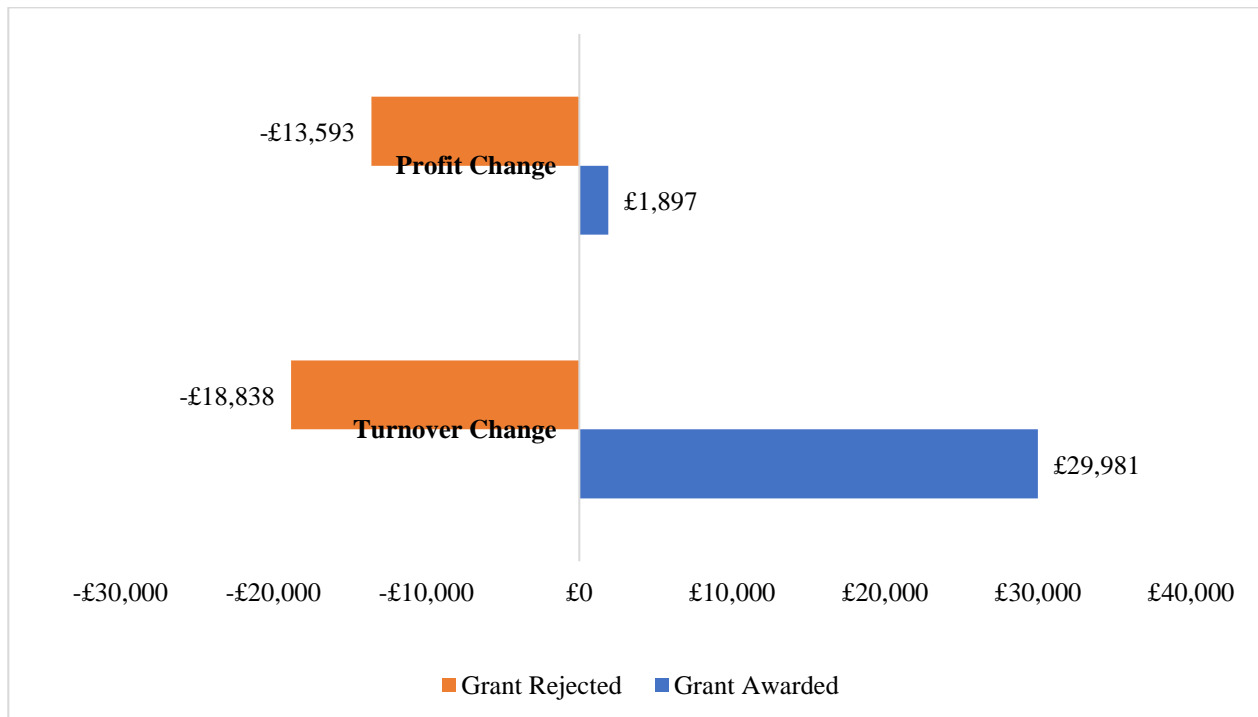
<sup>40</sup> A total of 167 surveys were submitted, however, 11 of these were removed due to duplicate surveys, missing data or an inability to match the respondent to the original dataset.

<sup>41</sup> This is from a maximum pool of 500 SESF grant awardees and 1,007 unsuccessful applicants.

<sup>42</sup> As per the process noted earlier, 11 outliers were identified for Turnover<sub>0</sub> and 7 outliers were identified for Turnover<sub>+1</sub> (final matched sample N = 139). In this instance the lower outlier bound was negative and as there were no negative values reported (an SE cannot have negative turnover), all outliers removed were above the 3<sup>rd</sup> quartile (Turnover<sub>0</sub> > £984,900 and Turnover<sub>+1</sub> > £1,320,350).

<sup>43</sup> 12 outliers were identified for Profit<sub>0</sub> and 22 outliers were identified for Profit<sub>+1</sub> (final matched sample N = 114). All outliers were removed from below the first quartile (Profit<sub>0</sub>=-73,792; Profit<sub>+1</sub>=-37,959) and above the 3<sup>rd</sup> quartile (Profit<sub>0</sub> > £112,317 and Turnover<sub>+1</sub> > £63,265).

This data can also be explored in relation to the differences for those that received grant funding versus those that did not. The data revealed that those that received the SESF grant performed better with regard to both turnover (+£48,819 difference) and profit/surplus (+£15,490) ( $p < .05$ ), albeit only the profit/surplus difference was statistically significant. The difference in turnover can only be partially explained by the average grant award for these SEs of £29,247 across the cohort. Figure 3.35 illustrates the data.



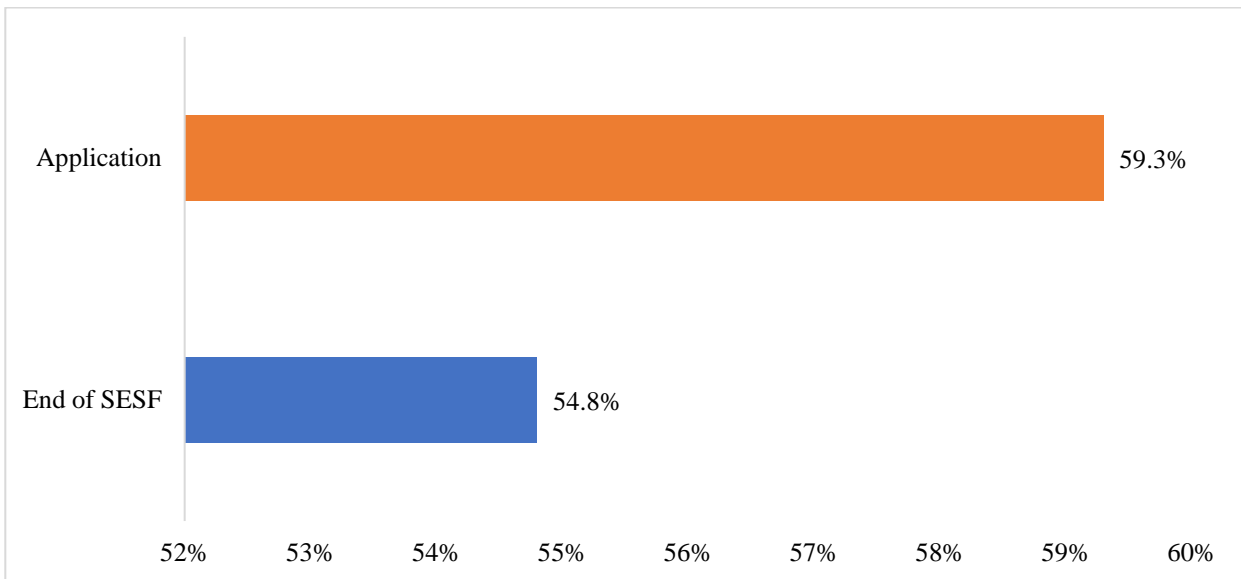
**Figure 3.35.** Changes in Turnover and Profitability versus Grant Application Outcome

Data was also collated on changes in the percentage of turnover that was from trading income<sup>44</sup>. This reveals that organisations post-application as a whole, experienced a decline in trading income of -4.5% ( $p < .001$ ) between submitting their grant application and the end of the SESF grant programme. Further, if the data is interrogated to explore how this differed between those SEs awarded grants and those SEs not awarded grants, the analysis reveals that those awarded grants experienced a larger decrease in trading income (-5.5%) versus those that did not receive grants (-2.9%) ( $p < .05$ ). However, it should be noted that the average grant £32,162 for the SEs awarded grants in this sample amounted to 13.3% of turnover<sup>45</sup>, which more than explains the differences in decline in trading income. Indeed, when that grant income increase is factored in, the grant

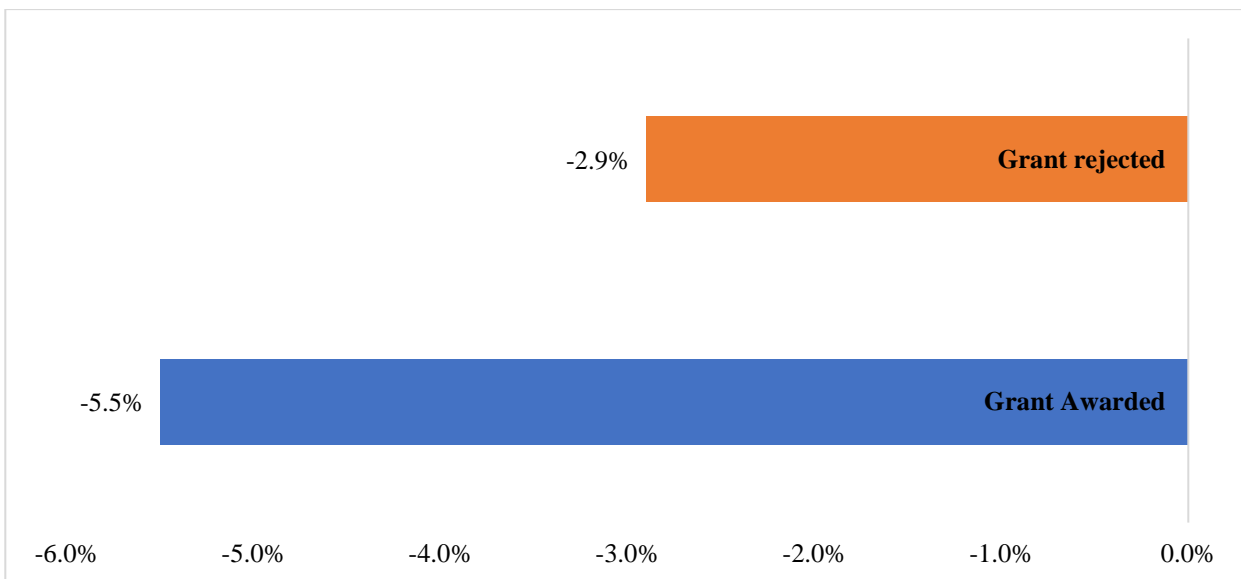
<sup>44</sup> N = 143 here due to 13 SEs not providing this data.

<sup>45</sup> One SE was removed from this analysis as its ration of grant to turnover was 118% (the next nearest was 63%). This however, only reduced the median ratio from 13.5% to 13.3%.

awardees arguably performed better on trading income changes overall. Figures 3.36 and 3.37 below outline these findings.



**Figure 3.36.** Changes in Trading Income Since Grant Application

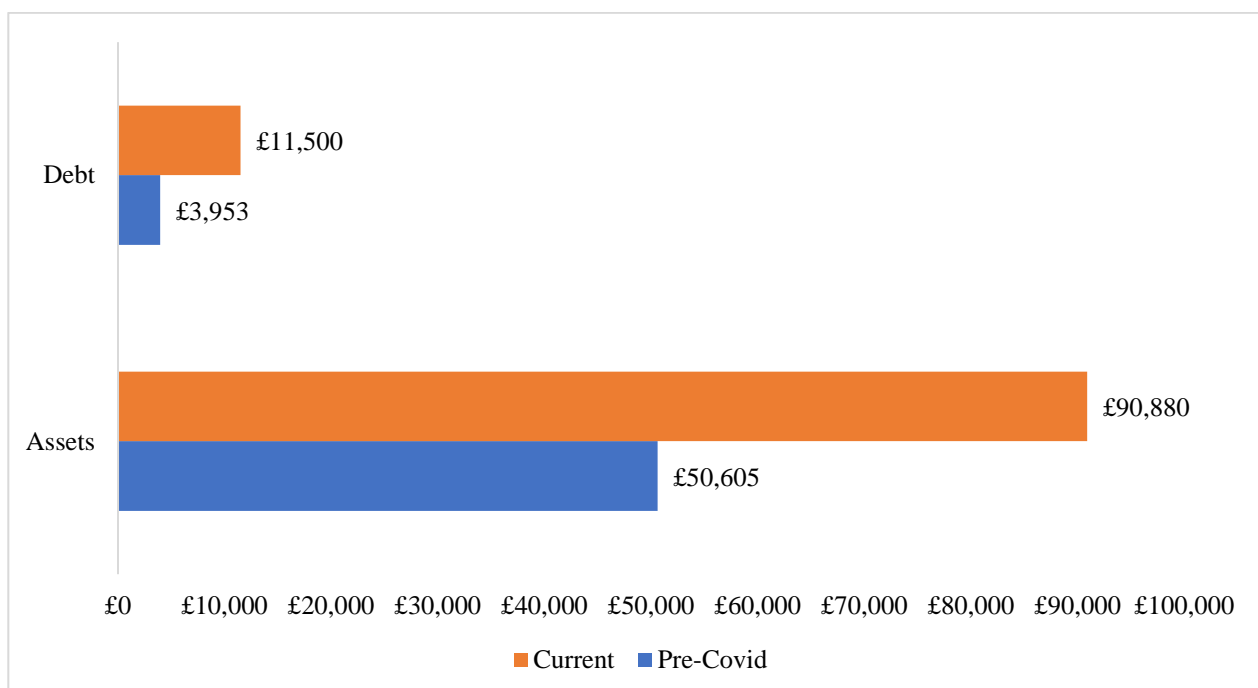


**Figure 3.37.** Changes in Trading Income versus Grant Application Outcome

Data was also captured from participants with regard to their assets<sup>46</sup> and debt levels both at the current time and pre-Covid (as this data was not captured in the SESF applications). Here, the data reveals that SE average asset levels have increased since before the pandemic by an average of

<sup>46</sup> Excluding cash reserves.

£40,275 ( $p < .001$ )<sup>47</sup>. When the longitudinal changes in average debt levels between the pre-Covid period and now were explored, the data reveals that average debt has increased since before Covid both overall (+£7,548) on average ( $p < .001$ ), as well as in relation to average assets (up from 7.8% of asset totals to 12.7% of asset totals)<sup>48</sup>. It should be noted though that these average debts levels are still low, and indeed at current levels only account for on average 5.1% of turnover. This picture looks better when cash reserves are included in the calculations as well, as a form of asset versus debt, with the ratio of debt to these total assets being 11.4%<sup>49</sup>. Figure 3.38 below outlines the changes in average asset and debt levels between the pre-Covid and current time periods.



**Figure 3.38.** Changes in Debts/Assets Between Pre-Covid and the Current Time

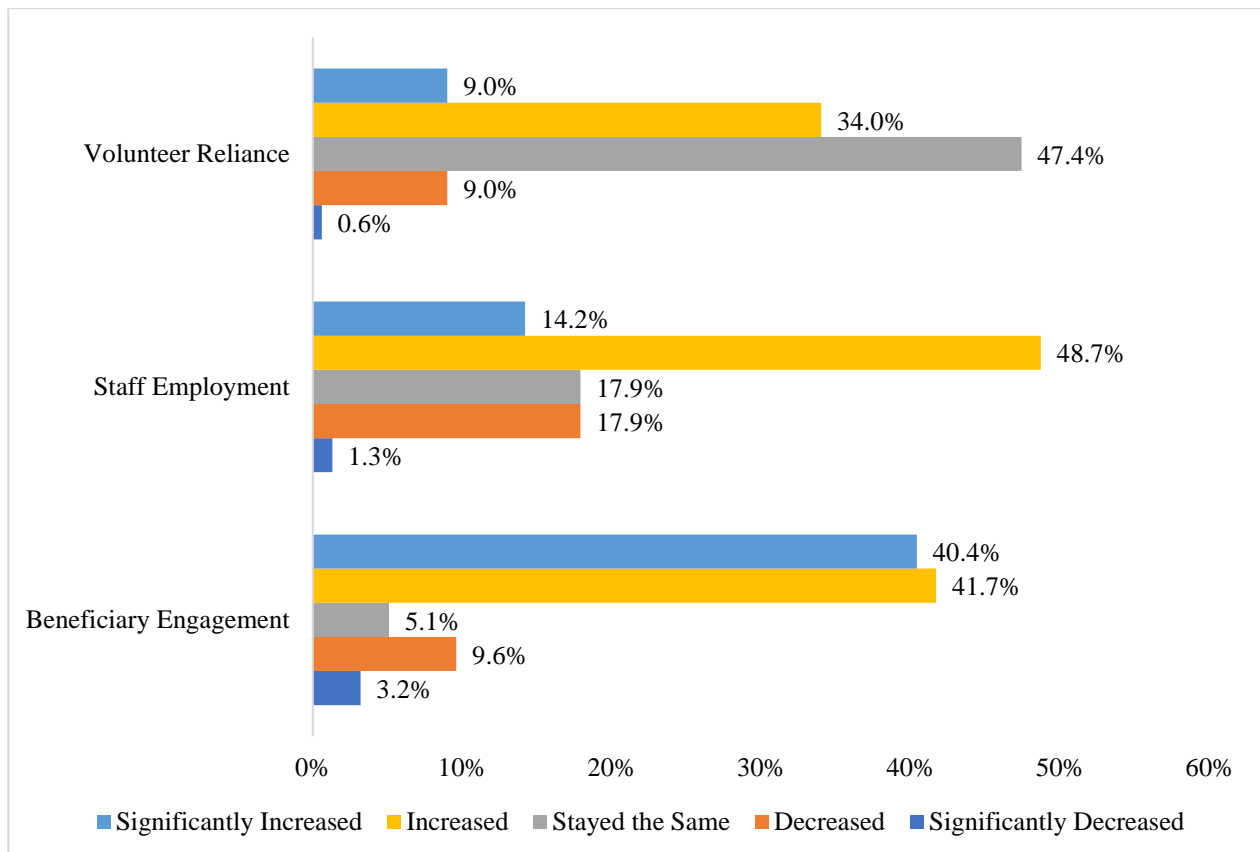
The SE respondents were asked about how their engagement with beneficiaries, employment of staff and use of volunteers had changed since before the pandemic, rating their answers on a five-

<sup>47</sup> Total sample N = 113. However, 17 outliers were identified for Assets Pre-Covid and 16 outliers were identified for Current Assets (final matched sample N = 92). In this instance the lower outlier bound was negative and as there were no negative values reported (an SE cannot have negative assets), all outliers removed were above the 3<sup>rd</sup> quartile (Assets Pre-Covid > £341,685 and Current Assets > £592,972).

<sup>48</sup> Total sample N = 112. However, 21 outliers were identified for Debts Pre-Covid and 17 outliers were identified for Current Debts (final matched sample N = 89). In this instance the lower outlier bound was negative and as there were no negative values reported (an SE cannot have negative debts), all outliers removed were above the 3<sup>rd</sup> quartile (Debts Pre-Covid > £40,000 and Current Debts > £100,000).

<sup>49</sup> Total sample N = 108. However, 14 outliers were identified for current Assets and Cash Reserves. In this instance the lower outlier bound was negative and as there were no negative values reported (an SE cannot have negative assets – albeit overall its net balance sheet can be negative), all outliers removed were above the 3<sup>rd</sup> quartile (Current Assets and Cash Reserves > £842,158).

point Likert scale ranging from ‘Significantly Decreased’, through to ‘Stayed the Same’ and ‘Significantly Increased’. The data is outlined below in reveals that beneficiary engagement has increased/significantly increased (82.1%); staff employment has also increased/significantly increased (62.9%); whilst volunteer reliance has remained more static (47.4%) albeit 42% of SEs have still used volunteers more than before Covid. See Figure 3.39.

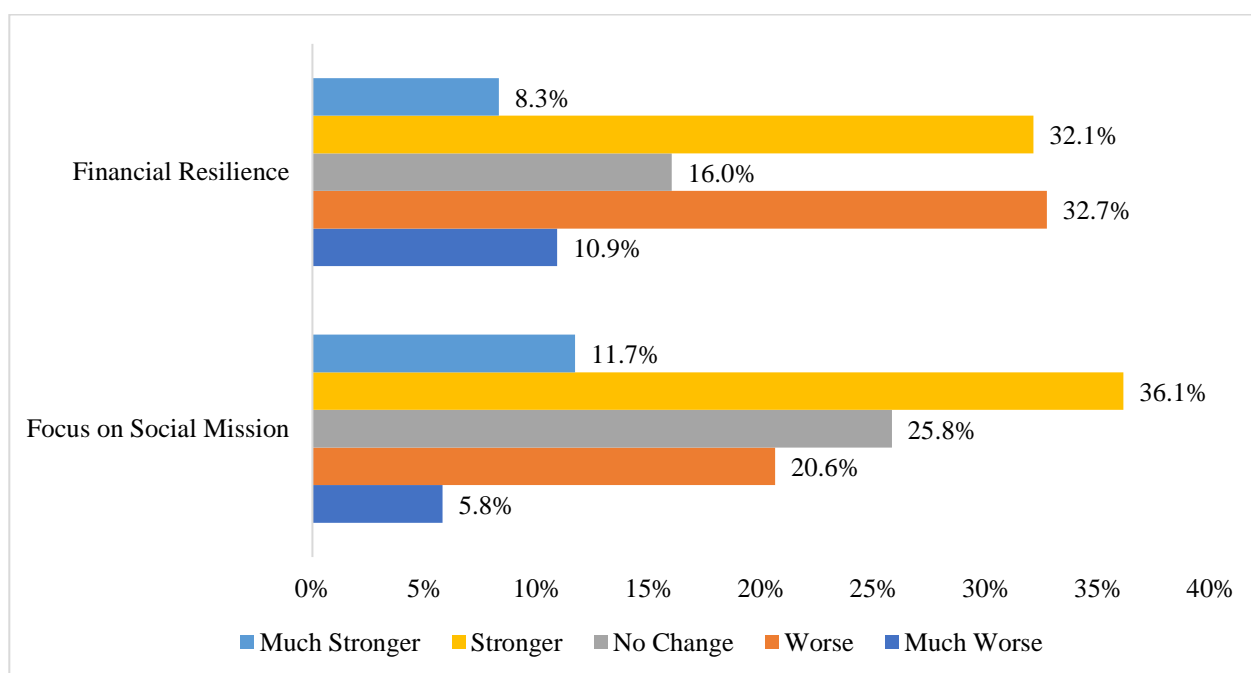


**Figure 3.39.** SE Beneficiary Engagement, Staff Employment and Volunteer Reliance

Finally, SEs were asked to rate how their balance between their social and financial missions, as well as their organisation’s financial resilience had changed over time. The data here reveals that perceptions are much more mixed. Whilst a significant proportion of SEs believe that their focus on their social mission has strengthened (47.8%), 26.4% believe that it has gotten worse/much worse, whilst over one-quarter feel there was no change. With regard to financial resilience<sup>50</sup>, this picture is even more ambivalent, with an almost equal proportion believing that their resilience has improved (40.4%) versus those that believe it has gotten worse (43.6%). It is important to note that

<sup>50</sup> Financial resilience was defined in the questionnaire as ‘maintenance of positive adjustment under challenging conditions, such that the organization emerges from those conditions strengthened and more resourceful’ (Vogus and Sutcliffe, 2007:3418),

variation in understanding of ‘financial resilience’ may have had an impact on SEs responses. Figure 3.40 below illustrates these opinions.



**Figure 3.40.** Changes in Debts/Assets Between Pre-Covid and the Current Time

### 3.7. Quantitative Summary

The data in this section has presented an overview of the performance of the SESF, the demographics and trends of the applicants SEs, as well as the differences across programme partners and in awards. Overall, the data suggests that the SESF has performed well and has met its key objectives. Application data suggests that SESF reached into the most deprived areas, a relatively broad geographic base and strong focus on community development, education and social care. There was also a strong focus on deprivation, mental health, employment and vulnerable children/youth across the applications.

The organisational data obtained through applications also shows that SEs face sustainability challenges, with potentially high numbers of volunteers, low profitability, albeit with turnover growth during the pandemic. SEs had accessed a number of support funds during Covid, including the Job Retention Scheme, Small Business Grants and Bounceback Loans. Over £16 million of funding was provided by SESF through 500 awards, at an average award size of around £30,000 per organisation. The amounts awarded between Rounds 1 and 2 were broadly similar, albeit

slightly lower in Round 1. The data also suggests that SEs were more likely to be awarded grants if they operated in more deprived areas, had lower turnover and profitability, and had previously received less grant funding than their peers. In this respect, the programme clearly focused on those most in need from a sustainability perspective.

In regard to EDI, the data reveals that over one-third of applicants supported at least one of the BAME, LGBTQIA+, disabled and female/non-binary communities, whilst the leadership of these SEs contained a majority of people with lived experience, and/or whom were female/non-binary. Overall, 69.8% of all successful SE applicants were classed as diverse-led and all partners had clearly prioritised diverse-led applications judging by overall success rates (diverse-led organisations were 1.89x more likely to be awarded a grant)<sup>51</sup>. Further, whilst there were some differences in grant success rates for diverse-led organisations across regions and based upon whether they had received prior support from Partners before, overall the SESF had clearly outperformed the (challenging) EDI application and grant award targets that the Partners set themselves.

The EoG Reports illustrated that in the main grant spending went to plan, and where deviations occurred they were usually checked and approved by the SESF Partners, with the largest typical spend (two-thirds) being on salaries within the SEs. The SEs awarded grants also stated that the programme had bolstered their organisational resilience, with over four-fifths of SEs citing internal organisational strengthening and the covering of core operational expenses as being key, whilst nearly two-thirds developed new sustainability plans. The Awardees also argued that the grants had improved their financial outlook for the future (92.6%), with nearly half categorising this positive impact as ‘major’. The grants also led on average to an extra 67 beneficiaries being supported per SE (equivalent to 33,500 across the project), with one FTE member of staff recruited and two extra volunteers engaged on average (equivalent to 500 jobs created and 1,000 new volunteers in the sector). Further the grants had also supported the leveraging of additional investment across 180 of the 500 SE applicants, with a median investment value of £25,000 (N = 175;  $\bar{x}$ =£75,392; amounting to nearly £13.2 million across the SE cohort<sup>52</sup>). The Business Support calls were also rated positively by SE respondents, with 93.8% rating them as somewhat/very useful. These calls were particularly useful in identifying external support opportunities, prioritising organisational development areas and identifying/developing business opportunities.

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<sup>51</sup> Comparison data charts between SESF1 and SESF2 for EDI Applications and Awards can be found at Appendix D.

<sup>52</sup> Exact figure of £13,193,527.



The final SESF Applicant/Awardee Survey data also presented some interesting findings, including in regard to increased turnover across respondents since they applied to SESF (+15.3%), albeit with reduced profitability/surplus (-24.5%). Those that successfully applied for an SESF grant had a higher turnover increase of +£48,819 and profit/surplus (+£15,490) versus those that failed to receive a grant. This can only partially be explained by the average grant amount of £29,247 across this sample. Whilst debt levels have increased for SEs since the pre-Covid period, assets have also increased and debt still only accounts for 5.1% of turnover, presenting a healthy picture for the sector in terms of indebtedness. Finally, a significant proportion of SEs believe that their social mission focus has strengthened (47.8%), albeit 26.4% feel it has become worse/much worse. For financial resilience since the pre-Covid period, the picture is mixed with almost as many feeling it had improved compared with those who felt it had gotten worse.

## 4. Qualitative Data Analysis

As noted in Section Two, qualitative semi-structured interviews were held with two Inclusion Partners and 17 Awardees, whilst focus groups were held with 14 participant from SESF partners, giving a total of 33 individual participants overall<sup>53</sup>. Focus groups and interviews were organised in NVivo 11.4.0 and analysed using a six-phase thematic analysis approach – ‘data familiarisation’; ‘data coding’; ‘theme development’; ‘theme review and development’; ‘theme refinement and naming’, and ‘reporting’ (Braun and Clarke, 2006; Clarke and Braun, 2017; Braun and Clarke, 2020). ‘Data familiarisation’, a detailed review of interview transcripts, was essential for ‘data coding’. ‘Data coding’ involved identification of key codes (assigned shorthand labels) that were interrogated to identify categories (‘theme development’). The codes and categories were reviewed and developed in the ‘theme review and development’ stage, including findings from the observation. The themes are divided into two categories (‘Services, support and motivation fund application’ and ‘Fund organisation and delivery’) (see figure 4.1). These will now be discussed in the following sections.



**Figure 4.1.** Interview and focus group themes.

<sup>53</sup> One Awardee provided feedback by email.

## 4.1 Services, support and motivation fund application

### 4.1.1. SE sector and motivation to apply for SESF

SEs applying for SESF were from multiple sectors, with data illustrating that the top three sector areas were community development, education and social care, accounting for 53% of all sectors identified. Other sectors were identified as justice, media, sport and employability. The areas SEs operated in whereas diverse including SEs that support children, BAME communities, people requiring additional skills or training, and people with learning difficulties:

*“We work with children and young people that are affected by domestic abuse, so that means witnessing it in the home, getting caught in crossfires. We often work with children that are under Children in Need Protection Acts with Social Care, sometimes long after the events have occurred. We practice early trauma intervention therapy, so we provide six to 12 sessions of bespoke therapy from our practitioners for each individual that is referred to us. Our practitioners have all got lived experience of growing up around domestic abuse so are in a unique position to act as a mirror to these young people. We also provide wraparound service support, so we provide white goods and food bank referrals, supermarket vouchers for service users’ families as they rebuild their lives after the domestic abuse has occurred.” (A07)*

*“...supports [BAME] young people in London using creatives music and drama, film etc. Really to, I suppose, develop their personal skills, their life skills. Their interest may be in film or drama etc, but it’s really about how do we use that to actually help grow the individual, the young person. Particularly a lot of our young people are at risk of exclusion or are involved in things that they shouldn’t be so it’s an intervention/prevention programme. We’ve been doing this since 2004 and we’ve had great success. We’ve also had some very traumatic times, not everyone succeeds but the majority of the young people do as well. It’s also about future leaders as well, so those young people come into the programme, those who are interested stay on and train up and then they become trainers as well or it’s a step to something else. And the ‘something else’ isn’t necessarily creative, it could be going into accountancy, but it’s just relighting that fire in them to actually think, ‘I can achieve something tomorrow; I don’t just need to think about today’, and that’s really the core of it. So when we talk about social mobility, it really is about investing in the young*

*people and I suppose that's what we have been doing since 2004. We've weathered the storm of many a financial crisis and the still cost of living crisis and we are still going throughout all of that." (A10)*

*"We've got everything from retired professionals through to refugees, we've had people with mental health problems, people with learning disabilities. So, they can be learning specific technical skills but there are also all the soft skills, whether it's getting out of the house if you are feeling depressed or integrating with community or getting a sense of purpose. The people who are volunteering are very much aware that the bikes are helping people, so it gives them a sense of giving something back, some of them." (A14)*

*"We deliver English, maths, digital skills and support languages across community hubs, primarily South London to East and then North London. So we're mainly out of five London boroughs and our main aim is to support people to improve literacy and numeracy, language and employment skills with the impact of them reducing their isolation, meeting their peers, using that as a progression into work and also within work. We've got a hub and spoke community hub delivery model where we deliver our programmes in children's centres, libraries, community centres, schools. So, we essentially take the learning into those community hubs and we've been doing that for about nine or ten years. Predominantly our participant beneficiaries are probably about 75% women and in the last impact report that we did we had over 60 different nationalities of original places of birth or parentage, accessing our services across those boroughs." (A16)*

The SESF was established to provide grants and non-financial support to SEs and charities within England. It sought to support SEs, with an emphasis on supporting enterprises to recover and rebuild in a post-Covid society, whilst also ensuring equitable and inclusive delivery of said support. SEs cited a multitude of reasons for applying for SESF, with Covid recovery a primary reason. For some, for instance, this involved improving the quality of the offer they generated in haste in the pandemic while others sought to scale as demand for their services had increased post-pandemic.

*"Covid had moved a lot of our things online and we found that had continued after the pandemic and there was a lot more of an expectation of accessing things online. We were also aware that, I think, 60% of under-35s will access an app first to deal with their mental health rather than anything else. So, we wanted to streamline what we had online but*

*because - again, the reactive nature of Covid, what we had instead was a bit on You Tube and a bit on a website and a bit here; quality is a bit variable. And also, not particularly a joined up plan about how that would help somebody and this ethos we have of using your language and creating a toolkit, how does that work? So, our aim was to create an online suite of resources that people could access, as a subscriber, as a patient, organisation doing that. But that was much more joined-up, was almost like going round the library but had that idea of gathering a wellbeing toolkit.” (A06)*

*“The grant was for staffing and expansion so that we could, as I said, react to this increase in demand for our service. What we did was subsidise some of our core roles, so we put money towards our Managing Director and the Social and Policy worker that I was discussing earlier; we put some money towards their work so that we could fund what they were doing because it was really key. The expansion side, we bought some equipment to enhance our therapy sessions for the kids, like books and toys and chairs and beanbags, things that make it more comfortable for the kids. We also put some money towards a larger rental space so that we could increase the number of staff that could stay in one-on-one session with the kids simultaneously. And so more space for the new staff, like practitioners that were now on our team to just communicate with each other face to face, figure out how we can collectively give our best that we can for these kids. We talk about sessions, how we could encourage, health and safeguarding, or should we move this particular kid and their circumstances up to social services, should we be speaking more to how to protect these kids.” (A07)*

*“...it was really useful in that basically it put a lot of emphasis on long term strategy and that was very important. I don't know if you are familiar with what we put forward in our application, but it was focussed on one of the newer departments in the company, which is the media and film department. We were getting towards the stage where we needed to be concrete about what the future plans for that department were and so the SE Fund did help with that actually, by putting that into language that's straightforward. First of all, we completed the making of a feature film which was employing young offenders and championing the social message of positive urban culture. We also ran a media production course which was like a pilot of a course that's called Dynamic Head Start. So, a media production course to teach young people how to film edit and it's an employability course that's linked to students' academic qualifications. Those were the two main things. As*

*simple as it is to give you those two lines about what it is we did, there was a lot that happened in the doing of all of that.” (A11)*

*“It was around looking at languages and also looking at scaling up some of our own actual services. So what it helped us to do was to recruit a staff team dedicated to that particular area of our work and because of the increased capacity, staffing-wise, it has enabled us to - I would say it was one of the catalysts, including our social investment, for actually near enough by the end of this financial year compared to then, doubling our turnover. That was more of a catalyst for that. Those two things occurred during the period. Yes, it’s just increased our capacity. It’s also allowed us the space to make errors [laughing] in terms of what we planned and then what actually we need to look at this again. But in terms of that learning that we did during 2020/21, that period, that critical period is what’s really elevated to where we are now.” (A16)*

Other SEs applied after notification from previous funders and/or partners. Several SEs reflected on previous experience working with SESF partners and the benefit of this experience in deciding where to send grant applications:

*“I’d applied once before to another round and been unsuccessful, so I was aware of it already. I heard about it through [partner], who we’ve partnered with on a couple of products. So, I was aware of the fund, and it was timely for us in that it would be the opportunity to create a project that felt very appropriate. And then, as is the norm, you hear about it and then you hear about it at three or four different places. So our local SE network and also SE UK were also talking about it too.” (A06)*

*“We had something from [partner] before...There are so many circulating round constantly. So, we knew about them already and I don’t know if we were searching for it actively or if someone at the Council might have notified us, at [organisation]. The [organisation] send through emails all the time saying, ‘This current funding is becoming available’” (A07)*

*“I had the [partner] grant first and then I think my grant manager, who was actually my manager through [another fund], they suggested SESF and then I applied. And then you*

*could choose who would assess it. So, I did that with [partner] and I was successful and then my grant manager was the same...” (A15)*

*“I was part of Scale Up [partner] programme in 2018/19 and during that period of 2020-ish there were quite a few initiatives around and the SE Support Fund was one of them. I looked through it and actually I was also pointed towards it by one of our key contacts.... We worked with her quite a lot and she also pointed me to it as something that we can look at because we receive social investment from them. During 2019 we were working on the business planning with them, and their social investment kicked in around the beginning of the lockdown. They carried on supporting us in capacity building ways and one of the ones that she pointed out was the SE Support Fund. It fitted in with some of the areas we had in our business plan, that we did with them as part of the social investment, so it just seemed to have a fit to what we were planning to do in terms of scale up and in terms of the different services that we wanted to implement.” (A16)*

The SESF marketing and advertisement process was another reason SEs applied, with several SEs receiving notification of the SESF opportunity by email or through reviewing available funding opportunities:

*“I get millions of emails about different funds all the time, so it was almost certainly one of those. It just seemed to us like it was asking us to bid, we were the right sort of organisation and I thought we’ll have less competition generally, or we will do well in it, when I read the criteria. We needed it, we were in a pretty dire situation after Covid because in Covid the board decided to really spend most of our reserves on doing the service and worry about it later. So, we were in a pretty dire situation, even just cash flow and stuff was getting very difficult. We basically didn’t have the money to go forward properly.” (A08)*

*“We were looking for systems to generate money so that we could continue to run the service. We support 17 individuals at our service, but we support 30, 40, 50 members of direct family behind there as well. Our service enables them to have a normal bit of their life for that time. So, looking for organisations that could support us through that time and also enable us to try and grow our service and the SE Support Fund came up in our searches that we were doing at the time. I thought why not? I reorganised all the finances and everything, took an opportunity with the bounce back loan scheme to refinance one of the*



*debts that we had to get it onto a lower interest rate. We did everything we possibly could to cut the cloth as tight as we could and then it was about finding organisations that could help us to overcome the last bit and then to grow the organisation.” (A12)*

#### 4.1.2. Application process

In total, 1,507 applications were made by the SEs in this dataset requesting a total of £65,721,757 in funding at an average grant request amount of £45,040 ( $\bar{x}$  = £43,610.99; SD = £17,837.84; Range = £6,791.00-£119,328.00). Of these applications 500 were successful, with a total of £16,149,508 awarded to SEs across Rounds 1 and 2<sup>54</sup>. SEs discussed the application process, with most reflecting on the accessibility of applications and the ease of applying:

*“I found it really straightforward, at the application stage I could understand it, so it was easy enough to do so I liked the application stage. I thought it was great that they gave us the money in one chunk, which was what we needed rather than dribs and drabs over a period of time, so that was helpful.” (A08)*

*“It was an online application, which was fine. I think it was more the portal for the documentation that felt new. Also bearing in mind I think when you submitted your application you couldn’t get - either you couldn’t get a copy - or I certainly remember when we were trying to get what we had submitted for the first round of it, call for funding, when we were trying to get that I think they had sent us something on [re-transfer] also but it wasn’t - Obviously the application questions themselves were straightforward plus also the support and someone at the back end of the phone. I remember the panel, when our application went to panel, they needed further information and one of the gentlemen did schedule a call, talk through it and explain.” (A09)*

*“I don’t think there were any issues with the application process actually. I know I’ve ranted on about and this was part of it was during that whole time coming out of it - so no, there weren’t any problems, there weren’t any issues around that at all, no. All the supporting evidence needed we gave. [The funds] came as it said it would, so we got the*

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<sup>54</sup> When the £150,000 of Development Partner grants are included, along with £492 of under-spend in UnLtd’s budget, this matches with the total fund grant dispersal target of £16.3 million.



*documentation, got the letter, got the date when it was coming. Everything came as it was stated, there were no issues there.” (A10)*

*“The application questions themselves were quite standard, that was regular. However, one thing that I was a bit worried about, which is why I was really happy when we did win funding, is that we had to naturally present a business case and that was something that’s different from a lot of funders, it’s more outcomes driven. With a lot of funders, it’s more what difference are you going to make. The SE fund did focus on that, but they had an equal amount of focus, I felt on the business case. How are you actually going to build a sustainable service that is able to trade, again basically given what was faced during the pandemic, and that was a massive difference.” (A11)*

The application process was beneficial for SEs in developing action plans:

*“It was one of the better forms I’d done because it didn’t ask for hours and hours of compliance questions. It’s one of the things that drives me mad about funding applications, I don’t understand why there can’t be a portal where we put our compliance information once because everyone wants to know the same things - your accounts, your safeguarding policies, your governance, your health and safety. I feel it would be a huge innovation that as a small organisation we could put that stuff in one place and then focus on the questions that funders really need to know, ‘What are you going to do with this money?’ Yes, and from my application I created the Scope document, and it literally was possible to copy and paste the questions I had answered to provide the team with, ‘This is the scope of what we’re doing’. I think for small organisations that’s really important...” (A13)*

*“We’ve been through it as a whole team as well, which was great, and written loads of notes on it and some of the things we are taking forward. You know how these things happen, you get an outside adviser looking at what you do, and you get a long document and it’s easy just to put it on one side. But we are actually taking bits of it forward as well.” (A14)*

A benefit within the SESF application process shared by one SE was the opportunity to discuss the application at pre-application stage. This enabled the SE to understand the process and expectation for SESF from the outset:

*“Nothing comes straight to mind. We did have a discussion pre-application, a conversation with real people, so it was brilliant. And I suppose it was just that there was supporting documentation that - we missed that window because it was just via email, and I think sometimes things end up in the junk. But apart from that, whenever we spoke to the team then they were willing to listen and offer support and guidance.” (A09)*

Although organisations were positive with regards the ease and accessibility of the application, one SE reflected on issues with repetition in the application form:

*“I guess it’s not just with Social Enterprise Support Fund - there can be occasion, again from memory, where one or two questions might seem similar, ‘That was what I said two questions ago, why are you asking me this in a different way?’ I can’t be specific about which questions but I do recollect, I think in the report writing, I can’t remember the specifics of the question, but I remembered thinking this is repetitive” (A16)*

Feedback was overwhelmingly positive but one participant who shared feedback by email felt the process was overly bureaucratic and arduous:

*"I couldn't face the prospect of spending any more time on the overly bureaucratic processes of the SESF, the lengthy acceptance procedure and the arduous monitoring. To be honest, the whole process was very off putting and in no way user friendly...I'm finding, increasingly, that organisations such as SESF are becoming increasingly difficult to work with and are demanding so much information/confirmation and clarification... Of course, they will say that they have to show 'due diligence' but I would argue that they have made themselves inaccessible. An example of this is when I wanted to send in black and white copies, and they insisted on colour copies... [it] has definitely put me off applying for large grants. Imagine how those people who are less educated than myself must feel" (A17 – Email Feedback)*

#### [4.1.3. Delivering support to communities](#)

COVID-19 presented challenges across the globe (Kuckertz et al., 2020), with research (Weaver, 2020) noting that the pandemic had a significant impact on SEs due to financial resilience, and the

management of social and economic goals. As solving social problems with has long been a priority for social entrepreneurs (Auvinet and Llore, 2015:238), the pandemic created new pressures on SEs in delivering support:

*“One of the things we did do during Covid is we worked with a local project here about enabling people to have better digital access and that was something we spent quite a lot of time and work on. So, it’s meant that those people we worked on through that project have been able to access something that’s really quite helpful. But it’s largely across the board. Our demographics, we work with people who are socially and economically disadvantaged a lot, we do a lot of estate work, for example. So, there is an element of relationship meaning that probably there are a lot of people who are maybe struggling economically, socially in different ways that are part of this.” (A06)*

*“During Covid it was a really tough time for us because kids were isolated at home, didn’t have school as a solace, a refuge, a place to go away from home so a lot of kids were exposed to domestic abuse or were at home reflecting on the domestic abuse they had been exposed to previously. Our referrals really shot up, they shot up by something silly, it was like a 900% increase from the year before. The year before that we had just one or two members of staff and then we were just forced to try and react to the referral increase, we expanded our staff and have continued to do that. The referrals have continued to go up but not as dramatically. They go up every year but that was a really dramatic increase, and we were able to just about sustain ourselves. We were able to react to it but then beyond that it was...” (A07)*

*“We moved a lot of stuff online in terms of just training but actually we kept face to face. The National Youth Association gave us guidelines in terms of how to work with young people in terms of small groups of one to one. But we kept that in-person because our young people needed it and equally needed a break from home as well. So, we had mentors who were working with young people in small groups, who were still meeting them, mainly in outside spaces.” (A10)*

*“In terms of the volunteering, we stopped it completely, both for their benefit and because we were very, very worried about getting staff becoming ill. We were exempted from closure as a business, which was quite a mixed blessing, so we basically just tried to keep*

*going in the shop. But we stopped all of our volunteering, second hand bike and the environmental side of recycling. The biggest project we've got is one that gives bikes to refugees and asylum seekers, so we had to stop all of that. Covid was just awful.” (A14)*

Inclusion Partners and Awardees reflected on the benefit of SESF in providing funding to adapt activities and/or services.

*“...it changes your business model. If you are a café that is offering training and employment opportunities to disabled people and you are a disability friendly café, you weren't open and there wasn't another option for you. So quite a lot of the other things were able to think about doing things in a different way and doing home deliveries and stuff...” (IP01)*

*“We predominantly work with special needs schools, community groups and adult day centres. We don't necessarily work with care homes; we work with day centres where they come in for the day and they actually live elsewhere. We've been going since 2018. We were just getting onto a good footing in 2019 and the pandemic struck.” (A02)*

*“Our numbers are not what they were pre-pandemic, but our numbers are growing and changing the way that we deliver. We were really lucky in the fact that we were able to take a lot of our support to Zoom and Teams and phone calls. A lot of our participants and a lot of our beneficiaries during the Covid period simply had a phone call because they didn't have Teams, or they didn't have Zoom, or they didn't know how to use it so a lot were phone calls.” (A05)*

*“A lot of work started taking place online and by phone, especially the one-on-one mentoring because unless it was absolutely necessary then we weren't really having face to face contacts with young people in the same way. However, because we are designated as key workers, if we needed to do something, like the young person was arrested and sent to a police station, we would still be able to visit face to face and be with them if they were in custody. We upgraded and really diversified our services to reflect that. One of the other things I'd probably say is there was quite a negative impact on some of our clients in terms of the closing of opportunities. So, things like jobs fairs they were supposed to attend, which were in-person, were cancelled and that put a whole halt on their career aspirations which*

*then had a knock-on effect. If they don't feel that they can actually do something positive with their lives, then they tend to slip back to the negative path they were on.” (A11)*

*“It grew the demand for our work enormously because when Covid happened the size of [the service] was quite small, so we were quite quickly responsive. We found that we were able to start working online... So, we developed a set of resources that replaced that so we could do more remotely. And quite quickly schools realised that we could help them reach out to the children of the families that they were worried about, so we developed some school resources as well. So, we really grew because actually our model had to think really hard about how we explain the value of what we do and how we do it. Covid really made us think about that.” (A13)*

Adaption of activities and/or services online was an option for some, but not all SEs have this option; therefore, funding for other options was required:

*“...if the group you are working with is digitally deprived as well as financially deprived. And those digital cold spots were interesting to track because people could have all the kit in the world but if their area infrastructure was weak, it wasn't a pleasing thing, to spend all of your time on screen doing something fun with people when you are dropping out all the time or there's lag.” (IP01)*

*“We had to stop it, so we pretty much did nothing other than keeping in contact with the kids, doing virtual calls. The kids just didn't like - they were so sick of virtual calls the engagement was really little. So unfortunately, we just had to stop it, other than that communication, and then restart when we were allowed to. At that point we had to just try and keep social distancing, which isn't always possible when you've got kids running round the studio, but we did try. And then we had to do try and do risk assessments all the time and keep that as safe as possible. Yes, we just had to stop it during lockdown.” (A15)*

Research has shown that challenges in society impact on the mission and/or activities offered by SEs and although flexibility is beneficial for some, for others it can result in mission drift (Bacq and Lumpkin, 2021). Funding from SESF helps SEs adopt a flexible and responsive approach (mission agility), which contributes to sustainability (Bacq and Lumpkin, 2020). This issue is prevalent for SEs offering activities that others are delivering virtually:

*“It was because I think by default everybody went online and said, ‘You possibly can get everything provision online’. But unfortunately, especially for disadvantaged families you’ve got two problems here, (1) you’ve got digital poverty, so they haven’t got access to a good broadband package; (2) they probably don’t have the computer to go online either; or (3) it’s also a question of space as well. Where do you sit within the home to have those meetings when quite a lot of our disadvantaged families come from overcrowded houses.”*  
(A03)

SEs receiving grants did not always receive the full amount applied, however, this did not stop those receiving lesser amounts from delivering and adapting services:

*“We applied for £39,000 - a bit cheeky really - basically to employ a volunteer workshop manager, a member of staff. We took on a new space, separate space, to get that going, to increase the number of volunteers we took on and to get the bike donations back up. We were awarded £25,000 and we still employed somebody. We didn’t have anyone in mind, we actually ran an open recruitment process, and we were lucky to get someone who’s been a very good fit. He was working ‘point eight’ full time last year. So, we applied for quite a lot, we got less but we managed to squeeze quite a lot of the outcomes into what we were awarded, which was generous really. It made a huge difference.”* (A14)

This demonstrates the role of flexible funding in ensuring that a great number of SEs receive funding, albeit it does not mean reduced funding will always be appropriate.

#### 4.1.4. Role of funding in SE development

SEs often experience challenges obtaining start-up and investment, managing cash flow, and scaling their enterprises (Battilana et al. 2012; Hynes 2009; Teasdale, Sunley, and Pinch 2012). Funding through SESF helped SEs develop services to support individuals in the community who have been negatively impacted by COVID-19:

*“We got money specifically for our BAME work and so we added in something we call [Organisation], which was a space for Black, Asian and other minorities to get together, similar to [Organisation] Wednesday but specifically for that cohort. As we’ve said before,*



*sharing familiar stories or stories where there is commonality is powerful. Also, when we have mixed events, often that unconscious bias can seep in and a lot of the white members of the group often can take precedence in terms of talking. If you've got a group of BAME people the dynamic is different, the power is a different dynamic.” (A01)*

*“[The fund has helped us offer] one of our sessions, one of our jobs clubs, is held in the local library and people say they missed going to the library, not just because of that but because the library actually really is the heart of the community in [area]. They are there, people do use them. They are always busy, there are always people in there in the reading clubs or borrowing books or photocopying or using the computers. Or some people just come and sit and have a cup of coffee and read the paper.... it really helps towards those feelings of isolation which is something that we are massively keen to - something that I will be doing next year. This is this fund but next year when hopefully we'll be able to reapply, I will be looking to change that in the fact that I'll be looking to start to run a few more group sessions.” (A05)*

*“We were very determined to actually put staff safety and customer safety in all our community businesses first. And we've done that really, really well and that has actually enabled us to get back to where we got to. What the SE Support Fund did was give us just a bit of thinking time; it helped us get on that journey properly, do that properly and make sure we got back to where we were.” (A04)*

Funding that does not result in debt for the SE is essential, with research showing that some SEs chose to live within their financial means, rather than accepting loans, for fear of economic crises (Battilana et al. 2012; Hynes 2009; Teasdale, Sunley, and Pinch 2012), such as those resulting from the global pandemic or the recent cost of living crisis:

*“Obviously the SE Support Fund was perfect for us because it was investment that didn't create debt, which allowed us to expand without the pressure of necessarily having to have additional income ready to go. I do think a big issue is you can be a financially and organisationally sound outfit yourself but that doesn't necessarily translate to the people that you probably need to be working with and one of the distinct challenges over the last 12 months has been the relative instability of current and potential partners, it's very difficult.” (A02)*

Funding that allows SEs to offer activities and/or services in times of crisis and/or financial challenge is welcomed, and for some SEs, pivotal to their survival:

*“That was the most beneficial part because essentially, we did have to restructure our organisation from what we were before. One of the things that we do rely on is tuition fees; that completely stopped because we didn’t have anybody. It helped us to keep going so it was a real good cash injection that helped keep us afloat and diversify our services.” (A03)*

The SE Support Fund provided essential financial support to help SEs in England to rebuild and grow their income from trading, with two SEs discussing the development and growth of their SEs following funding:

*“It’s enabled us to start it and next year I’m hoping will enable us to grow it. It’s helped to get out of Covid. Our project was living with Covid, our next project is moving on from Covid. The programme’s already written, it will follow on from this programme and there will be much more focus on community and group sessions.” (A05)*

*“Obviously with regard to the funding we used it to try and upskill ourselves. We moved some of our provisions online, which was really good, and then some of the provisions, we expanded our staff members to actually go out and do that outreach work. So those are the two areas that we really expanded and worked on.” (A02)*

Despite quantitative data showing seemingly positive financial growth for SEs (see Section 3.1), this growth is reliant on grant funding standing at an average of £34,851, up from £12,000 pre-Covid. This means that grant funding accounts for on average 20.8% of turnover and also helps to illustrate the drops in trading income seen since the pre-Covid period (59% today versus 66% then). The funding was key to SEs, but other support offered by SESF was beneficial:

*“There was the other strand with regards to providing business support. The business support was actually quite interesting in the sense we want to become financially sustainable, and they did put us through to a business manager. We are in the middle of producing a business plan, so yes that support was actually quite good as well.” (A03)*



#### 4.1.5. Partner support, workshops and webinars

The SESF Fund offered SEs the opportunity to engage in one-to-one support surgeries, workshops and webinars. Social entrepreneurs receiving SESF grants reflected on the support received from Partners:

*“Once we got the grant, we had a phone call from a member of staff to see that we were happy, to avail of what support was there. We were aware of the list of contractors; we didn’t actually make use of that, but it was useful to know that that was there and there was one stage where we were thinking about doing that. I was able to ask questions whenever I wanted, particularly early on when I was formulating what we were going to do to be able to ask what support was there. And then they were very good at advertising webinars and seminars that were available, training that was available. And we had a couple of check-up calls as we went along as well.” (A06)*

*“They were there in more of a mentoring way rather than offering, more like, ‘Okay, so what are you going to do in the next month?’ type of support, which was what we wanted so that was perfect.... they were very supportive when we found out about the building, and we were in a panic. They helped us to try to calm down and to work out what we were going to do, which was good; that was helpful. And also, they said there was no pressure from them, that we shouldn’t feel we had to do extra for this funding, not to get worried about it. For me that was great, they helped us to calm down when things were difficult.” (A08)*

*“I had some telephone interviews, and they offered some one-to-one peer support. It was quite helpful because I’m always one for discussing how the organisation runs with various individuals and getting ideas and using those ideas if they are pertinent to what we actually do. I’ve never been one for saying, ‘I know it all’, because I don’t; it’s a learning curve, everybody has a different point of view. The interviews that I did over the telephone were of use....It’s part of that and also, they pushed me to the Growth Hub and everything else. I had some meetings with the Growth Hub about the business plans moving forward and everything.” (A12)*

*“We definitely had some advice about where to go because a section of the grant was earmarked for business support, advice... we had a good discussion about that, ended up deciding to go for a diagnostic review, I think is the technical word. I wrote a brief and we got somebody local who I slightly knew of but hadn’t worked with. We appointed her to do the work, which was probably more useful than I’d expected...In many ways it was a better fund than other things we’ve applied for in the past, already. Because it had a support function it didn’t feel like the fund was entirely geared around outputs, outputs, outputs, beneficiaries. Normally when we apply for grants you just get a little bit of session funding through it for wages, but to be able to actually take a new member of staff on was hugely beneficial for us. It freed up other people and, of course, we’ve kept him in employment a year later.” (A14)*

Webinars were offered for social entrepreneurs on ‘Marketing and Communications’ and ‘Marketing Strategy and Tactics’. The webinars included Marketing basics (communicating messages), theory of change, marketing strategy, networking and Q&A with experts. Support through webinars and seminars were discussed by social entrepreneurs:

*“Yes, some of the webinars, the seminars - the one around marketing was really, really helpful on this. And then there were a couple of one-to-one calls that we had that were really helpful. We did feel very supported in it. I think the only bit of feedback that I would give constructively is that that was very much on our terms, so you had to - not ‘chase’ it but more initiate rather than feeling like there was a ready flow of things coming through.” (A06)*

*“I went to a session, kind of an advisory session, just on how we can approach our strategy, particularly in regard to selling creative courses to institutions. So yes, we did take up one of those sessions.” (A11)*

*“We had a couple of meetings with a consultant who was really helpful on both occasions. One of my team went to the digital workshop, was it a digital marketing workshop? I think he did some kind of digital and social media marketing... continuing to keep the message out there and engage with schools is definitely something he’s worked on during project and post-project... We adapted a tool that’s used for measuring the impact of therapies delivered through the adoption support fund.” (A13)*

*“...we did a workshop for funding applications down in London through a corporate organisation, I can’t remember what they are called now. That was really helpful, they helped us look at our funding, the way we were applying for funding... [also] did a workshop around bookkeeping a while ago. But really, I think most of the help was not so much through the workshops, because I think we were quite far on in terms of knowledge around general business, it was more about the one to one mentoring with Jo, my award manager, because she would help me think about different ways to gain income, think about connecting with different people. I think that was probably the most helpful element of the support offered for us.” (A15)*

*“I had two or three sessions with someone recently, this calendar year. That proved very useful on the marketing side. The one thing that she did highlight was she asked, ‘Why didn’t you tick the bit that says you wanted the support in the application?’ She said, ‘When I was looking through your application it seems as if you didn’t apply for the capacity building element. And I really couldn’t recall why we didn’t, to be honest, it was a while ago so I couldn’t remember. But in terms of the marketing, she’s come up with some ideas in the two or three session that we’ve had online, which we’re trying to implement.” (A16)*

Social entrepreneurs appreciated the support available however the support was not always found to be beneficial:

*“I don’t believe that we did. I took part in a few sessions with them, and someone helped us connect with another council because we thought we could bring our service there. I can’t remember which council it was, but nothing came from it, but they were able to just cc us into an email and introduce us. Unfortunately, it wasn’t that beneficial in the end, nothing really came of it. We’d have liked for something to have come from it but beyond cc-ing us and me getting in touch it just ran dry.” (A07)*

SEs did not always feel the additional support was required however the opportunity to engage in additional support was beneficial:

*“It was mainly the main fund. We did talk about sustainability and different funding, but I had a one-to-one meeting with one of their business people and I thought I didn’t learn anything new. So, it wasn’t anything that was needed. Let me be clear, I’m sure other*

*organisations may have found it beneficial but there was nothing new in terms of what I was told at that meeting.” (A10)*

## 4.2 SESF Fund – Fund organisation and delivery

### 4.2.1. Assessment process

The partnership approach in SESF engendered multiple benefits such as collaborative assessment. Assessment panels are complex, with decisions emerging in the interplay of multiple factors (Feliciani et al., 2022), but understanding the context in assessment panels allows for a greater understanding of the decision-making process in grant awards/rejections. There were nuances in partners’ approaches to assessing applications, with some blind-reviewing applications. The presentation of applications at panel differed for partners, with some partners reviewing all applications for completeness, whilst for others, the presentation of applications was determined by the assessors scoring and/or recommendations. The influence of assessors on panel members was discussed by partners, with *all* partners noting that the assessor’s recommendations and scoring was invaluable to panel members:

*“We had two assessors, assessing independently so they were individuals assessing rather than reviewing another person’s assessment” (S01 - Partner A)*

*“Presenting all applicants helped us with completeness, it allowed the panel to understand the quality of the applicants so the panel could fully see the calibration and/or quality of applications” (S04 - Partner B)*

*“Final decisions were with the panel but the recommendation from assessors were useful for the panel members – helping to influence decisions” (S05 - Partner C)*

*“Panel did put in the work and were prepared to question the recommendation that were made which gave the panel an influence of awards (rather than assessors) ... This is not because there were issues with the assessor scores or recommendation, but it was about the context - the human approach to teasing out what was happening with organisations” (S03 - Partner B)*

The selection of diverse and experienced panel members was beneficial, with panel members confident in challenging the scoring and/or recommendations of assessors. One partner created an additional panel to review applicants that panellists were unable to agree on initially, which added robustness to the overall process:

*“It was good to have a panel that could say ‘yes, this applicant has scored really high, but I don’t think we can fund this one over others due to...’” (S03 - Partner B)*

*“There was a range of experience and background on our panel therefore panellists did not always agree so several organisations were pulled in for additional discussion. This could be due to a panellist checking the organisation website that added context that did not come through in the scoring and/or recommendation” (S05 - Partner C)*

*“Occasionally panels would over-turn recommendation from assessor following review of applications at panel” (S07 - Partner D)*

*“We held an additional panel (fourth panel) to review applicants that panellists were unable to agree on initially to utilise remaining funding... We did fund additional organisations for less which was influenced by the Panel” (S03 - Partner C)*

*“Yes, but I think the thing about the panel setup was that we were able to do that with each other, so we were able to change each other’s minds about different things. We had quite meaty conversations about organisations that didn’t get funded.” (IP01)*

The process for assessment was nuanced across partners; however, *all* partners viewed their processes as robust and valid. The only area for development and/or consideration noted by one partner was to have opportunities to meet staff from other partners, to learn more about approaches and share learning.

#### [4.2.2. Efficacy of scoring criteria](#)

Scoring (and assessor recommendations) were introduced to speed-up the process of application selection, with assessors providing clearly scored assessments and recommendations for each

application that panel members could use to guide decisions. But one partner observed that panel members were keen to discuss and/or review *all* applications:

*“Scoring was designed to help fast-track the process but realistically this did not save time as panel members were keen to discuss/review all applicants regardless of the score and recommendation awarded” (S07 - Partner D)*

Although scoring had limited benefit on speeding-up the process, it was beneficial for the panel in promoting confidence, whilst scoring criteria helped partners and assessors to understand the quality of applications:

*“Scoring helps the assessors feel more confident on the scores awarded and it gave assessor something to focus on which was good. But there was still an element of subjectivity which was inevitable with the diversity of the assessors” (S03 - Partner B)*

*“We spent time trying to balance the scorecard elements to ensure all applicants had the right chance. We did not distribute the 15% discretionary amount across each area, but we considered the general impact on the organisation and beneficiaries.” (S01 - Partner A)*

*“The scorecard itself was useful but it only formed one part of the decision-making process. The assessor would provide a scorecard and recommendations which were considered by the panel. Although the scorecard itself is useful, it is not the most important aspect” (S07 - Partner D)*

The consistency of scoring was also an area partners discussed in detail, with the weight of scores differing slightly across partners. Establishing the efficacy of scorecards was linked closely with the overall criteria, with partners discussing whether the criteria were fit for purpose:

*“Considered to what extent the organisations services are essential and effective. This really helped us to understand and assess the impact... We also considered if the beneficiaries would have access to other services in deciding the overall impact” (S01 - Partner A)*

*“I think the criteria are appropriate and the communication was appropriate. But there were some organisations who did not fully understand their eligibility of the fund due to potential issues in the presentation of the central element of the fund. This is illustrative of the fact that there is a question-mark around how we have balanced the competing requirements fully” (S05 - Partner C)*

*“The criteria’s right but we are operating in context. We got to the end, and we started to think that some of the organisations we needed to fund were still in crisis therefore not necessarily in a position to apply for the fund” (S03 - Partner B)*

Partners were keen to ensure applicants received adequate consideration; therefore, in-depth conversation around the funding was required:

*“There was usually in each panel three, four or five organisations where we had more in-depth conversation around whether we should or to what degree should we fund the applicants... Say an organisation is asking for £35,000, is it still meaningful, rather than £35,000 give them £29,000 for certain components and it still be effective? That means then that there’s £6,000 to add to the pot” (IP02)*

Despite agreement that the criteria were fit for purpose, there were still some challenges around adherence to guidance and the idea that scoring was an art not a science, that is more intuitive than merely reductive:

*“I think my biggest issue was not reflecting in the guidance on how much we considered the reserves in our final decisions. For example, we had one applicant who were strong on the criteria but had strong reserves and other funding therefore did not receive funding. Therefore, I would like us to ensure the guidance is clearer on the fact we are prioritising applications that have less access to other financial support” (S03 - Partner B)*

*“I feel that my overall reflection is that this is an art rather than a science. It was about balancing so many contexts and elements which was challenging. Do you fund an applicant that really needs it but has not strong impact plan or future planning or do you fund an applicant who has a strong impact plan and reach who need the funding but have access to some additional funding?” (S07 - Partner D)*



One Awardee commented on the process for assessing financial risk and sustainability:

*“If my memory serves me right I think at the time we applied, we went from financially in March 2020 we were £158k and then by March 2021 we were £1.68m. So it was like a £900,000 jump and that in itself became an issue where people were saying, ‘Your growth is not sustainable and therefore it’s more risky than-’ It’s that thing where you always need people to trust and say, ‘The rule book says look at the risk’, but okay, if there’s a targeted piece of work that we know will make a real difference then that’s what we are funding right then. Just because you’ve had this massive jump...” (A09)*

Overall, partners were confident that applicants would have received a similar outcome regardless of the partner responsible for allocating funding, whilst the regularity of meetings with partners and clarity in the assessment process, were clear indications of robustness, which is essential in ensuring fairness and efficacy:

*“Organisations would have a similar journey or outcome regardless of the partner receiving the application. Although there were nuances for each partner in the scoring, process and panels – it is evident that the outcomes would have been broadly the similar. Therefore, the equity between partners is there” (S05 - Partner C)*

This confidence in reflection sessions is positive; however, stronger confirmation on consistency of outcomes would be beneficial. This was reiterated in comments from partner who commended the inclusion of a moderation process:

*“Each assessment was peer reviewed, so there was a moderation to it. It was very deep; it was very thorough. When we came with questions, we were able to find the answers fairly quickly and if we were deferring, the assessors would go back and get the information for us. So, if we thought something had potential but it didn’t answer a particular question that we thought was important, we were able to defer that decision to the next panel and the assessors went back and got the information.” (P01)*

This moderation enabled confidence in the process, with IP01 stating that this process was unique in comparison to other funds and/or grants that they had supported.



### 4.2.3. Assessing for inclusion and diversity

The COVID-19 crisis is disproportionately impacting communities who already experience social and economic inequalities. The fund was committed to inclusion, working to ensure that the grants reach groups that are led by a diverse range of individuals, including: people from Black, Asian, and minority ethnic communities; LGBTQIA+ communities; people with disabilities; and/or leaders with lived experience of the issues that the SE is focused on. Discussions on assessing applications for diversity and inclusion illustrated the challenges in this area, especially in defining what diversity and inclusion means:

*“Understanding what diversity and inclusion means for each partner and organisation is challenging. This is a difficult and complex area that we need to reflect on, especially on how we set the parameters around the diversity and inclusion criteria (and the implications)” (S08 - Partner D)*

Acknowledging the challenges above, partners discussed their approaches to assessing diversity and inclusion:

*“Our assessors found difficult the fact that we have several points in levels of diversity (i.e. 12 data points and additional 3 data points for lived experience). We made a summary table for our assessors to simplify this, but we still had to ask assessors to review it fully. The other thing we found difficult was assigning a score and we tried to design an automatic formula to automatically score the information. But we did have difficulty with this autoscoring and had to review it. There are some significant differences across our assessors recommendations/scores so this a definite area for review” (S01 - Partner A)*

*“We scored for Board and Senior Management diversity and inclusion, but this does not account for the fact that the Board and Senior Management may be one in the same – this is a learning point in the future to ask if there is separate Senior Management from Board (and decide our scoring for this issue)” (S05 - Partner C)*

*“It was not perfect, but it did focus the mind. We have done a lot of thinking about our assessment time, and on the issue of subjectivity, having panellists from communities (and*

*working in communities running support in disability/BAME support, was beneficial in the decision process” (S03 - Partner B)*

One challenge acknowledged by several partners was around ensuring that applications from organisations supporting beneficiaries with physical and learning disabilities were consistently scored:

*“Issues in terms of scoring for organisations in terms of physical and learning disabilities who have the lived experience and right support but do not score as high on the diversity and inclusion area.” (S03 - Partner B)*

*“I really like that we had a focus on equalities and that we assessed on equalities and that was a really strong factor in the program.... I'm conscious that the way we did that, it potentially excluded groups working with people who had learning disabilities and we must, if we run it again, we must think about how we don't exclude them because we focused on leadership.” (S13 - Partner D)*

Another challenge was in balancing the multiple sections around diversity and inclusion to ensure said consistency:

*“Multiple sections around diversity and inclusion were difficult to balance... this was a challenging area, and we adapted the scorecard to ensure the areas are fairly scored. We were keen to ensure that we were focused on inclusion and fairness.” (S08 - Partner D)*

*“Weighting scores to acknowledge the fact applicants could selected “prefer not to say” in diversity and inclusion criteria” (S08 - Partner D)*

Partners were cognisant of the challenges in assessing diversity and inclusion, introducing quality checks throughout the process.

#### [4.2.4. Opportunities for improvement](#)

Partners and Awardees were primarily positive with regards to SESF; however, there were discussions around opportunities for improvements:

*“The application process, and this goes across the board for everybody who does any kind of funding, it’s always an application. So, it’s a piece of paper with so many words trying to summarise what it is that we need and it’s almost impossible. I didn’t see the original application, so I don’t know what the word counts were but it’s almost impossible to tell you in 300 words what it is that I want to deliver. If we could submit a three-minute, four-minute, five-minute video in support as well as that written application, just so that” (A05)*

The submissions of videos and/or other media to demonstrate the impact and reach of the SE could prove beneficial for SEs. This is especially useful for smaller SEs:

*“We’re a small organisation, we are a very small charity. I write the bids, so I also manage the department, I write all of the training programmes, I also deliver some of the safeguard training so I’m not a bid writer. So, when we go up against larger organisations they are always going to write better applications. That doesn’t necessarily mean it is a better programme, I just think if I could have the option to talk to somebody for three minutes and tell them why I want to do what I want to do, just in support of that, it would go a long way.” (A05)*

Another opportunity for improvement surrounded the requirement for clarity on the support SEs should receive from partners, including provided information on the benefits of business support and/or the workshops offered through SESF:

*“I think basically it was just the funding was given to us and then nothing really - I know this is anonymous - nothing really happened. We didn’t really get - I don’t know what they were wanting to provide but I think we just had a couple of calls and that was it. But maybe we weren’t asking for - maybe we should have asked for support more; it might have been our end.” (A07)*

*“I think from final report in general, it felt like not everyone was fully aware of what the business support call entailed. So maybe being clearer would have drawn more the attention of the people who need who needed it most, because the ones who actually benefited.” (S11 - Partner C)*

*“...let's design A series of workshops that won't tread on anybody's toes here and that everybody's invited to. We'll set the dates and the topics in advance and give everybody plenty of notice that they can sign up to them and then we will use those as an opportunity to promote the fact that you've also got an opportunity to talk to us, one to one about your specific issues or problems that you're experiences, and enterprise and it could be anybody from your team and we'll chat through with you.” (S10 - Partner B)*

*“I'm not sure what others will think about this, but we I from what I've seen of the of the reports we heard a few people coming back saying it would be great to have a consultant who is an expert in our field. Which of course is very difficult because the portfolio of grantees was so broad in terms of what they do. So I do wonder if you know if we could have done something differently there in terms of matching people with...” (S12 - Partner C)*

Some social entrepreneurs discussed the desire for additional support upon reaching the end of funding periods:

*“The bit that I would really like to see is that the coaching we had at the beginning to set up the project - we brought in a consultant - was amazing helpful. It's been so transformative for our organisation in that I now have a team of staff who really understand how to set up a project. I think being able to have some consultation at the end about how to end evaluate your project and then set up your three month plan, 'What am I going to do as a result', I think going beyond that 12 months, that three months- Twelve months is a really short time to deliver something and you just can't evaluate it well and decide what to do next so I think you need that extra window the other side.” (A13)*

Another area for development, although not specifically an issue SESF can deal with directly, is the need for additional money and/or a protracted period of support - especially with the current cost of living crisis:

*“No, but I think it could have been - I know this is a difficult one - it could have been over two years, I think. I know that's hard; I know that's difficult and people like Lottery don't always want to be doing that because they looked at recovery, but I don't think - and this is not a criticism of SESF by the way, I think this is a bigger criticism of or it's a bigger piece*

*of learning that perhaps nationally people who like to put money into these things should have thought about.” (A04)*

*“I think the overriding challenge was we needed more money. We did have a member of the Lottery who sat in on one of our panels and we very gently said, ‘There are great applications here that we cannot fault but we don’t have enough money to give to them’. I think that was probably the biggest challenge for us, that we could have very effectively allocated more money to more organisations because there is some amazing work being done. The applications were well put together and would have made a major difference.” (IP02)*

*“I think SEs, we need a continual fund not just a fund for Covid. Now Covid’s over but look at what’s going on with the economy, that’s as bad if not worse than Covid so where is the fund for that? These organisations are keeping people together, it’s front-line stuff. And it just seems to me ridiculous that the government or the organisations that have financial power, we need more long-term strategy to continually fund organisations.” (A01)*

*“The only thing I would say is that SESF should look at running a longer programme with their funding streams. I know they got the money from central government, and it was about the recovery and everything else but the recovery, as we’ve found with ourselves and other organisations like us, has taken longer because contract works have taken so much longer because councils haven’t got the money. These contract works are the lifeblood of organisations like us. So, a continued programme of tailored help from the SESF forward, possibly for the next couple of years because now we’re running into the cost-of-living crisis. If they’d have continued with the funding stream, they would have been in a prime position now to help the organisations again who received funding the first time round to make sure that they could continue to grow and go through the period that we’re going through.” (A12)*

Partners reflected on the requirement for extending funding periods, albeit the challenges of extending funding periods require acknowledgment:

*“Really what I think what would have been good for me is that we could have agreed two or three year funding so that we know how much funding was gonna go to each organization,*

*but actually not finalise what the money will be spent on in the years two and three.” (S09 - Partner A)*

*“But I guess if we had the multi-year funding as a social investor, how many great organizations who we could be investing in would be getting two or three year grant funds when they could be trading more and using repayable finance instead and that pot money is gone not available for organizations who can't take up finance.” (S10 - Partner B)*

One social entrepreneur recommended the creation of a database of SEs that have applied for funding in the past:

*“Funders that have received funding from the SESF have proven that they need that funding stream, and they’ve proven that they’ve spent it how they are supposed to have spent it. So, the additional help moving forward from that, they have a database of companies now that they’ve helped and could help in the future. Even if it sits on a database and then a crisis comes along and they go, ‘We need central government to give us £60m; these are the companies that we helped before, these are the companies that we are going to contact and say, ‘Do you need any help’. They already have that database so why not utilise it, go to central government and say, ‘We have these companies which we’ve helped; they have all proven that they want to grow their companies and meet the stringent guidelines laid down by the SESF; can we have some money so we can help them again? That would be a good way to move forward.” (A12)*

On final opportunity for improvement discussed by social entrepreneurs receiving grants was the level of detail required for evaluation purposes. Although this can be considered an arduous process for some, others recognise the benefits of providing details feedback on for the wider funding sector:

*“I think the only other thing I’d say, which I was a bit surprised by - and I don’t know whether this is feedback to make it better, I don’t want to make a rod for mine or anybody else’s back - but I was expecting a bit more evaluation in terms of what we spent the money on, how we did that. The form felt like there was more I could have said in some ways. I don’t know whether that’s just the nature of how it is, and that’s fine. But I had the expectation to have quite detailed financial receipts and reporting and whatever and that*

*wasn't asked for, which is fine but that always slightly bothers me with a grant because if I was doing it I'd be saying, 'Show me what you've spent the money on, in detail'" (A06)*

Partners reflected on opportunities for improvement, with emphasis on the importance of ensuring capacity and resources at the end of the programme:

*"...having a big team and a lot of activity and a lot of people at the beginning and then it's all sort of tapered off to having very few sort of bodies on the ground to the end of the program. It would be nice to be able to have the capacity to have like a cross consortium team that is consistently working on it to the end is kind of landed to the to... I think it's basically the people you see here on the screen where we are still working on in our own organizations when we can on top of everything else that we're doing and that it would be nice to have the luxury to be able to, to have that focus kind of built in and have some have some staff that go all the way to the end." (S14 - Partner E)*

Opportunities for improvement are not all focused on SESF, but rather, highlight broader issues in the sector. One specific area was focused on re-building networking opportunities, especially post-pandemic:

*"...this is not just for SESF but quite important in general - is the one thing that I think happened in the sector due to the pandemic and we've never really got over it, or at least got back where we should be, is locally I think we need to bring more organisations together and there needs to be more awareness of what each other is doing. We're guilty of this, you are really busy doing all day to day stuff and you are doing the delivery on your existing clients, and I think it's just if you've got a list of organisations like SESF grant holders or whatever, I think you've got opportunities there to increase collaboration. I think one thing that I'm picking up strongly from other providers is that we need to be more collaborative." (A02)*

*"It just feels like you are constantly getting beaten back. I think it would be better for organisations to come face to face with our services, and for your services I imagine. If they could not be just a long funding application on a computer screen and actually come and meet us and see what we do, I think it would be much more beneficial. We met with [Trust] last year, they've just given us some funding, but I think if they hadn't come down to meet*



*us, maybe it wouldn't have worked out that way. Not that it makes people unbiased, but it just puts a face to the work and shows what we do.” (A07)*

*“What this fund did, which I liked is it wasn't restricted funds. It was really unrestricted, even though we said what we were going to do it was really unrestricted. So, we could put in for rent if we had a rent increase, we could do the uplift for our staff... Personally I think it was a good thing, but it wasn't enough. It needed to be three years - If you are talking about you are coming out of a pandemic, you are going into the cost of living, you can't solve that in 12 months in terms of giving sustainability to a social enterprise, a charity in the third sector. If you really want to help, put in the money for a little bit of the long term; if you are not going to go five years, go three years. And that's my problem with this fund. I think it had the right intentions but, in many ways, - are you going to quote me on this? - you are paying lip service. You are just putting a little Band Aid over for a moment. When you rip it off it's not healed, it's got worse” (A10)*

*“I think what would be good is now that the fund - it's maybe three years now, give or take, two and a half years - it would be good if particularly for the organisation that was successful in applying and ran the programme, if there was a part 2 which looked at -and it could be open to other organisations that didn't apply as well - where it's more like 'You've had this, what lessons did you pick up as an organisation in terms of social impact and what gaps still exist that you want to address? Or based on the lessons learned, is there a completely new area that you want as an organisation to go into? Or is it just the case of more of the same?' I think that would be a really good legacy rather than this fund is due to Covid and now Covid is over so that's that then.” (A16)*

#### 4.2.5. Benefits of the Fund

The pandemic created pressures on SEs by testing resilience and sustainability (Borzaga and Tallarini, 2021). The SESF was beneficial for SEs in providing them with 'space' to recover:

*“In a year we spend maybe £50,000-60,000 on an advice project but it puts £300,000 into local residents' pockets in terms of appeals against decisions or claims that they weren't aware of. So, it's pretty massive, it's not only about saving jobs, but also got a much bigger community social value, I think.” (A08)*



*“We had developed a set of resources for schools, and we planned to work with schools to introduce the resources so that we would improve teacher understanding of children’s social and emotional needs; that we would improve across the whole school levels of anxiety and improve behaviour as a result. And so that was really the goal. I think the things that schools said they saw change the most was that the teachers started to understand behaviour differently. So, the difficulties that children were presenting them with started to make more sense to them as something more than behaviour and they started to find that because they had that increased understanding the children were responding better to them. And I know that there were some schools that really felt that there were some really specific children that things got better with as well. I think for me the most powerful piece of feedback we had was a parent who got in touch and said, ‘I know from the newsletter that you’ve been doing some work with the school; I don’t really know what you are doing but I have to tell you my child’s coming home from school happier, and the tone of newsletters is totally different. Keep doing what you are doing’.” (A13)*

*“And then in terms of volunteering we’ve got our ambassador programme, so we’ve got I think now about 22 ambassadors across the country and they do things like support with different classes, they help us with social media, they help us to develop our programme in general...then through the ambassador programme we also attend different events... [also] a young person does his own podcast, which is cool, he does a lot of podcasting within the sector. it’s really helping them to develop their confidence and getting them out there and focussing on something a little bit different, which I think is really important especially given the current situation with young people receiving support once they reach a certain age. It’s one of my big concerns, that group of young people that hit 18, 19 and they start to disappear out of the system.” (A15)*

Financial resilience and sustainability is not a new challenge for SEs (Teasdale, Sunley, and Pinch, 2012) however the COVID-19 pandemic compounded existing problems. Social entrepreneurs reflected on the benefits of SESF in providing ‘space’ for enterprises to adapt services and/or plans for future funding:

*“We’ve just had our hardest year and I think we realised we did a year-on-year comparison and realised the impact of furlough and that possibly furlough had masked some of the*

*impact negatively on us as an organisation. Now we're in a better place since the start of the year, the end of the last financial year and into this financial year we are in a much better place and we are actually feeling a lot more positive now, but we had to endure a very difficult year last year and a bit of the year before. ...I think the other thing around grant funding is we are noticing that if we lost a bid we'd lose out to a similar [larger] organisation. And that is quite striking, that would say to me probably the available grant funding around is less, which is meaning that we're up against organisations like that."* (A06)

*"As part of this project, part of our outcomes for the project were to go to some new funders that we'd never been to before, and we did. We got £100,000 from [Funder], with no outputs attached, just a contribution to strengthen the organisation. So that was pretty good going. I would say that the SESF money gave us the confidence to go for that and to ask for something that didn't have arduous targets attached to it...We well over-achieved in terms of this project. From the top of my head, I think we said that we would get £85,000 additional funding and we got loads more than that. I've got a list of them somewhere, but we got more than double that."* (A08)

*"We have an operational deficit throughout the winter period because obviously we can't garden through the winter period. So, we have an operational deficit that we try to take account of during the nine months of the year that we can do our operations, and it was about that. And also, at the time we were launching an educational programme which was basically to give the individuals that come here a one-to-one opportunity on educational skills. The youngest we've got here is 18 and the oldest we've got is 54 and they vary in their skillset on the educational side. So, it was about trying to give them the opportunity to learn more and a different way of learning, and that's what the money was used for. Yes, the SESF fund enabled me to sit down and work out a strategy moving forward, which meant then that I could start submitting bids for the educational programme and everything else without having to worry about additional funding streams."* (A12)

*"...in general, we've increased. Now we are supporting about 160 young people so we've gone from supporting 60 people to 160...this obviously has been a massive help to that. Because we started in the Northeast and then [colleague] is based in London and she contacted me saying, 'I love what you, let's try and get it to London', so she started it in*

*London. At the time I think we only started with two programmes, which would account 60 children. Since then, between us both we've now managed to get more regions across different areas and more young people. So, we've got about 160 young people that we are reaching and supporting at the moment. Then also in terms of the wider impact, we've been able to support young people on a longer-term basis, for our 12-month programme rather than our 12-week programme. More job opportunities for young people, more leadership qualifications." (A15)*

The perceptions of awardees was reflected upon by partners:

*"I think you know, broadly speaking it, it sort of did one of three things. One was sort of underpin the operation of organisations, you know, give them a security that wouldn't otherwise have been there. Help out with, you know, extraordinary demand or actually take advantage of an opportunity and that's kind of broadly the, the kind of responses that that we've seen we're seeing a couple go under and you know because of because of you know broader trading circumstances which I think is quite remarkable...And so actually the, you know the funding has been pivotal with organisations in in sort of different ways depending I guess on where they where they were at the time." (S09 - Partner A)*

Some SEs described the SESF as pivotal in 'staying afloat':

*"Essentially it was do or die, and I literally mean that because all our programmes were obviously in-person in children's centres, in community centres, in schools and obviously everywhere else was shut. So, during that period of March/April, in a way the lockdown kind of gave us breathing space. We follow the academic year, so we were just coming up to the Easter break anyway in terms of our delivery so that two- or three-week period during the end of March/beginning of April gave us time to reconfigure what we wanted to do and think about what we wanted to do. Initially we were sending out paper exercises in the post to some of our participants that still wanted to learn and them doing the exercises and literally then taking a photo of them, sending us an email or What's App to look at them. So, through lockdown we transformed everything from in-person to wholly online within this period of about three months. The online component has remained with us so now we have a blended approach so some of the sessions are in person; some of the sessions are online." (A16)*

Support available through the fund includes helping SEs to get back on track by providing support, such as the costs of getting trade back up and running, supporting outreach and marketing, supporting SE costs while the business gets back to full strength, and developing new markets and services. The wealth of support available through SESF was viewed positively by Awardees who commended SESF on offering a flexible and supportive approach:

*“The flexibility has been good; it’s been nice from our point of view for that flexibility and for it to be understandable. Everything’s a guesstimate so we guess based on previous experiences - we think this many people will come, and we’ll help that many people. We actually have no control over that and the flexibility that we’ve had from this fund and the support has been very different. It’s not the kind of support and flexibility that we get from other funders.” (A05)*

*“Usually some of the barriers are that you’ve got stipulations on this funding, so essentially the criteria was you know your organisation really well, these are the areas that you can apply for the funding for, and that’s where we applied it... What I found with the SESF funding there wasn’t that stipulation so that actually worked really well.” (A03)*

*“I don’t know what the other person you spoke to said, but the little dribs and drabs of funding where you get something up and running for six months and then it ends, they are just so hard to manage and stop/start. So for us it was having what for us is a significant amount of funding that really made a difference. I’m not sure that dividing that £25,000 into five lots of £5,000 would have the same impact and spreading it around lots of different organisations.” (A14)*

Indeed, the funding and flexibility offered by SESF has enabled growth and sustainability:

*“What it’s allowed us to do is transition that period and that programme and those people that really needed it when we wouldn’t have been able to. So, it allowed us to bring people out of furlough, but it allowed us to keep some people back. We wouldn’t have been able to do both, so the flexibility has allowed that transition which in turn leads to a more sustainable course of action... It’s definitely changed the programme and the delivery of the programme, and we wouldn’t have done that without this fund; we wouldn’t have been*

*able to do that. We have similar programmes and different funding for different things but they're not as flexible.” (A05)*

Support from SESF does not stop at funding however, with SESF offering support surgeries with SE advisors and business support. Awardees commented positively on the support and communication received from SESF:

*“They're good, to be honest, they're always sending us info about courses and things.... there have been a few things that we've engaged with. I think one of our issues as an organisation, one thing that we've identified, is we don't have enough time to engage with some of the networking, the training and the other things that are on offer as much as we should but in the midst of running the business and doing the work, me personally I'm flat out.” (A02)*

The focus of SESF on local and regional funding through partners (and inclusion partners) with local knowledge was also viewed positively by Awardees:

*“And I think distributing those kinds of funds through semi-regional or local organisations, I know Key Fund do a lot of this anyway because I speak to them about it but I think they are more in touch with the people behind the organisation and I think that makes them - they are confident in our ability to deliver...” (A02)*

Furthermore, SESF partners knowledge of the SE sector was beneficial for social entrepreneurs applying for awards:

*“The work we've done with them, with this fund, the type of outreach we've had and has spoken to the fact that we are working in a way that that is a are different from others is important... how we've reached certain groups of organizations. So that's just that we are reaching and work with organisations across I would say across the board, not just from an EDI perspective and that that that are delivering more sustainable and long-term use of grant funding than a traditional funds” (S10 - Partner B)*

Understanding of the sector can influence the approach to awarding funds, with an inherent understanding of sustainability and impact leading to funding for organisations who are looking at long-term sustainability. This illustrates the added value of the SESF for social entrepreneurs:

*“...we did fund in different ways with a different lens and we funded organizations to support sustainability...the tendency for other funders is to fund for immediate social impact [is important] but we funded differently. We funded them because getting them through a difficult period meant that they could continue the work they were doing in a sustainable way...if you funded them in terms of looking at supporting organisations who are going to be sustainable in the long term and deliver that impact over the longer term because you got them over the hump, then we will looking at things in a slightly different way.” (S13 - Partner D)*

Other areas of added value were noted by social entrepreneurs including support to create fundable propositions (i.e., support to complete application) (section 4.1.2), supporting sustainability (i.e., not just focused on immediate social impact) (as above), and successful outreach with evidence of SEs coming directly through specific partners (section 4.1.2). Furthermore, partners would follow-up with unsuccessful applicants from previous phase (i.e., SESF1) to support for future applications (i.e., SESF2):

*“One thing that [we] did... that I was quite proud of, was we looked back through all the organizations we were going to reject and checked for systemic bias and we contacted those where we were felt that there might have been barriers or difficulties due to potentially language issues or cultural understanding or something along those lines. And we felt that they might have a case to apply and we encouraged them to take up the preapplication support and we did have some of them come back and support and apply. And some of those were successful and that felt like a real win that we'd taken the time and the effort to go through and do that.” (S10 - Partner B)*

Finally, social entrepreneurs reflect on future challenges with the cost-of-living crisis creating more pressure on SEs:

*“...I think Brexit, cost of living, so many different things that are impacting things. It's interesting because being in mental health, a lot of people say to me, 'Surely there should*



*be more money for that?’ and there’s an awareness that this is a bigger problem, but it doesn’t feel that’s the reality. But I guess the same should be for education, for health, for all these different things. It feels in every sector there’s less available and more people competing for it.” (A06)*

*“But we now need to respond to new demands, like the increase from the cost-of-living crisis in demand for our service, and also expand. I think we’re in an okay position but it’s tricky because you can always do with more funding to see more kids. It’s really simple, it’s tough and it feels a bit more competitive now. In the grant arena it just feels like a lot of services maybe have opened since Covid and the funding hasn’t increased but the amount of people applying to the funding has increased. And also, it’s not like government is necessarily helping. Things have got a lot worse and domestic abuse has risen. It’s not like we can really turn to government support. We’ve got local funding, sure but it just feels like we’re just constantly chasing our tail a bit with it.” (A07)*

*“The only thing I would want to say is it’s really important, some of the novel ways of funding and the real commitment during the pandemic to ensure that there was some equity ends up with funding in all. I think it will be good for funders to keep that going because it’s not all over yet, the recovery will be a long road. At the moment we’re speaking about the cost-of-living crisis but how that manifests in two communities will not be the same, it could be very different, and we know it’s very different. So, it’s just for funders to have that appetite to continue expanding on who they are supporting and sometimes we may need some wraparound support.” (A09)*

Partners were cognisant of the challenges in the sector resulting from the cost-of-living crisis, noting the importance of future investment:

*“I think we’ll see some of them come back to us for further investment and we’ve had a couple already, but those that are perhaps a bit more immediate geographically community focused and anyone with a building, I think it’s going to feel the pinch for some time to come.” (S09 - Partner A)*

These challenges may have an impact on the long-term benefits of SESF, with one partner noting the benefit of following up with social entrepreneurs to establish sustainability:

*“I’m wondering how much long-term difference it’s going to have made and it be nice be really nice if we could revisit them all in three years’ time and see whether or not programs.... Generation that they implemented with SESF came to pass or not in terms of being long term income generators, but that’s not take away from the positive feedback.” (S10 - Partner B)*

### 4.3. Qualitative Summary

The SESF was established to provide grants and non-financial support to SEs and charities within England. It sought to support SEs, with an emphasis on supporting enterprises to recover and rebuild in a post-Covid society, whilst also ensuring equitable and inclusive delivery of support. SEs were complimentary of the ease and accessibility of the SESF application process. COVID-19 presented challenges across the globe (Kuckertz et al., 2020), with research (Weaver, 2020) noting that the pandemic had a significant impact on SEs due to financial resilience, and the management of social and economic goals. SEs applying for SESF were from multiple sectors all seeking to solve social problems including SEs that support children, BAME communities, people requiring additional skills or training, and people with learning difficulties. The SESF was beneficial for SEs in providing them with ‘space’ for enterprises to adapt services and/or plans for future funding.

Assessing funding applications is complex, with decisions emerging in the interplay of multiple factors (Feliciani et al., 2022). Partners had individual decision-making processes, underpinned by three core areas (finances, impact, and diversity/inclusion) with 15% discretionary scoring<sup>55</sup>. Nuance in partners’ approaches were noted, with some partners presenting all applications for completeness and, others, presenting applications based on the scoring and/or recommendation from assessors. Partners viewed assessors’ scoring and/or recommendations as invaluable to the process; however, panel members always had responsibility for final decisions. Selecting the experienced and knowledgeable assessors and panel members was essential in ensuring the process was robust and efficient.

Understanding the efficacy of scoring and/or assessor recommendations was invaluable to partners. Scoring (and assessor recommendation) were introduced to speed-up the process; however, one partner observed that panel members were keen to discuss and/or review *all* applications. Although

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<sup>55</sup> Discretionary scoring allowed partners to apply 15% of scores across other areas.



scoring may have had limited benefit on speeding-up the process, it was beneficial for assessors in promoting confidence and understanding the quality of applications. There was consistency in scoring across the partners, with only slight differences in the weighting of scoring as a result of the discretionary element. Overall, partners were confident that the scoring criteria was fit for purpose, but there was a need for further clarity on some elements i.e., what does diversity and inclusion mean?

The COVID-19 crisis is disproportionately impacting communities who already experience social and economic inequalities. The fund was committed to inclusion, working to ensure that the grants reached SEs that are led by diverse groups. Discussions on assessing applications for diversity and inclusion illustrated the challenges in this area, especially in defining what this means (as noted above). Partners acknowledged the challenges and developed approaches to ensure diversity and inclusion were fairly assessed. This includes one partner introducing an additional check for unconscious bias. Despite attempts to develop approaches to ensuring diversity and inclusion, there were challenges in consistently scoring specific elements including organisations balancing the multiple diversity and inclusion sections for organisations supporting beneficiaries with physical and learning disabilities. Challenges in ensuring all groups are scored reliably was an area for reflection for partners; however, section 3.4 reveals that partners awarded applications to a range of organisations with strong EDI, including 38.5% that supported the BAME, 30.9% that supported the LGBTQIA+, 40.7% that supported the disabled and 34.8% that supported the female communities.

COVID-19 has changed the world we live in, creating challenges and opportunities for SEs delivering support. Funding offered by SESF supported SEs to adapt activities and/or services, with some SEs using funding to adapt activities and/or services for online delivery (if appropriate). For others, the option of adapting services for online delivery was not an option and funding from SESF enabled SEs to avoid mission drift. Research has shown that challenges in society impact on the mission and/or activities offered by SEs and although flexibility is beneficial for some, for others it can result in mission drift (Bacq and Lumpkin, 2021). Funding from SESF helps SEs adopt a flexible and responsive approach (mission agility), which contributes to sustainability (Bacq and Lumpkin, 2020).

SEs often experience challenges obtaining start-up and investment, managing cash flow, and scaling their enterprises (Battilana et al. 2012; Hynes 2009; Teasdale, Sunley, and Pinch 2012).

Funding through SESF helps SEs develop services to support individuals in the community who have been negatively impacted by COVID-19. Funding that does not result in debt for the SE is essential, with research showing that some SEs choose to live within their financial means, rather than accepting loans, for fear of economic crises (Battilana et al. 2012; Hynes 2009; Teasdale, Sunley, and Pinch 2012), such as those resulting from the global pandemic or the recent cost of living crisis. Funding that allows SEs to offer activities and/or services in times of crisis and/or financial challenge is welcomed, and for some SEs, pivotal to survival. The SE Support Fund provided essential financial support to help SEs in England to rebuild and grow their income from trading. The wealth of support available through SESF was viewed positively by Awardees who commended SESF on offering a flexible and supportive approach. Further, the diversity of support offered by SESF, beyond funding, was viewed positively by SEs in promoting sustainability and growth.

## 5. Summary & Recommendations

### 5.1. Overall Conclusions

The data captured through this report in the form of application data from 1,507 SEs, EoG Reports from 477 SEs, the SESF Applicant/Awardee Survey data from 156 SEs and the qualitative data gathered from 33 participants engaging in focus groups and interviews has revealed that overall the SESF performed well, with a clear focus on supporting those SEs most at-risk of sustainability challenges and operating in disadvantaged areas. Furthermore, there was a clear focus through the selection process, as evidenced in discussions with the interviewees and the application and grant data reviewed, on engaging SEs that have diverse leadership and/or work with diverse groups. Further, the application data reveals that SESF has good geographic penetration across the nine regions of England and has a clear focus on community development, education and social care. There was also a strong focus on deprivation, mental health, employment and vulnerable children/youth across the applications. The qualitative data showed that partners operated individual decision-making processes, underpinned by three core areas (finances, impact, and diversity/inclusion) with 15% discretionary scoring. The approach to scoring was largely consistent however partners did note nuances in the approach that resulted in valuable discussion and reflection.

With regards to SESF grant awardees, the data also demonstrates that the management of the SESF and the distribution of and spending of grants performed well, with the vast majority of SEs spending their grants as planned, or seeking approval from SESF Partners where changes were required. The SESF programme was also seen to have increased SE resilience, improved financial outlooks and led to increased beneficiary engagement (an estimated 33,500 beneficiaries extra supported across the programme), staff recruitment (an estimated 500 FTE roles recruited) and volunteer engagement (an estimated 1,000 new volunteers in the sector)<sup>56</sup>. A total of 180 SEs had also received additional external investment, in part leveraged by their SESF grant, amounting to nearly £13.2 million across the SE cohort<sup>57</sup>. The Business Support Calls received were also very positively viewed, especially around external support opportunities, prioritising organisational development areas and identifying/developing business opportunities.

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<sup>56</sup> These figures are estimates as they are based on the median values calculated from the 477 End of Grant Reports received, rounded to whole numbers, and then extrapolated to totals across all 500 SESF grants.

<sup>57</sup> Exact figure of £13,193,527.

Data gathered in the final survey from both SESF Awardees (N = 100) and those SEs that were unsuccessful in applying for a grant (N = 56), illustrated that SEs have experienced increased turnover since application (+15.3%), reduced profitability/surplus generation (-24.5%), and increased debt levels (but also increased assets). However, grant awardees had performed better overall in increasing their turnover versus unsuccessful applicants, seeing net increases in turnover of £48,819 and profits/surplus (+15,490) irrespective of the extra funding they received on average from SESF of £29,247 (for the survey sample). Finally, nearly 50% of SEs believed that their social mission focus has strengthened.

The qualitative data supports the areas outlined above, with social entrepreneurs reflecting on the benefits of the SESF in providing a ‘space’ for them to adapt services and/or plan for future funding, enabling SEs on the journey to sustainability and financial stability. Research has shown that challenges in society impact on the mission and/or activities offered by SEs and although flexibility is beneficial for some, for others it can result in mission drift (Bacq and Lumpkin, 2021). Funding from SESF helped SEs adopt a flexible and responsive approach (mission agility), which contributes to sustainability (Bacq and Lumpkin, 2020). Overall, it can be argued from the data presented that SESF performed very well at all stages, had a significant impact on the SE sector and the communities that they serve, and that it enabled space and transitions for SEs emerging from the pandemic economy.

## 5.2. Recommendations

Based upon the above findings, the following four recommendations are made with regards to the design and delivery of either future iterations of SESF or similar such programmes.

1. **Confirmation of Outcomes:** In programmes with multiple delivery partners, there should be a test panel created for all partners to attend to ensure consistency in scoring i.e., certainty that awardees would have received awards regardless of the partner. Given some of the discrepancies across the numbers of awards made by partners as a proportion of their application caseload (which may be due to variation in application quality as opposed to partner differences), as well as differences in EDI aligned awards, this could assuage any fears that

scoring and application success across partners led to disparities in outcomes for SEs<sup>58</sup>. Another way to explore differences could also be to test partner-specific scoring matrices on the same set of applications, and/or to analyse the scoring patterns of individual assessors.

2. ***Clarity in Definitions/Expectations:*** Within programmes like the SESF, clarity is required on the definition of specific elements including what does equality, diversity and inclusion mean? This can enable partners to have a clear understanding of exactly what EDI relates to within a fund and specifically the application process. Whilst there was a clear focus on EDI and defining this within SESF, the focus was on diverse-led organisations, which given the breadth of the definition has led to the majority of applicants being classed as diverse-led. More focus in future funds could be given to applicant's EDI practices (trainings for staff, EDI policies, plan for improvements, recruitment practices, grievance procedures, resourcing) and adopting a more nuanced view than just leadership diversity (hence a broader, more nuanced take on what diversity in an organisation means). This is particularly pertinent when considering disabled-led and/or disabled-focused SEs, particularly those working with beneficiaries experiencing mental or learning disabilities where typically (although not always) the leadership of an organisation will not include people with severe mental/learning disabilities.
3. ***Clarity on the Post-Award Support:*** Support for social entrepreneurs following receipt of awards could have been clarified to ensure maximum impact. This support should focus on providing social entrepreneurs with the opportunity to understand what is available including a needs assessment, workshop opportunities and post award-end provision.
4. ***Protracted period of support:*** Social entrepreneurs, and partners, reflected on the need for additional money and/or a protracted period of support - especially with the current cost of living crisis. Whilst it is perhaps no surprise to hear SEs arguing that more support and funding is required, what can be seen from the data gathered within SESF is that the Fund did have tangible positive impacts on SEs post-award, with a significant increase in turnover and leveraged external investment for successful applicants to the SESF.

Overall, the SESF clearly performed strongly and has created extremely beneficial impact for the sector, during what has been a very challenging period given the COVID pandemic and the nation's

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<sup>58</sup> It should be noted that partners did explore holding test panels to try to ensure more consistency in scoring, but resource issues and capacity within SESF meant that this wasn't possible.

recovery from this. The funders, delivery partners, associated stakeholders and most importantly the SE sector engaged, should all be proud of the impact created through the SESF and for society as a whole.

## References

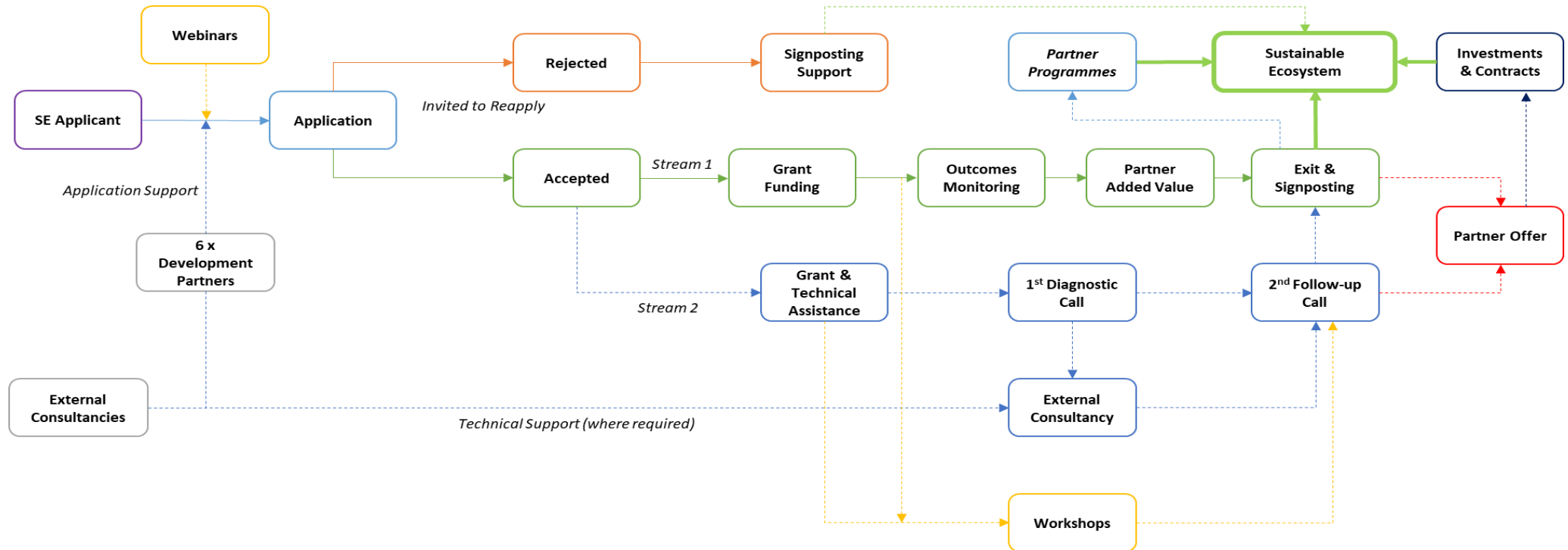
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## Appendices

### Appendix A: Fund Structure<sup>59</sup>



#### Exemplar Routes

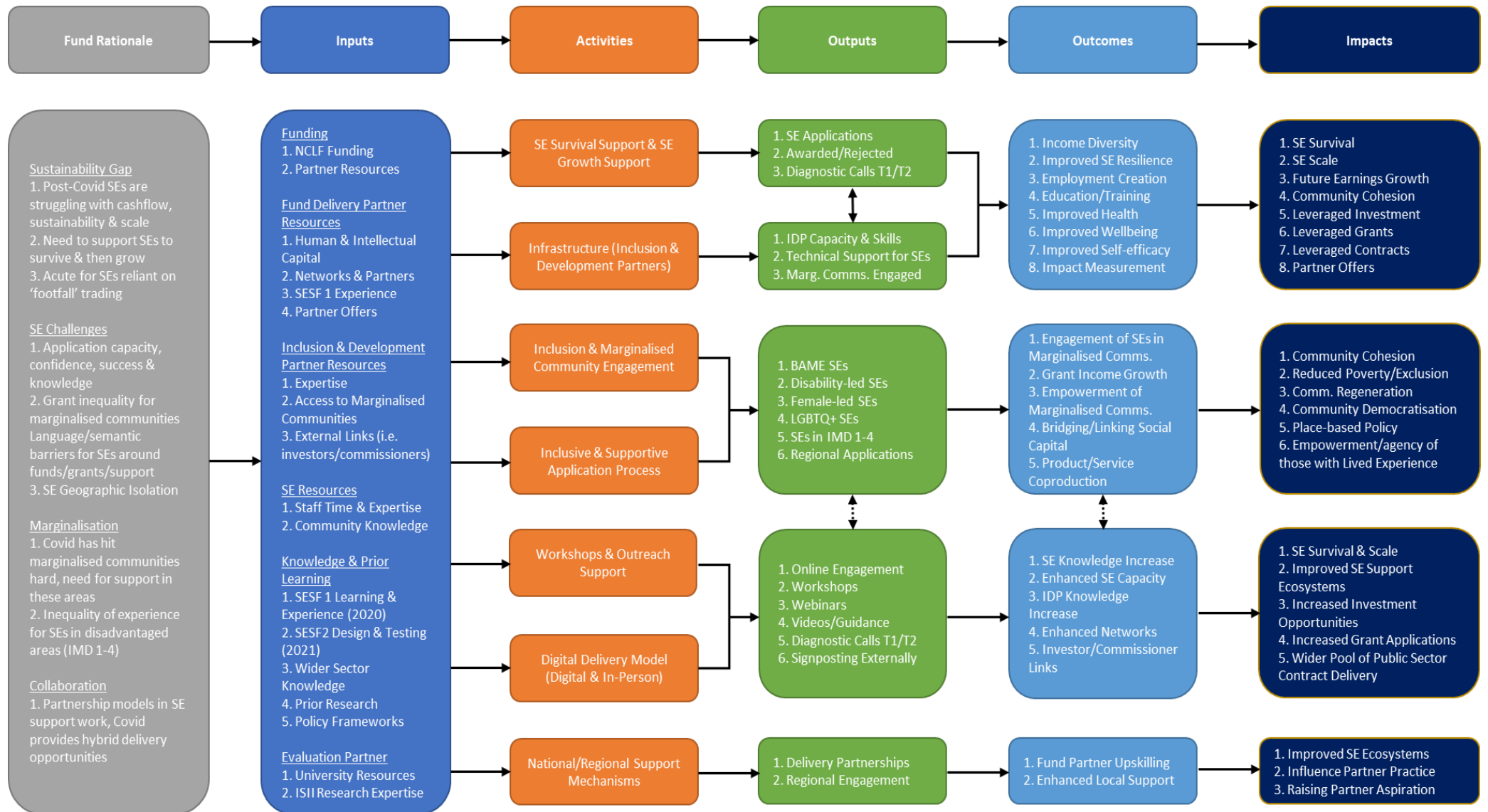
*Stream 1:* 10 year old SE with turnover of £1.5m, with maybe 10 staff. They see news about the fund and know they have cashflow issues. Just need support during COVID to bridge between projects, so they need grant but not the technical support and maybe some softer support such as signposting. So standard grant model that works for mature organisations and is much more common in funds and less effective at reaching marginalised SEs.

*Stream 2:* 3 year old small SE working in inclusion area (i.e. disability), maybe even have issues around understanding application processes. They are supported by a development partner to submit the application and identify areas of need, including technical support (i.e. legal advice and financial systems). They get awarded the grant to deliver their project and also money for technical support. This allows them to scale and improve capacity. The development partner also builds links into this marginalised community through the programme & can provide further support.

<sup>59</sup> It should be noted that all applicant SEs engaged in outcomes monitoring as a condition of the funding from SESF, but this Fund Structure seeks to show that there were a variety of routes/support that SEs could undertake, that included diagnostic support, workshops and grant/technical assistance, on top of the standard route through the programme.

1. **Development Partners** disseminated the call for applications before each SESF round, supported diverse-led organisations from within their networks in drafting SESF applications, picked up referrals for application support between SESF rounds, and provided ongoing support to some awardees.
2. **Inclusion Partners** (not highlighted in the above diagram) were organisations with either local/regional or diverse-led networks of potential applicants that helped SESF disseminate the call before each application round.
3. **Independent Panel Members** were individuals who sat on the SESF selection panels (where applications are rejected/accepted) who have lived experience of a social problem or a background in running a SE. They supported the five SESF programme partners in delivering their **application assessments** during the Award Panel decision-making sessions.

## Appendix B: Theory of Change



## Appendix C: Interview Schedules

### Interview Questions for SEs

1. Can you just tell me a bit about yourself and your organisation?
2. How did you become aware of the SE Support Fund 2021 (SESF)?
3. What services do you offer to beneficiaries within your organisation/venture?
  - a. Do you support marginalised communities? If yes, what are they key challenges this/these communities face?
4. How has COVID-19 impacted on you and the support/activities that you offer?
5. Has SESF impacted your delivery of services for beneficiaries and/or the impact you generate for them?
6. What support/activities did you obtain from SESF? (Prompt – financial, social impact assessment, digital)
  - a. What was most beneficial?
  - b. What was least beneficial?
7. Did you engage with technical support from an Inclusion and Development Partner?
  - a. If yes, what did they provide you with?
    - i. Was this beneficial to your organisation?
  - b. If no, why not?
8. What has been the key impact of the SESF on your social impact?
  - a. How has it also impacted your financial/organisational sustainability?
9. Are there any barriers/negatives to the SESF from your perspective?
10. Is there anything you think could improve the support offered by SESF?
11. Do you have any questions you would like to ask me before we end this interview?

### Interview Questions for the Inclusion and Delivery Partners

1. Can you just tell me a bit about yourself and your organisation?
2. Why did your organisation decide to support the SE Support Fund 2021 (SESF)?
  - a. Were you an IDP on SESF 2020?
3. What support/activities do you offer to SE awardees on SESF?
4. Do you support SEs in marginalised communities?
  - a. If yes, what are they key challenges this/these communities face?

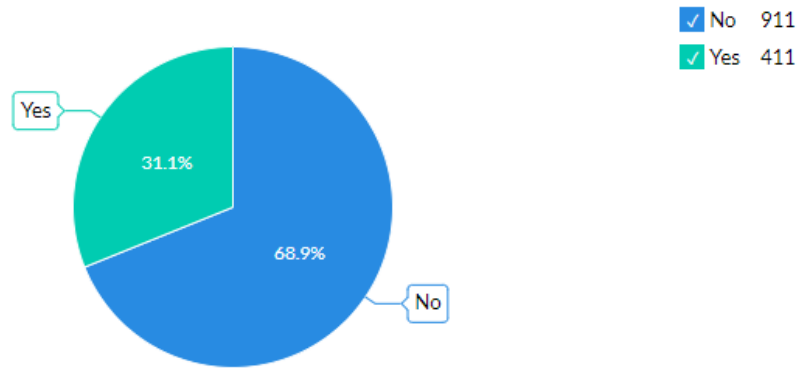
5. How has COVID-19 impacted on you and the support/activities that you offer to SEs?
6. How has SESF impacted your internal capacity and ability to support SEs?
7. What data do you currently collect/share with SESF?
  - a. Where is the data held?
  - b. Are there any comparable secondary sources?
  - c. How do you collect this data?
8. What are the key outcomes from the support/activities offered by SESF? [Promote – improved wellbeing/self-efficacy/understanding/knowledge/expansion/growth]
9. What do you think the impact of the SESF on the wider SE ecosystem has been post-Covid?
10. Are there any barriers/negatives to the SESF from your perspective?
11. Is there anything you think could improve the support offered by SESF?
12. Do you have any questions you would like to ask me before we end this interview?

### **Interview Questions for Other Key Stakeholders**

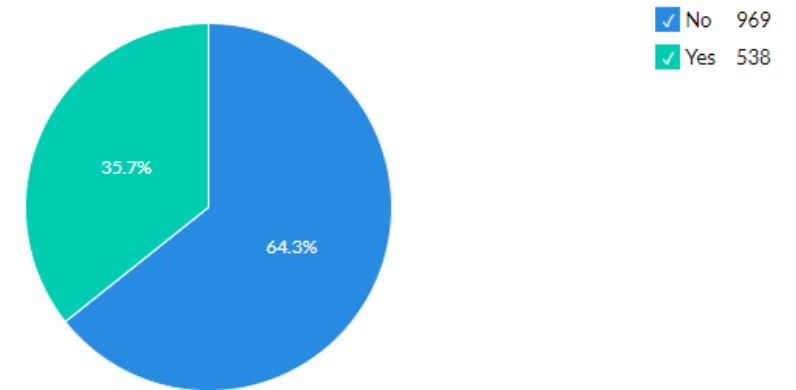
1. Can you just tell me a bit about yourself and your organisation?
2. How are you/your organisation involved with SESF?
3. Do you work in marginalised communities?
  - a. If yes, what are they key challenges this/these communities face?
4. How has COVID-19 impacted on your area of work and the SE ecosystem?
5. What are the key outcomes from the support/activities offered by SESF? [Promote – improved wellbeing/self-efficacy/understanding/knowledge/expansion/growth]
6. Do you think programmes such as SESF can improve social investment deal-flow? (SOCIAL INVESTORS ONLY]
7. Do you think that SESF can enhance SEs ability to tender for public sector contracts? (COMMISSIONERS ONLY)
8. Are there any barriers/negatives to the SESF from your perspective?
9. Is there anything you think could improve the support offered by SESF?
10. Do you have any questions you would like to ask me before we end this interview?

Appendix D: SESF1/SESF2 Comparison Data for EDI

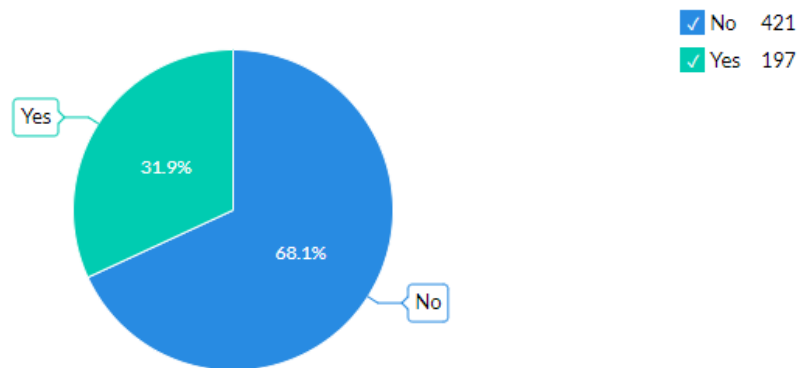
CEO/Board is Black, Asian, Minority Ethnic SESF1



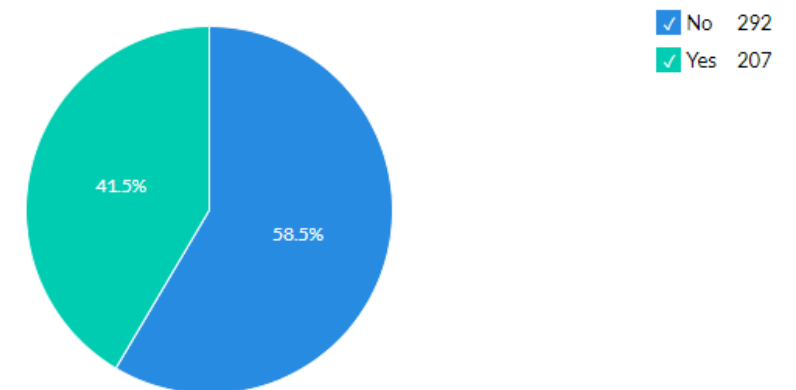
CEO/Board Black Asian Minority Ethnic SESF2



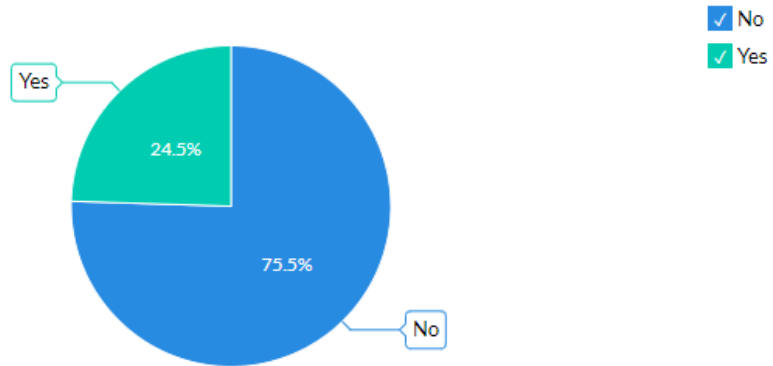
Awards CEO/Board is Black, Asian, Minority Ethnic SESF1



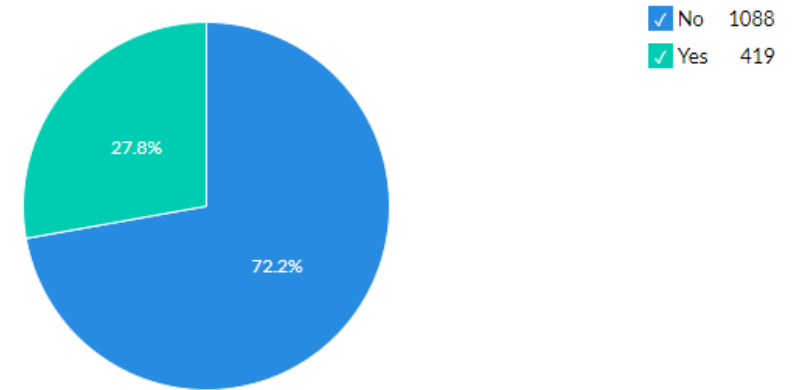
Awards CEO/Board Black Asian Minority Ethnic SESF2



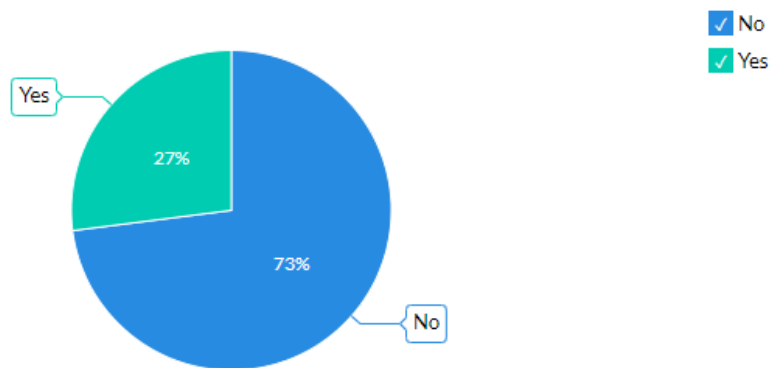
CEO/Board has a disability SESF 1



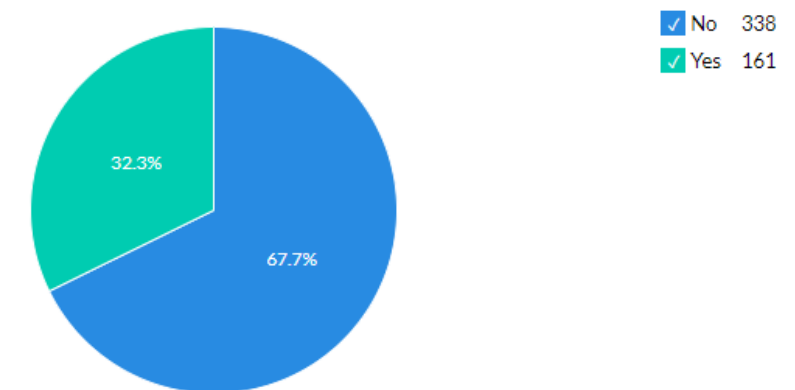
CEO/Board -Disability SESF2



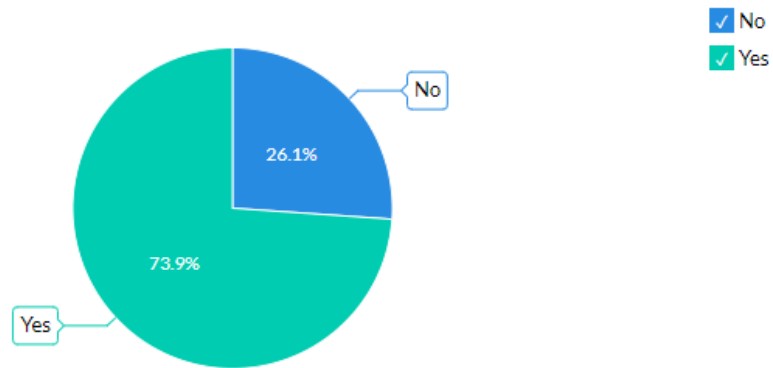
Awards CEO/Board has a disability SESF 1



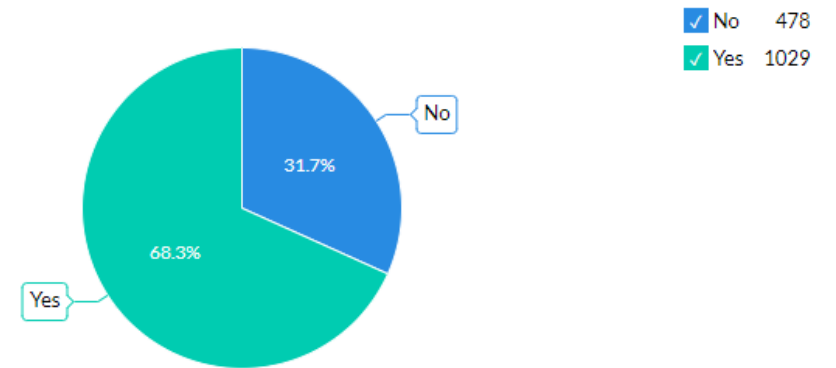
Awards CEO/Board -Disability SESF2



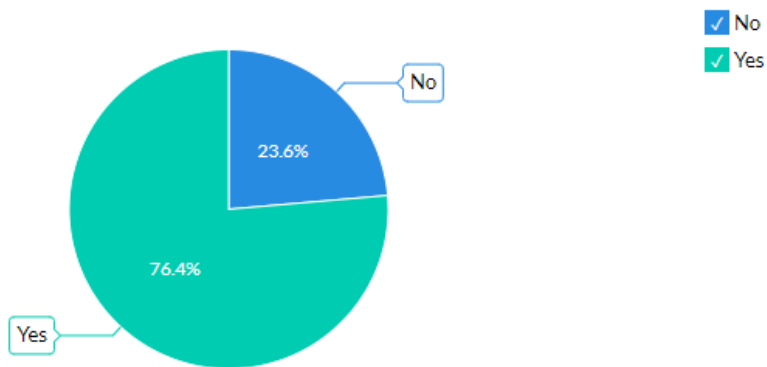
CEO/Board is a woman SESF1



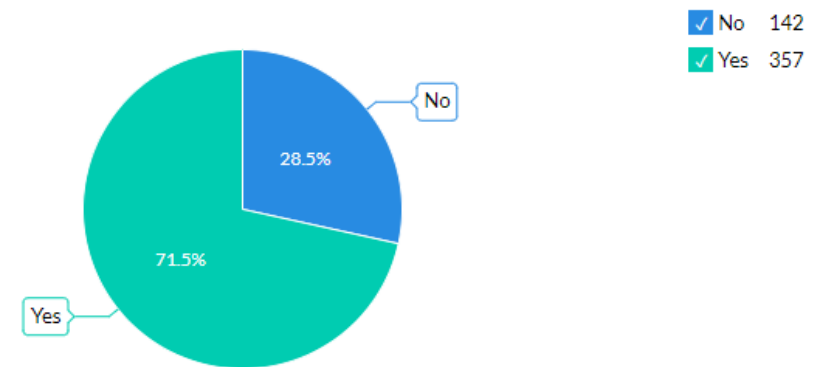
CEO/Board -Women SESF2



Awards CEO/Board is a woman SESF1

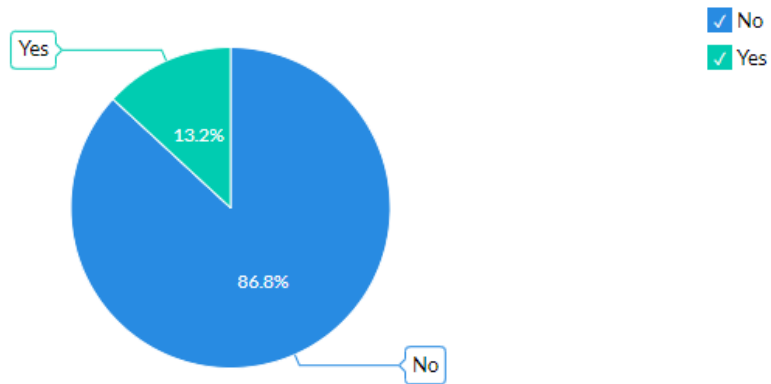


Awards CEO/Board -Women SESF2

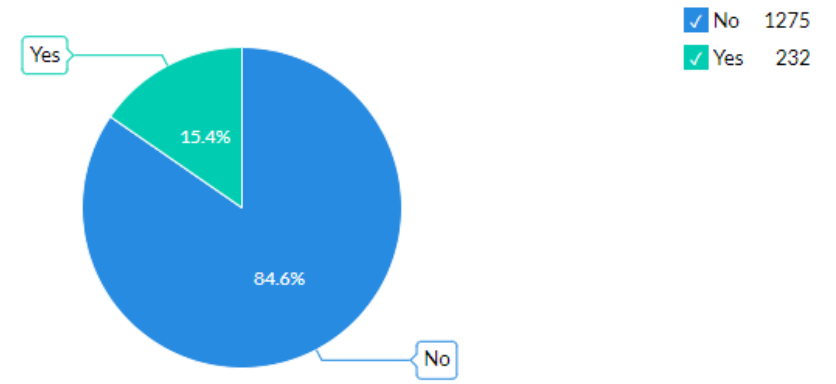




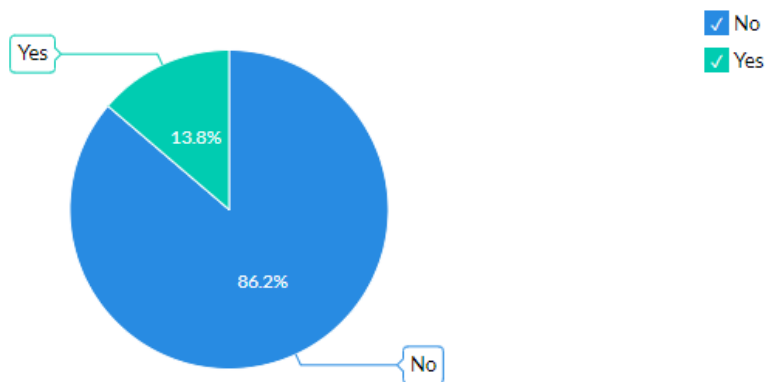
CEO/Board LGBTQ+ SESF 1



CEO/Board -LGBTQIA+ SESF2



Awards CEO/Board LGBTQ+ SESF 1



Awards CEO/Board -LGBTQIA+ SESF2

