

Enterprise Development Programme

An evaluation of the main programme 2019-2024

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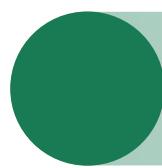
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 The Researchery

 Social
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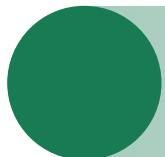
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Foreword from Seb Elsworth



It is hugely encouraging to see the findings of this evaluation of our Enterprise Development Programme (EDP), which ran from 2019-2024. Enterprise grantmaking is an essential part of our work to create a finance system that works for all charities and social enterprises, particularly those that have historically been excluded from it.

The evaluation has given us the clearest picture yet of what it takes for charities and social enterprises to build viable, mission-aligned enterprise models. It shows that enterprise development takes time, freedom to experiment and confidence. Enterprise journeys are rarely linear, reinforcing the need for enterprise grantmaking that is tailored to an organisation's stage of development.

Resilience not just revenue

The evaluation reinforces what we already knew: that resilience, not just revenue, is a critical outcome of this work. Strong governance, leadership, financial planning and confidence are both outcomes of, and foundations for, enterprise development. This was especially important during turbulent times, as organisations navigated shocks such as COVID-19 and the cost-of-living crisis.

The evaluation also shows the importance of the partnerships behind the programme. Whether between Access and Social Investment Business, the six sector partners - who all brought their specific expertise - or between the participants themselves. Peer learning was a critical enabler of success, reducing isolation and supporting relationships that continued beyond the programme. At the same time, the evaluation highlights persistent structural inequalities that very much still remain, with Black and ethnic minoritised leaders facing additional barriers to networking, funding and confidence.

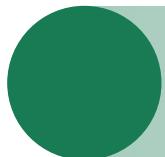
Shaping the future

These insights have directly shaped the approach to our 2025-29 funding, ensuring that EDP's lessons are embedded in new programme design and our new Investment Policy. Recognising the need to fund organisations flexibly and offer support based on their needs, our enterprise support will be funded alongside investment readiness and blended finance. We are focused on funding that creates longer-term journeys for organisations, rather than one-off interventions, giving organisations the space to build confidence, leadership, and operational strength before expecting commercial growth. Echoing EDP's finding that context-specific support is most effective, we will support a range of enterprise grant providers. This will also help us to continue to reach underserved communities, working closely with Pathway Fund to prioritise equity. Finally, we will mobilise additional resources to increase the overall flow of funding to enterprise grants, so more organisations can be supported to build resilience.

We're proud to share these findings alongside our partner Social Investment Business and thank the evaluators for their detailed and insightful work.

Seb Elsworth
CEO, Access – The Foundation for Social Investment

Foreword from Nick Temple



At Social Investment Business, we are proud to have played a central role in the delivery of the Enterprise Development Programme (EDP) from its early pilot phase through to a fully scaled programme delivered over six years. EDP represents one of the most sustained and ambitious commitments we have made to strengthening the long-term resilience of charities and social enterprises, particularly those traditionally under-served by mainstream funding and finance.

What made EDP distinctive was not only its longevity, but the depth and quality of the partnerships that underpinned it. Working alongside Access – The Foundation for Social Investment, and six specialist sector partners, we were able to reach organisations embedded in communities, operating at the frontline of social and environmental need. These partnerships brought credibility, trust and sector insight, enabling support that was relational, tailored and deeply relevant. Together, we supported over 325 organisations many of which were small, early-stage and led by people from marginalised communities.

The findings of this evaluation are encouraging and affirming. They show that EDP delivered meaningful improvements in enterprise capability, leadership confidence, financial resilience and organisational strength. Trading income grew, confidence to develop enterprise increased, and many organisations reported that their enterprise activity would not exist without the programme. Crucially, the evaluation highlights the importance of time, patient support and funding in enabling organisations to test ideas, build commercial skills and make informed decisions about their future.

EDP also reinforces something we strongly believe: enterprise development is a vital part of a healthy social investment ecosystem. Grant-funded capacity-building and enterprise support play a critical role in preparing organisations to grow sustainably whether or not they go on to access repayable finance. They reduce risk, strengthen foundations and help ensure that social investment, where used, is appropriate and effective.

At SIB, we remain deeply committed to enterprise development as a driver of resilience, equity and impact in the organisations we work with. The learning we have gained will inform our future work and partnerships; in so doing, it will also be part of our contribution to building a more inclusive and effective funding landscape.

Nick Temple
CEO, Social Investment Business

Executive Summary

The Enterprise Development Programme (EDP) (2019–2024) was designed to help charities and social enterprises across six sectors—Youth, Mental Health, Equality, Environment, Black and Minoritised Communities (BMC), and Homelessness—develop sustainable enterprise models, diversify their income and funding sources, and build long-term resilience. Funded by Access – The Foundation for Social Investment, and delivered with the Social Investment Business and sector partners, EDP supported over 325 organisations with a unique combination of grants, bespoke consultancy, peer learning, and sector-led support.

This evaluation used a mixed-methods approach, combining quantitative data (from applications, monitoring forms, surveys, and comparative financial analysis) with qualitative insights (from interviews, participatory workshops, and open-text form responses). The quantitative data provided a robust foundation for identifying patterns, measuring scale and frequency of change, and enabling comparisons across participant groups. Meanwhile, the qualitative insights allowed the research to place participants' lived experiences at the centre, offering depth and nuance to understand not just what changed, but how and why it mattered to them.

Design and Delivery

EDP took a sector-led approach, enabling partners with a deep understanding of their communities to tailor support. Over £8.2 million in grants was awarded, with 73% going to organisations in England's most deprived areas (the highest five deciles), and 86% to organisations led by people from marginalised groups. Nearly half were women-led, and nearly a quarter were BMC-led.

EDP participants were mostly small organisations:

- 83% had annual incomes under £1 million.
- 27% had revenues under £100k.
- Most were under 20 years old, with a median age of 11.8 years.

At application, most were already trading, but often at an early stage:

- 51% had been trading less than five years.
- One-third earned under 25% of income from trading.
- 45% entered the programme seeking to develop a new enterprise idea, while 40% wanted to scale an existing product or service.

In interviews and workshops, the programme was frequently praised for its empathetic and inclusive application process. Once accepted, organisations received 12–18 months of support, combining grants, consultancy, mentoring, workshops, and peer learning.

Flexibility and sector-specificity emerged as key enablers of success in interviews with participants, sector leads, and funders.

Journey: building a viable and sustainable social enterprise with EDP



Figure 1 The structure of our report follows an indicative path for an EDP participant

Building Stronger Foundations

EDP helped organisations strengthen their governance, planning and financial systems.

- Participants in interviews and workshops described developing business plans, pricing models, marketing strategies, and refining their missions.
- In end-of-grant monitoring forms, around one in five participants said they felt clearer about their organisation's direction following their involvement in the EDP.
- Monitoring data also showed that participating organisations benefited from more diverse leadership teams. The proportion of EDP participating organisations with 50% or more women in leadership roles increased from 53% to 65%, while the proportion with Black and Minoritised Community leaders rose from 40% to 44%.
- Interviews and workshop discussions highlighted the benefits of bringing in board members with new skill sets, enhancing organisational capacity.
- 78% of survey respondents reported either a moderate or significant improvement in their organisational efficiency.
- 96% reported increased resilience in the end-of-grant monitoring.
- 97% of survey respondents felt better able to withstand future shocks.

Investing in Social Leaders

Social leaders, especially from smaller organisations, reported significant personal and professional growth:

- 97% rated their knowledge and understanding of trading and enterprise as positive, with 44% rating it very positive overall as part of end-of-grant monitoring.
- In interviews and workshops, participants described overcoming “founders’ syndrome”, building confidence, learning to delegate, and leading more strategically with a focus on working on rather than just in the business.
- 80% of survey respondents felt better connected to peers. Emotional support and peer networks were frequently cited in workshops and interviews as vital to addressing burnout and isolation.

Trying Something New

EDP created a safe space for experimentation:

- 21% of survey respondents said their enterprise wouldn’t exist without EDP.

- 43% said they would have faced delays without it.
- Interviews and workshop reflections highlighted how access to tailored funding, consultants, and mentoring enabled low-risk, agile experimentation with new ideas.

Growth and Social Investment Readiness

Participants saw tangible growth:

- Trading income increased by 41% (16% in real terms) between 2019 and 2023 .
- As part of end-of-grant monitoring, 95% rated their ambition to trade after the programme as positive, with 54% rating it as very positive.
- Grant income grew by 90%, reflecting increased fundraising capability.
- 11% of survey respondents reported that they would look to raise repayable finance in the future.
- Interviews and workshop discussions confirmed that not all organisations are ready for, or suited to receiving social investment, especially those that are smaller and more risk-averse.

Aligning Social Mission and Commercial Aims

The EDP helped organisations reconcile trading with mission delivery:

- 96% of survey respondents reported an improved community impact, including a higher quality of support delivered (60%), doing more with current beneficiaries (62%), and expanding their reach to new communities (53%).
- Interviews and workshop discussions revealed the detrimental effects of COVID-19 and the cost-of-living crisis on the feasibility of their enterprise ideas.
- Several interviewees shared that their ventures received additional funding due to the social value generated.

Interviews with sector leads suggested a cultural shift in their sectors toward greater acceptance of enterprise models.

Introduction

Access – The Foundation for Social Investment

Access funded the Enterprise Development Programme. As a foundation, Access aims to create a social investment ecosystem that works for all charities and social enterprises, particularly those in underserved areas or led by diverse groups. Their mission is to ensure these organisations can access the finance they need to sustain or grow their impact. Access offers blended finance, which combines grants with repayable finance to provide smaller-scale, higher-risk, and more flexible funding. They also focus on enterprise development, where this programme sat, wherein they support charities and social enterprises in developing sustainable trading models and increasing their financial resilience.

Social Investment Business

The Social Investment Business (SIB) was the strategic grant funder on the programme. As a UK-based charity and trading company, SIB offers a range of financial products, including grants and loans, to support charities and social enterprises. With a history dating back to 2002, SIB has since distributed over £450 million in combined grants and loans, positively impacting more than 3,500 organisations. SIB is committed to fostering collaboration and delivering long-term solutions to address social challenges, focusing on areas such as inequality, poverty, and environmental sustainability. By managing one of the largest social investment portfolios nationally, the organisation continues to play a pivotal role in supporting the growth and impact of social sector organisations across the UK.

The Enterprise Development Programme in Numbers

- The SIX sector lead organisations were:
 - **The Ubele Initiative:** Supporting organisations led by and working for Black and Minoritised communities
 - **Groundwork:** Focusing on environmental issues
 - **Equally Ours:** Championing equality
 - **Homeless Link:** Addressing homelessness
 - **Association of Mental Health Providers:** Promoting mental health awareness
 - **Centre for Youth Impact (YMCA George Williams):** Serving the youth sector
- £8,243,790 was awarded in grants
- 73% going to areas of the highest deprivation (highest five deciles)
- More than 1,300 organisations applied, and over 325 were successful.
- Over 1,600 applications to join the Programme were received.
- The average grant per organisation was £21,070
- 27% of grantees were “small” charitable organisations (had a total revenue income of less than £100,000)

Introduction to the Enterprise Development Programme

The Enterprise Development Programme (EDP) was a five-year incentivised grant initiative aimed at helping charities and social enterprises explore new income sources, enhance resilience, and trial innovative trading models.

With a focus on financial sustainability, EDP sought to equip these organisations with the skills and tools necessary to diversify their income streams and lessen reliance on dwindling traditional funding sources. By fostering resilience and adaptability, the programme aimed to enable organisations to weather financial fluctuations, amplify their social impact, and create lasting change within their communities. Additionally, EDP sought to develop capacity and expertise within sector-leading organisations, ensuring the continued promotion of enterprise beyond the programme’s duration.

EDP commenced with a pilot in the Homelessness and Youth sectors in 2018, gathering crucial insights that helped shape the programme's future trajectory. Building upon this foundation, EDP expanded in 2019 to include the Equality and Mental Health sectors, offering a more tailored and adaptable approach to meet diverse organisational needs. In 2021, the programme further evolved with the addition of the Environmental and Black and Minoritised Communities strands, broadening EDP's reach and enabling more organisations to benefit from its grant funding, learning resources, and development opportunities. Sector lead organisations—particularly their Enterprise Development Managers (EDMs)—played a pivotal role in identifying and engaging frontline organisations to take part in a programme of financial management support and learning. Funding and support was initially for 12 months but the amount of time participating organisations stayed on the programme varied.

The EDP is characterised by:

- **A sector-based approach** that leverages existing trusted infrastructure and membership bodies within each sector, who understand sector-specific challenges and best practices. This approach seeks to enhance the capacity and specialised knowledge of these organisations in enterprise development.
- **Bespoke, tailored offer** that looks to meet organisations where they are, addressing their unique challenges through ongoing mentoring and hands-on support, and contact with expert consultants.
- **Training** through workshops led by subject-matter experts, and access to digital libraries with resources relating to a wide variety of operational, governance and enterprise topics.
- **Grants, not repayable finance** – this is unique in Access's offer: a grant to attract different kinds of organisations, including those that are new to trading, in the early stages of enterprise development, with limited exposure to social investment.
- **Peer support as a cohort** to create a community of same-sector organisations that can support and learn from each other; some sectors also 'buddied' organisations.

About this report

- This report aims to communicate the varied experiences of charities and social enterprises that participated in the Enterprise Development Programme (EDP) and summarise the key ways in which this programme changed them and their organisations.
- The EDP is distinctive among grant-funding initiatives for several reasons. One notable factor is its ambitious scope, both in terms of the number and range of organisations supported and the sectoral approach it has adopted. Another key aspect of EDP's uniqueness is its combination of grant funding and bespoke, specialist learning support, which has been tailored to each sector's specific needs following the pilot phase. These distinguishing factors make EDP an important source of learning for Access and SIB, the sector leads, and other funders and organisations who support charities and social enterprises to develop business ideas.
- In order to fully realise this learning potential, Access and SIB commissioned independent evaluators, The Researchery and Shortwork, to conduct a comprehensive evaluation of EDP's design, impact, and value with a focus on the following key objectives:
 - Measuring the key achievements and outcomes of the EDP, both intended and unintended, and assessing how the programme's structure and delivery contributed to these outcomes.
 - Assisting Access and SIB in developing and promoting a deeper and broader understanding of new enterprise models across different sectors, while emphasising the potential of enterprise as a means to enhance financial resilience and impact.
 - Providing a realistic and honest appraisal of the programme's strengths and weaknesses, offering valuable insights for future programme design and implementation.
- We have not evaluated or included data from the 2018 Pilot, as a previous evaluation of this was commissioned separately and is available on the Access website.¹

¹ <https://access-socialinvestment.org.uk/wp-content/uploads/2020/12/EDP-interim-report-Dec-2020-final.pdf>

The Programme in the context of COVID-19 and the cost-of-living crisis

EDP took place during the dual crises of the COVID-19 pandemic and the cost-of-living crisis. Participating organisations' experience on the programme must be placed within the context of these wider socio-economic changes. Across the voluntary and community sector, there has been an increased demand for support, rising costs, cuts to public-sector funding, and pressure on donations and trading. In this context, it is not surprising to see charities and social enterprises struggling with profitability and resilience, which has been in decline since 2021.² Research has established that reductions in resources available to charities were of a magnitude unprecedented since data began to be collected in the mid-1990s³, and that this has resulted in a greater proportion of loss-making organisations across the wider sector⁴, and a significant closure rate amongst all newly established businesses at the height of the Covid pandemic⁵. Pressure was greatest for smaller organisations, particularly those with an income under £1 million.⁶

The main programme launched just as the COVID-19 pandemic began, following the completion of the pilot year and the establishment of the full programme design. Key elements—including sector selection, Enterprise Development Manager (EDM) recruitment, and operational processes—were already in place when the first cohort was being recruited, and the subsequent lockdown necessitated rapid adaptation.

While the pilot programme had taken place pre-pandemic, and the main programme was designed under pre-pandemic assumptions, its implementation coincided with sweeping social and economic disruptions. This had significant implications, including shifting the delivery model and pivoting to digital-first, addressing immediate challenges to enterprise viability, and adapting to a likely change to the programme assumptions and likely outcomes.

² Charity Excellence Framework (2024) 'Charity Sector Cost Of Living Crisis - Funding Cuts Report'.

³ The typical (median) charity experienced a real-terms reduction of around 13% in income, while charities at the 25th percentile of the relative growth distribution (between 2019 and March 2020) experienced a real-terms decline in income of 43% - a much more sizeable decline than experienced during the Great Recession and subsequent period of public spending austerity. (Mohan, J., Abnett, H., Bowles, J., Clifford, D., Duggan, A., McDonnell, D. & A. Rutherford (2022) Financial vulnerability in UK charities under Covid-19: an overview. Birmingham.ac.uk.)

⁴ Thelwall, S., Carter, E., Kane, D. & K. Wilding (2023) 'The Cost of Living Impact Model (COLIM): Summary report of a model to show the impact of cost of living increases on the non-profit sector'. Supported by Esmeé Fairbairn Foundation and Power to Change. <https://mycake.org/news/the-cost-of-living-impact-model-colim>. Note that the model does not include organisations with incomes below £25k.

⁵ Social Enterprise Knowledge Centre Insight (2024) Community Interest Company dissolution rates.

⁶ Thelwall, S., Carter, E., Kane, D. & K. Wilding (2023) 'The Cost of Living Impact Model (COLIM): Summary report of a model to show the impact of cost of living increases on the non-profit sector'. Supported by Esmeé Fairbairn Foundation and Power to Change. <https://mycake.org/news/the-cost-of-living-impact-model-colim>.

“

Our cohort started off at the beginning of COVID [...] there was a lot of pivoting and adjusting [...] A lot of things had to be done virtually. Previously I think we'd planned to do a lot of regional activities. So, it would have been smaller groups, it might have been very different [...] But then I think that probably helped in the sense that organisations that were spread across the country could engage online together”

EDM, Mental Health

Though the programme was national and inherently included remote support, the pandemic eliminated opportunities for in-person interactions, such as peer cohort meetups, site visits, and activities that would have benefited from face-to-face engagement, as they had done in the Pilot. Despite these challenges, the sector leads, funder (Access), and delivery partner (SIB) demonstrated remarkable agility in transitioning to digital delivery: peer cohort support and online action learning sets proved highly effective, offering much-needed solidarity and shared problem-solving for participating organisations. Despite remote delivery, one-to-one mentoring and tailored training were universally praised, underscoring the programme's ability to maintain high-quality support despite the constraints.

As mentioned above, many organisations found their original enterprise models—often reliant on passing trade (e.g., cafes, shops) or in-person services (e.g., training, performances)—suddenly unviable. The programme had to pivot not only to support organisations facing pandemic-related operational struggles but also to help them reimagine their enterprise ideas in ways that aligned with a radically changed economic landscape. As we cover in part two, Covid contributed to many participants experiencing burn-out, fatigue and low morale which further limited their capacity to engage as fully as they had intended, with many slowing down their involvement and going 'back to the drawing board' in defining the role enterprise could play for them, and the viability of their idea.

From the sector lead perspective, pre-pandemic decisions about sector appropriateness and enterprise viability were upended, requiring flexibility in where and how to offer support, and how to measure 'success' under challenging and unprecedented circumstances.

As part one of this evaluation will explore, these adaptations turned out to be strategically effective, ensuring the programme's continued relevance and impact. The programme's design and delivery received especially positive feedback on digital peer and mentoring support, highlighting the successful navigation of a turbulent time.

Theory of Change

Our evaluation of the Enterprise Development Programme (EDP) began with an evaluation workshop convened at the outset, inviting representatives from Access, SIB, sector leads, and participant organisations. The workshop served as an opportunity to refine the EDP Theory of Change, with a focus on key resources invested, outputs delivered, intended outcomes, and wider impacts. This workshop – and all subsequent participatory activities – were designed with a dual purpose: to contribute to the evaluation's rigour whilst also providing a learning opportunity for those taking part. To facilitate this, a creative research tool was employed, using a recipe book metaphor, to define the Theory of Change. This tool was designed to be reusable by individuals and organisations to support evaluation within their own [work](#).

The Theory of Change provided the foundations for the development of [a more detailed Logic Model for EDP](#), linking Key Outputs and Outcomes to specific Indicators of Success and Evaluation Methods.

The Key Outputs and Outcomes are as follows:

Key Outputs:

- A diverse range of organisations in each sector receive funding.
- Bespoke support sessions and resources are delivered to Participating organisations in each sector.
- A wide variety of enterprise and revenue-generating ideas are supported.

Key Outcomes for Participating organisations:

- Enhanced understanding, confidence, and implementation of enterprise and revenue-generating models.
- Strengthened collaboration and knowledge sharing within sectors.
- Improved organisational and financial stability.
- Increased capacity to serve communities and achieve charitable aims.

Key Outcomes for Sector Lead Organisations:

- Increased expertise in enterprise and revenue models.
- Expanded support for organisations in developing these models.
- Continued promotion of trade, enterprise, and social investment within sectors.

Methods

Our approach

Our approach to evaluating the Enterprise Development Programme (EDP) involved a collaboration between Shortwork and The Researchery, each contributing their unique expertise. We employed mixed methods to conduct a comprehensive and well-rounded evaluation of the EDP.

In this collaboration, The Researchery leveraged its expertise in quantitative and financial analysis. This involved collecting, analysing, and interpreting numerical data and assessing the programme's financial aspects. Shortwork focused on qualitative and participatory research to explore the experiences and perspectives of those involved in the programme. Both teams maintained close contact throughout to ensure that quantitative and qualitative results lined up and informed each other's analyses.

This evaluation drew on the following sources of information and data:

Quantitative data

- Participating organisation applications
- Monitoring data: interim and end of grant
- Pilot impact report and survey results
- Public data sets including the IMD
- Annual reports and accounts
- MyCake additional financial data
- Post-programme survey (N=45)

Additional analyses:

- Financial analysis of growth (N=56)
- Analysis of grant co-funding (N=20)
- Matched sample analysis (N=210)

Qualitative data

- In-depth interviews with:
 - Participating organisations, during programme and c. six months post-programme (N=29);
 - all Enterprise Development Managers;
 - Access and SIB stakeholders.
- Participatory workshops with organisations, based on emerging themes in interviews
 - 'Journeys to Social Investment'
 - 'Extraordinary Leaders'
- Analysis of open-text questions in monitoring forms and surveys
- Document review

Data quality and limitations

The bulk of the data was collected and managed by Access and the Social Investment Business. There were some limitations in this data that should be noted:

- As the EDP started before SIB's Salesforce system was implemented, not all data from the earliest participants was computerised, and there were some teething problems with early data forms.
- Some key data points were not collected consistently in the Salesforce system until quite late on in the process; for example, Turnover, Number of income streams, and Length of time already trading were not collected consistently until between September 2021 and August 2022, towards the latter half of the programme.
- Many forms were incomplete due partly to issues with implementing Salesforce, partly to the volume of monitoring forms, and partly to different sectors completing forms in idiosyncratic ways, leading to a loss of data integrity and suitability for analysis.
- It should also be noted that the EDP took place during the COVID pandemic, which led to further issues with organisational capacity to fill in monitoring forms.

The largest knock-on effect of these data limitations was that we were unable to measure growth in Turnover, Number of income streams, and other variables, from the monitoring data with any accuracy and relied instead on a sample of 56 participating organisations in the "financial analysis". Despite best efforts and greater data robustness in the financial analysis, a sample of 56 EDP participants may not be completely representative of the whole population of EDP participants and therefore, a certain amount of caution should be exercised when looking at these results.

The qualitative data in this evaluation is primarily based on input from active and engaged participants, which may introduce an optimism bias in the findings. Furthermore, survey response rates remained low despite incentivisation efforts, likely due to survey fatigue and data collection overload as the programme was nearing its conclusion and sector lead organisations were simultaneously gathering their own data and case studies.

Although the data obtained provides valuable insights, the limitations mentioned should be considered when interpreting the results.

Financial analysis and co-funding

Financial analysis

A sample of 56 EDP participants was selected to be broadly representative of sector, size, age and geography, but two other selection factors should also be borne in mind that may have skewed its representativeness of the EDP population as a whole:

- Sample organisations were also selected to match with a counterfactual sample (see Appendix E)
- Sample organisations needed to have five years (2019-2023) of full accounts data to be included

Additional publicly available financial data for 2019 and 2023 was provided by MyCake, a company that provides financial benchmarking for third sector organisations, from charity and company accounts⁷. Topline income/turnover data was then manually coded, using agreed criteria, using information from published accounts into “earned/trading”, “donations” and “grants”; and “salary costs” on the expenditure side.⁸

Co-funding analysis

A sample of 20 EDP participants from the financial analysis who received grant income in 2023 was selected to be broadly representative with regard to sector, size, and age. Their grants were manually coded into component parts using information from their annual reports and accounts according to a typology constructed by The Researchery. Caution should be exercised when generalising from this small sample.

Recommendations for future monitoring data practice

- **Keep it simple** – Across the programme, there were multiple monitoring forms, which meant that some organisations filled in the wrong one at the wrong time. Having too many questions also risks the most important ones being left unanswered.
- **Have the software in place at the beginning** – This is not always possible but greatly helps in data cleaning and analysis for programme monitoring and evaluation if all related and adjacent data comes from a single source.
- **Make sure that all parties understand the monitoring process from the start** – EDMs interpreted forms—and how to enter data—differently. All involved in data collection and input must clearly understand what is necessary, how to do it, and who to ask for clarification.
- **Evaluators should be involved from the start** to assist in the setting up of monitoring, if possible.

⁷ For many organisations (around two-fifths), 2019 represented EDP-1, the year before they started the programme, as a baseline measure while 2023 represented, for around one third, their final year or one year after the programme.

⁸ Due to reporting differences a certain amount of subjectivity comes into play here in categorising income and costs – particularly when it comes to differentiating between grants and contracts and grants and donations as different organisations may have different views of what constitutes each category.

It should be noted that Access and SIB are well aware of these issues and have already taken steps to address them for future programmes.

Qualitative data

Alongside the quantitative methods described above, the evaluation employed a qualitative, participant-driven approach, combining semi-structured interviews with themed workshops based on Participatory Action Research (PAR) principles (Baum et al., 2006). The methodology prioritised participant narratives to capture nuanced experiences of the programme's impact, challenges, and opportunities for improvement.

Participant interviews

Interviews followed a semi-structured, conversational format, enabling participants to describe their experiences of the EDP in their own words. Guided by open-ended questions, they shared insights on:

- Their personal journey and involvement in the EDP.
- The development of their business/enterprise idea and its social mission.
- The tangible impacts on their organisation and the communities they serve.
- Suggestions for programme improvement, informed by their lived expertise.

This approach emphasises co-creating understanding through dialogue and storytelling in people's own words, and employs participatory action research (PAR) ethics, which prioritise participant agency. Given that interviewees were leaders of charities and social enterprises, often working with (and/or being themselves from) marginalised and trauma-affected communities, this ethical grounding was essential in fostering a safe, respectful space for sharing personal and organisational challenges. To recognise their time and expertise, participants received a £20 honorarium, with the option of direct payment or donation to their organisation.

We spoke to 29 unique organisations, including six post-programme case study interviews (one per sector) and three to four organisations per sector for 'during-programme' interviews. At this point, we achieved a satisfactory 'saturation point', after which very little to no new information or experiences emerged. This indicated that the

sample size was sufficient to capture a comprehensive range of participant experiences and perspectives.

We are grateful to EDMs for their assistance in recommending and introducing us to a diverse array of organisations with different experiences. All interviewees are anonymised, except for those who gave explicit consent to being named.

Stakeholder interviews

Interviews were held with two members of staff from Access and SIB each, as well as with each of the Enterprise Development Managers. Questions were similarly open-ended, guided by the following areas:

- Programme design and delivery, including EDP's objectives, the rationale for the sectoral approach, and what worked well (and less well) in the procedural and administrative aspects of the programme;
- Likely and unexpected outcomes for grantees and sector leads
- Key takeaways for future programmes

Questions for the funder and delivery partner were more strategic and high-level, while those for EDMs focused on the 'on-the-ground' experience of working directly with participating organisations.

Interview analysis

We took a hybrid (deductive-inductive) approach to thematic analysis, combining both theory-driven (top-down, based on the co-designed evaluation framework) and data-driven (bottom-up, coming from in vivo participant experiences) coding strategies to analyse interview data, using HyperResearch software. The process adhered to established qualitative research standards while allowing flexibility for emergent insights. The same researcher who conducted interviews transcribed and coded the data, ensuring deep familiarity with the insights and their context.

Following a peer debriefing, in which both researchers discussed emerging codes and themes, coded text was then organised on Miro, a digital whiteboard, to refine themes iteratively and collaboratively. This ensured that findings reflected both programme goals, as articulated in the evaluation framework, and participant-driven insights. Organising themes visually also aided in recognising thematic relationships and synthesising findings.

Qualitative data from open-ended responses and relevant quantitative findings from monitoring forms and surveys were reviewed jointly with our colleague at The Researchery. This process

enabled data triangulation, strengthening the development of a mixed-methods, evidence-based narrative with multiple sources.

While monitoring, financial and survey data can complement top-down, theory-driven insights, they cannot do the same for participant-driven approaches, which rely on themes emerging through dialogue rather than predefined questions. This distinction highlights the importance of integrating diverse methodological lenses to gain a comprehensive understanding of the findings.

Not Quantifying the Qualitative

Our open-ended approach to interviews and workshops prioritised depth and contextual richness over uniformity, enabling participants to talk spontaneously about what mattered most to them rather than responding to overly fixed or rigid prompts. As a result:

- Interviews were not directly comparable in the same way that a closed-ended survey would be.
- Analysed themes reflect important patterns in the data, but if an interviewee didn't bring a topic up during a given interview, this does not imply the experience was irrelevant—only that it did not arise organically in the time we had together, or it was not a focal point for that participant.

For this reason, our analysis avoids quantifying responses (e.g., "X participants mentioned Y") as such counts could misrepresent the data. Instead, findings emphasise qualitative significance—how and why certain experiences mattered to participants. Our approach enables us to capture a comprehensive range of participant experiences and perspectives.

At points, however, we have found it helpful to indicate the relative frequency of experience or impact, as an indicator of the programme's strengths or weaknesses but only in broadly similar contexts (the programme being 'tailored' again limits the utility of ascribing numerical values to experiential data). In these cases, we do not use numbers – again, to avoid misrepresentation – and instead use the following words:

- "A few" – an insight or experience shared by around two to four unique organisations. As researchers, these were findings that we discussed as being firm 'outliers' in the data, compared to the general experience. These insights typically emerged spontaneously from the interviewee, hence their rarity, or they stemmed from a divergent opinion or experience that deviated from the norm.
- "Some" – less than a quarter of participants. These were not 'outlier' insights, but still relatively divergent or additive. As mentioned above, these could also be organic comments and storytelling.

- “Many” – Between a quarter and half of participants, usually triangulated with other data sources that complement the findings. These insights tended to come from pre-defined prompts (top-down).
- “Most” or “A majority” – A very common insight or reflection, shared by at least half of the participants. These findings were all in response to pre-defined prompts, which explains their relative prominence. These findings are complemented by other data sources.

Open-ended text responses

We conducted a textual analysis of open-ended responses from end-of-grant monitoring forms. This involved identifying and quantifying the frequency of key terms, supplemented by manual review to ensure contextual accuracy. While this method provides valuable insights into recurring themes, its limitations include potential omissions due to misspellings or unconventional phrasing in responses.

We also used this data in a more targeted qualitative analysis to map challenges and support received, by sector, which was the basis of an interim report and collaborative sense-making workshop with EDMs, Access and SIB.



Figure 2 A screenshot of our Theory of Change workshop, before it started. We used a bakery analogy, in which we imagined turning the raw ingredients into freshly baked ‘social enterprises’ through the ‘kneading’ activities of the EDP. The outputs from this work

EDP Evaluation Framework

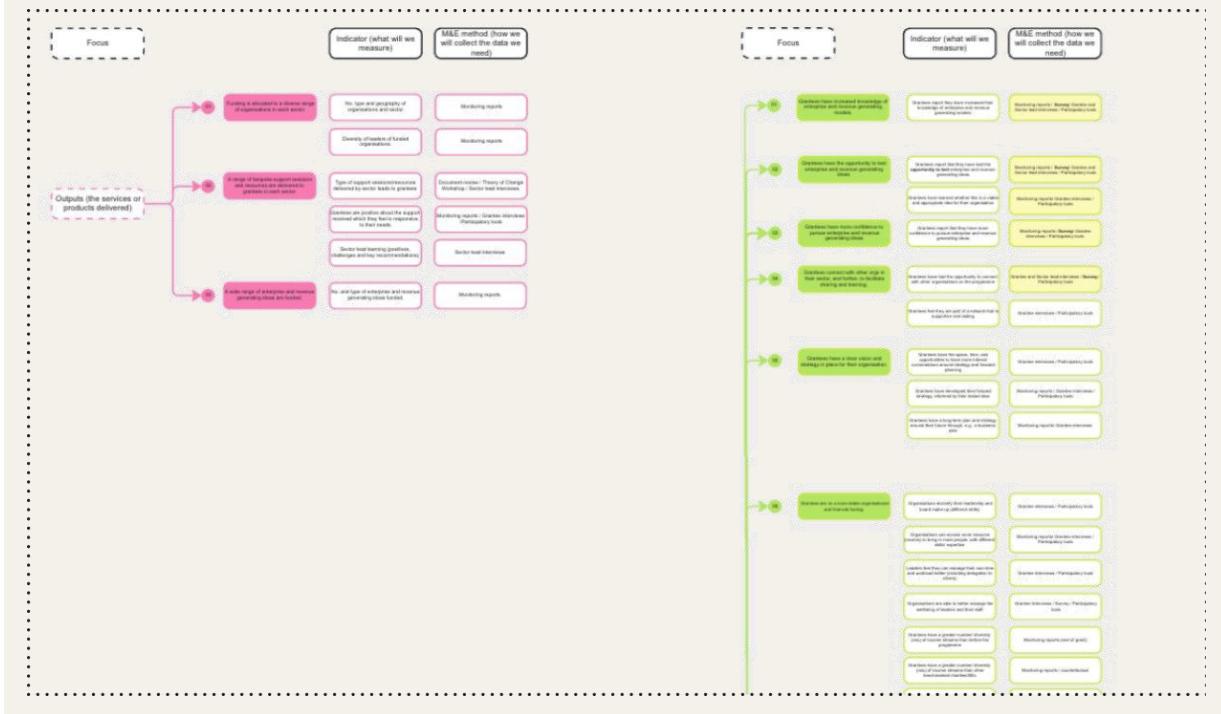


Figure 3 Part of the Evaluation Framework developed, based on the collaborative TOC workshop

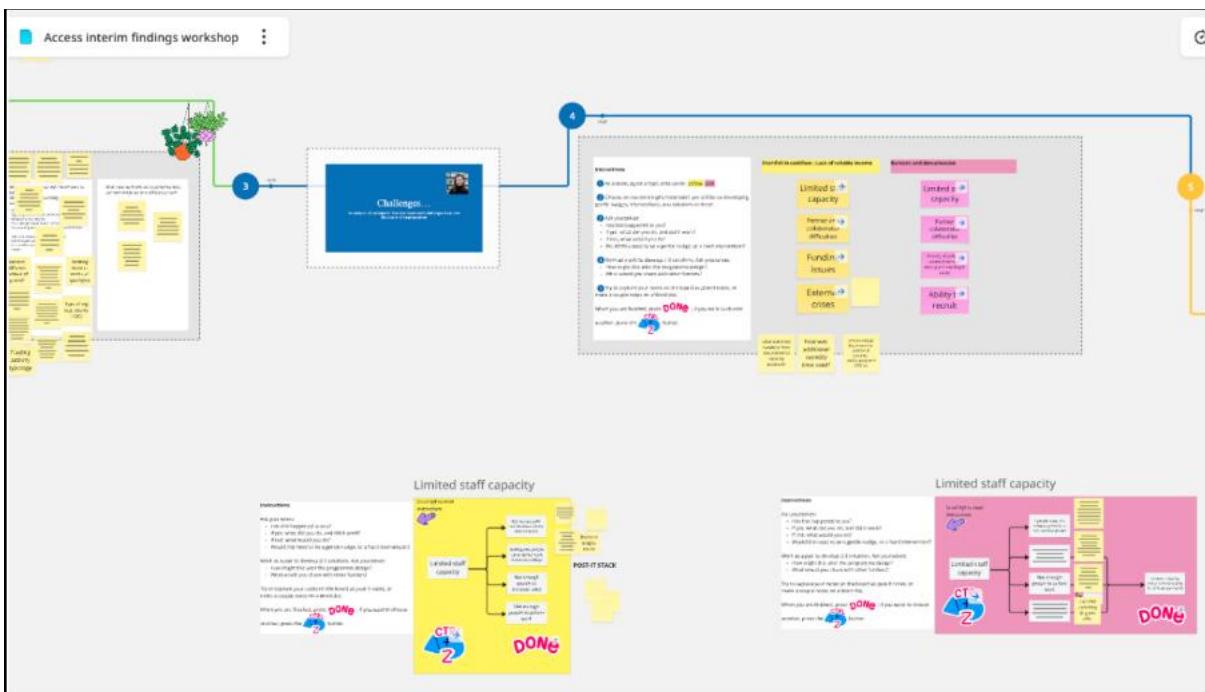


Figure 4 A screenshot of Miro during a participatory sense-making workshop following a presentation of interim findings. This included a mapping of challenges and support received, which EDMS reflected on and refined in pairs.

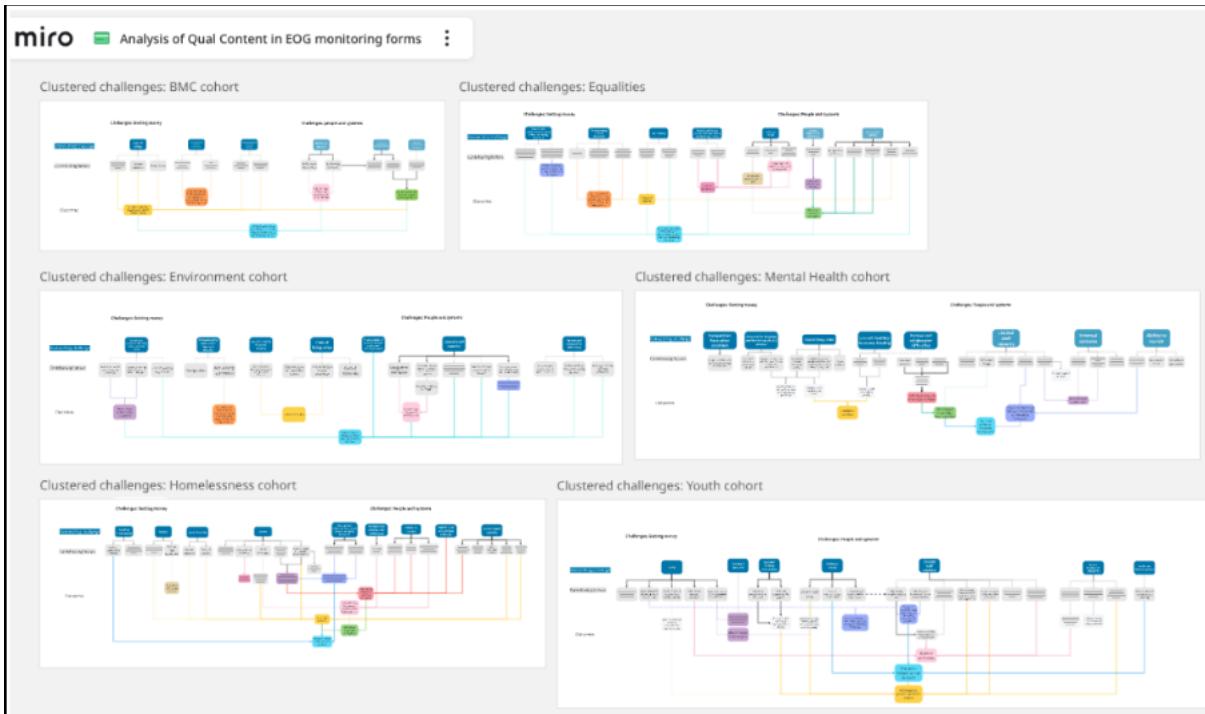


Figure 5 A screenshot of qualitative data analysis mapping of challenges experienced by EDP participants, which formed part of the interim reporting for this EDP evaluation. Above, you will find a screenshot of the sense-making workshop held with EDMs, giving them an opportunity to reflect on the extent to which these challenges were addressed in their support and mentoring

EDP output 2 - qual findings mapping

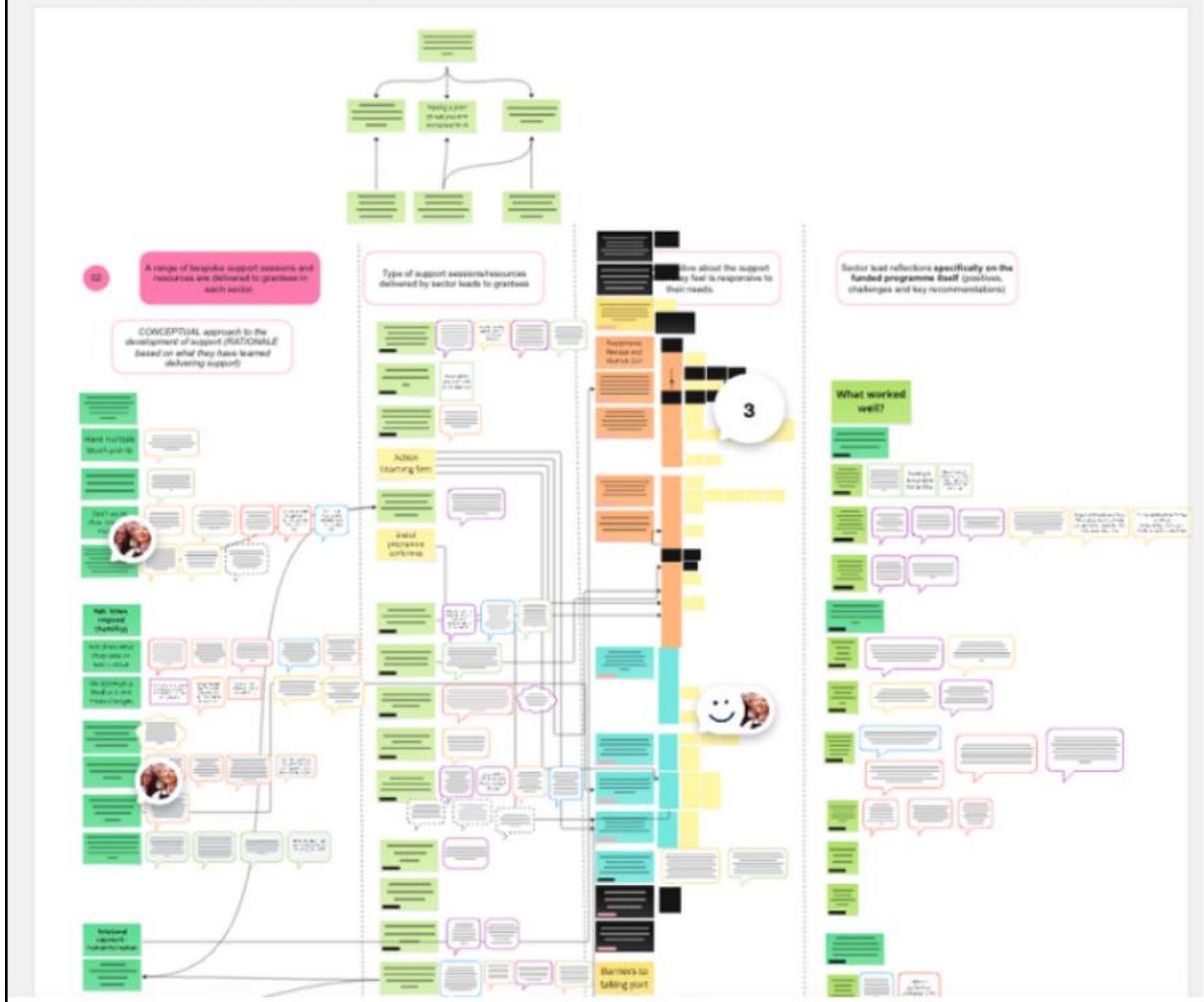


Figure 6 A mid-analysis screenshot of Miro, to provide an illustration of what thematic analysis of qualitative data from interviews looked like. At the top (in pink) is the outcome as expressed in the evaluation framework, with its indicators of change outlined

Participatory Workshops

Shortwork specialises in participatory research approaches that prioritise ethical, exploratory, and mutually beneficial practices. Rather than merely extracting data from participants, we ensure that they gain knowledge, contacts, remuneration, and insights through their involvement.

During our initial interviews, we identified two key areas of interest: the experiences of social leaders and the support they need to thrive; and attitudes towards raising social investment. In response, we designed and facilitated two online workshops centred around these themes.

To enhance engagement, we developed research packs containing unique tools and instructions for the sessions. These tools are part of our Shortwork Toolkit, which is specifically designed to foster creativity and exploration in participatory research. The first workshop utilised a 'body mapping' tool, enabling social leaders to delve into their experiences, challenges and support structures. The second workshop employed a timeline tool with a voyage metaphor to explore organisational journeys towards securing social investment.

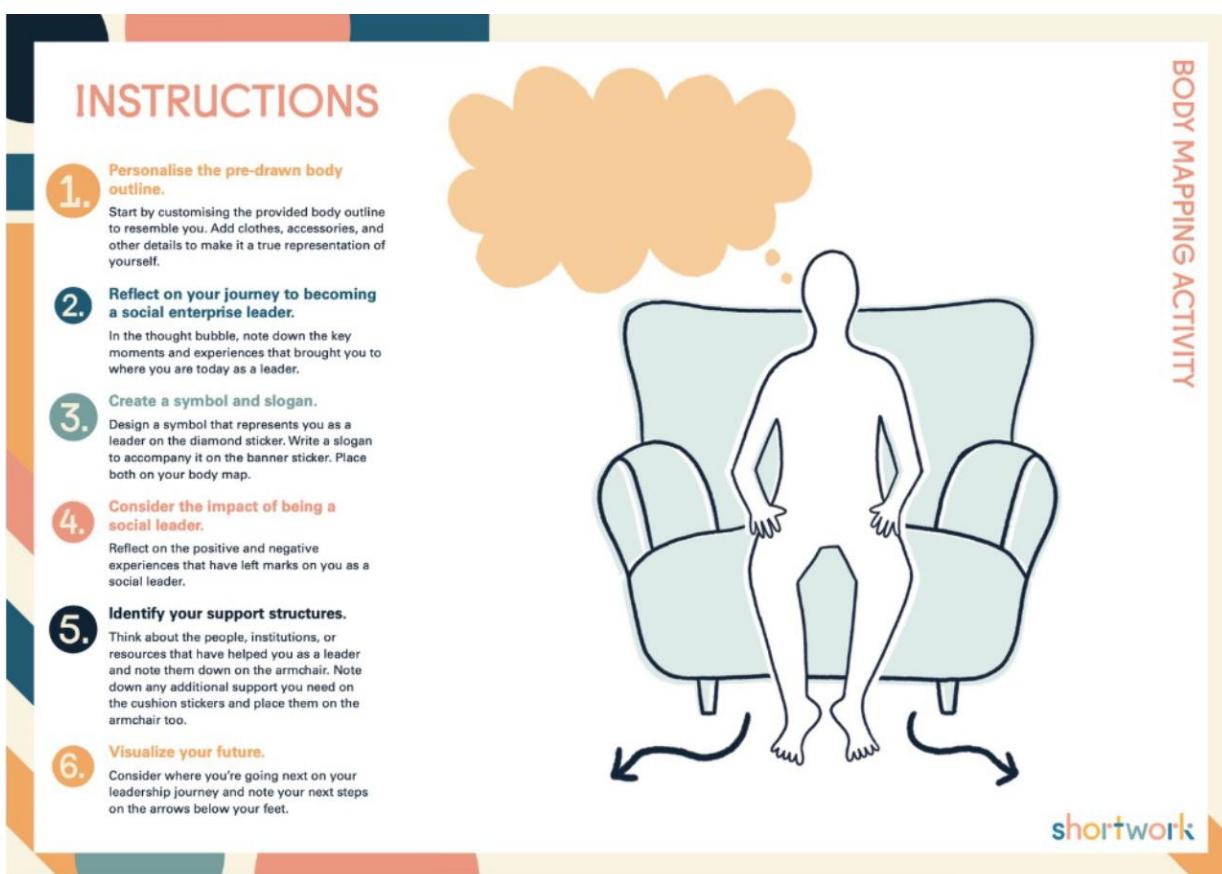


Figure 7 Part of the 'participant pack' sent out via mail to those participating in the Extraordinary Leaders workshop. They were encouraged to fill these out during the online workshop.

INSTRUCTIONS



1. Mapping Your Journey to Social Investment.

Imagine your journey to social investment as a seafaring adventure! Start by noting key milestones on your voyage, represented as islands or ports of call. Use the island/port stickers to mark these significant events, decisions, or achievements that shaped your journey so far. Add brief annotations or notes to describe each milestone.

2. Fair Winds and Smooth Sailing.

Now, let's identify the factors that helped you along the way—the "fair winds" that put the wind in your sails. What made your journey easier or more enjoyable? These could be helpful resources, supportive connections, or timely opportunities. Mark these using the fair wind stickers and add notes to explain their impact.

3. Encountering Sea Monsters.

As you navigated the seas of social investment, you might have faced challenges or obstacles. Represent these as "sea monsters" on your journey. What hurdles did you need to overcome, and how did you do it? What help do you wish you had had? Use the sea monster stickers to indicate these challenges and add notes to describe your experiences.

4. The Journey Impacts.

Having reached your destination, it's time to reflect on how your ship—your organisation and its work—have been impacted by the journey. How has social investment impacted your ability to achieve your goals or serve your beneficiaries? Use the fish stickers to highlight these impacts (both positive and negative) and add notes to explain them.

5. Charting the Onward Voyage.

Finally, look to the future: Where is your ship headed next? What new horizons do you hope to explore, and what assistance or resources might you need to get there? Use the compass stickers to indicate where you want to go next and add notes to explain their impact.

shortwork

Figure 8 Part of the 'participant pack' sent out via mail to those participating in the 'Journeys to Social Investment' workshop. They were encouraged to fill these out during the online workshop.

Part 1: Delivered

This section describes the organisations that applied to and were accepted into the Enterprise Development Programme (EDP), the purposes for which grants were awarded, and the kinds of enterprise ideas that were funded. We also look at the range of support offered to organisations taking part in the EDP.

Data comes from a number of different sources:

Quantitative data

- Monitoring forms filled in by organisations applying to the EDP
- Proxy comparisons are made, where applicable, with several sources
 - Social Enterprise UK's (SEUK) national survey of Social Enterprises in the UK⁹
 - NCVO's Civil Society Almanac picture of civil society organisations¹⁰
 - Other 'similar' programmes (e.g. Access's Growth Fund, and Power to Change's Community Business Fund)
 - Application monitoring forms (filled in by organisations)

Qualitative data

- In-depth interviews with participant organisations, sector lead Enterprise Development Managers, and programme leads at Access and SIB
- Open text response analysis from end-of-grant monitoring forms

1.1 Funding Allocation and Administration

This section describes the organisations that applied to and were accepted onto the Enterprise Development Programme (EDP), and how participating organisations experienced the application and grant administration processes. This data comes from application forms. We discuss funding allocation in more detail in Appendix A.

Where the funding went

Across the entire UK

- EDP participants came from all over England, with every region represented.
- There was a high density of participating organisations in London
- Three-quarters of all EDP participants came from urban areas with conurbations

Especially in deprived areas

- Three-quarters (73%) of EDP participants operated in the five deciles of highest deprivation
- One-fifth (19%) in areas of highest deprivation (IMD 1).

To diversely-led organisations

- 86% of organisations were led by people from marginalised groups
- 45% being woman-led and 24% BMC-led
- The proportion of woman-led organisations applying is in line with SEUK's member survey findings, while the proportion of BMC-led organisations applying to the EDP is greater.

To small- to medium-sized organisations

- Most EDP participants were small to medium-sized organisations
 - 83% had an annual income of less than £1 million

- 27% had less than £100,000
- Over three-quarters of EDP participants were classed as 'micro' organisations (with between one and nine full-time paid employees).
- Nine out of ten EDP participants were constituted as not-for-profit companies (CLG, CIO or CIC).
- The majority (68%) of EDP participants were under twenty years old, with a median age of 11.8.

Almost all were already trading, but many were still in the early stages

- Nine out of ten EDP participants were already trading when they applied, but their experience with trading was very varied.
- At application, four-fifths (79%) of EDP participants reported having three or more income streams
- Half (51%) of EDP participants had been trading for less than five years; 28% had been trading for less than three years.
- At the application stage, 59% of EDP participants earned less than half of their total income from trading; one-third earned less than 25% from trading.
- EDP participants were evenly split in terms of their stage of enterprise development: ideation or testing, implementation, or scaling.

Funding is similarly split between the sectors

- The Youth sector had the most participating organisations
- The grant total awarded to each of the six sectors was similar (between 16% and 19%)
- On average, grants to Environmental organisations were the largest, while those in the Youth sector were the smallest.

Case Study: The Mentoring Lab – Inclusive Applications and Assessments

Background

Mentoring Lab delivers training and development in Youth Mentoring, focusing on elevating youth mentoring practices. Their primary goal is to enhance the quality of life and outcomes for young individuals from marginalised communities and Global Majority backgrounds.

Building a digital mentoring platform

The Mentoring Lab's ambition was to introduce Career Explore, a digital mentoring platform designed to support marginalised youth in navigating their professional journeys, akin to "*LinkedIn on training wheels.*" Through the platform, the organisation sought to significantly broaden the reach of its work to a much larger audience.

Closed doors: Funding for Black-led organisations

Before the EDP, Mentoring Lab's founder faced numerous funding rejections, curtailing efforts to find the investment needed to develop a bespoke platform, and to make Career Explore resilient and self-sustaining; "*I'd say that I've been knocking on so many doors in England, and no one's opened them for me.*" This reality echoes the experience of many Black and Minority-led organisations who face persistent rejection from funders who do not understand or prioritise the harm caused by persistent racial inequities across UK communities. Social leaders fighting to improve things face an uphill battle to convince funders of the value of their work, leaving them feeling further marginalised.

Why the EDP was different: Assessments

The Mentoring Lab founder commended the EDP's application and assessment process for taking a comprehensive and empathetic approach. She appreciated that the programme took the time to understand each applicant's background, goals, and aspirations, ultimately advocating on their behalf. The founder remarked, "*EDP raised the bar in terms of this assessment [...] I valued the process. It was a very healthy, psychologically safe process for me.*"

She particularly emphasised the importance of feeling acknowledged and understood by the assessor, which was made possible through the involvement of a Sector Partner, The Ubele Initiative. Ubele's deep knowledge of the systemic barriers facing Black and minority-led organisations, coupled with its dedication to advocating for change through research and policy reform, was crucial. The founder recounted, "*Apparently, when they were doing the assessment, they were like, 'she's a unicorn.'* And so I thought, '*yes, finally, we get seen! Someone gets it, someone understands the danger [and need] [...] and [...] the opportunities that this can offer.*'"

As a result of the EDP, The Mentoring Lab is now more discerning about who they approach for funding, focusing on building relationships with a select group who truly understand and value their approach to serving the community.

The Application Process

According to the funder and delivery partner, the application and assessment process worked well because it was independent: Sector Partners – not the funder – had the last say on who they'd work with. This was based on the principle that the sector leads knew best which organisations would benefit the most. The role of SIB and Access was to "challenge them a bit on their justification" (Access).

Sector partners assessed applications differently from the funder

Funder representatives acknowledged their comparatively stringent assessment of applications when contrasted with their sector partner colleagues. This discrepancy highlights a potential opportunity for funders to adopt an approach similar to Access, engaging sector-specific membership organisations for a more nuanced evaluation of proposals. Such collaborations could yield a more informed perspective, bridging the gap between funding entities and sector realities.



I noticed this most when working with partners, was when we assessed and approved people to join the programme. Access staff in general were always the harshest critics of applications coming in (...) I would look at things and say, 'they're miles away, they've got no trading model [...] I'd be giving thing as an absolute definite no, and others in the partnership would say 'yes!', that they saw some idea in it."

Access



It wasn't us that decided [...] there were three parties in the room when we decided whether to say yes or no to an application: SIB as grant manager, the sector partners and Access. But we always had an unwritten rule, but a very clear rule, that basically the sector partner had the whip hand on this. They know this sector, they know these organisations have met them. If you want them in, they're in."

Access

Participating organisations found the application process generally proportionate and user-friendly

Interviewees generally found the application form and interview process user-friendly and well-structured compared to other funders; participating organisations valued the clear and authentic communication throughout the process, and noted that this was a

relative rarity in their experiences of grant funding. In particular, personal support from EDMs to assist in the application process was appreciated. Prompt feedback on unsuccessful applications helped refine ideas and secure funding in subsequent rounds.

For some younger and small organisations, the multi-step application process, including a written application, interview, and business planning session, was lengthy and complicated. Delays in the application process and clunky online systems caused frustrations for some. The funder did try to mitigate for this by arranging for the Sector Partners to meet with potential applicants, *“to talk to them, help them with the application”* (Access), but due to a lack of follow-on evidence, it is unclear whether this contributed meaningfully to an increased quality of application – even if it did meaningfully improve the experience for successful applicants who spoke to us.



If the application forms were aiming at organisations that [are] two, three or four years old and quite small still and looking for that growth, that might be quite ... a bit more challenging [than] if you're looking at organisations that are five [or] six years old.”

Participating organisation, Mental Health



The questions are not going to be easy for someone to fill in if they're a relatively young organisation. They probably did lend themselves to organisations that have a degree of sophistication around applying for grants and have the capacity and the experience”

Access

Grant administration

Participating organisations found the administration of grants responsive and adaptable

This included granting extra time for meeting milestones and accommodating changes in the direction of their enterprising idea. Those who had needed this level of flexibility described it as an experience unique to the EDP. The two-tranche funding model allowed organisations to develop their ideas and move towards implementation with proof of concept. The personalised approach and flexibility in reporting requirements were also well-received, and

ensured participating organisations didn't feel overwhelmed by bureaucracy.

Some experienced administrative problems and poor communication that made the grant-giving process more difficult. Especially, delays in initial funding distribution led to financial stress and strain for some, and particularly smaller organisations with less resource and capacity to cover the funding gap. Lack of clarity and poor communication regarding funding release timelines caused confusion, and some participating organisations had to return unspent funds due to a lack of clear information on spending deadlines.



[t]he funding element certainly was bespoke. And so that was very very good ... to the best of my knowledge and certainly from my personal experience ... no [other] grant funder ...works with you and says, what do you need?"

Participating organisation, BMC



They're not asking for things which are disproportionate to the level of funding... other than the obvious due diligence that they would need to do... and if you didn't understand something you... could just email somebody or pick up a phone and get some clarity."

Participating organisation, Environment

1.2 Funded Ideas

Key Findings

- Organisational enterprise ambition through EDP largely fall into two purposes: either achieving growth through a new product or service, or through an existing one.
- Organisations were supported at all stages of development of their enterprise ideas
- Two-thirds (65%) of those already trading had three or more income streams, compared with one third (33%) of those not already trading.

Purpose of the grant

There were significant differences in what organisations wanted to do with the grants offered by the EDP. These fell mainly into two purposes: 45% wanted to 'Grow through new product or service', and 40% wanted to 'Grow through existing product/ service'.

Organisations also joined the programme at different stages of developing their enterprise ideas, equally split between those at the ideation or testing stage, those ready to implement their idea, and those at the point of scaling.

At the application stage, four-fifths (79%) of EDP participants reported having three or more income streams, while only 5% reported having just one income stream (N = 159). Among those already trading, two-thirds (65%) had three or more income streams, compared to one-third (33%) of those not yet trading.

Types of enterprise

Qualitative analysis of open text boxes has shown that most successful applicants with an existing trading offer delivered services (60%), with 21% providing products and 13% hub/space membership. Table 1 below shows the existing trading activity by cohort and

highlights in teal and orange those cohorts with the highest and lowest (respectively) rates of each type of trading.

Services were wide-ranging and included training, counselling, repairs, gardening, and consultancy. Products were tangible and downloadable, usually sold in a shop or via delivery, while hubs/spaces included providing a community hub, room hire, and membership fees. In Part Two, we provide an overview of the existing trading offers in each cohort.

Type of existing trading activity successful applicants had	Service	Product	Hub/ space/ membership
All (Count, n=225)	136	48	29
All (percentage)	60%	21%	13%
BMC (n=48)	67%	13%	21%
Environment (n=41)	51%	34%	10%
Equality (n=31)	71%	19%	6%
Homelessness (n=19)	53%	26%	26%
Mental Health (n=50)	78%	22%	8%
Youth (n=23)	52%	26%	17%

Table 1 Existing trading activity at application to EDP, by type

1.3 What The Programme Included

EDP was designed as a holistic offer, combining grant funding with a robust learning programme to support participating organisations in developing and testing their enterprise ideas. Due to the sector approach, the learning content for each cohort was different in design and delivery, but the type and quality of support provided was consistent.

Key Findings

Participating organisations benefited from bespoke support, including:

- Formal learning sessions on a range of topics related to enterprise, governance, and management
- Individualised advice and hands-on support from EDMs
- Access to a pool of vetted specialist consultants
- Facilitated peer cohorts and action learning sets.

Learning support was diverse and flexible, but not always tailored to the participating organisations' stage of development

- Participating organisations valued the diversity of learning support sessions and expertise on offer
- Topics commonly overlooked by other enterprise programmes, such as Impact Measurement and Board Development Support, proved particularly popular
- Sector leads provided flexibility in access to the learning content, for example, by extending access beyond the end of their funded period
- Participating organisations at different stages of their enterprise journey found some training irrelevant or inaccessible

- Some felt that learning sessions were not designed to accommodate their busy lives as social leaders.

One-to-one support and Peer Learning were the most valuable aspects

- Expert one-to-one advice, especially on financial and legal aspects, was highly appreciated, but could have been more tailored to the needs of social entrepreneurs
- Peer learning, particularly Action Learning Sets, was valued for providing a structured environment for troubleshooting and knowledge sharing
- Participating organisations derived the most value from peer learning sessions when they had a clear purpose and were managed by effective facilitators.

Design and delivery of EDP learning support

A holistic offer combining grant funding with a robust and tailored learning programme

A key distinguishing feature of EDP was the integration of learning support alongside grant funding to help participant organisations develop and test their trading ideas. Indeed, the combination of skills training alongside funding was one of the key attractions of the programme for participating organisations, particularly those who felt they needed help building capacity in their organisations.

It is important to note that the EDP learning support package was deliberately designed to be an essential and integrated part of the grant funding process. Its primary aim was to empower organisations by equipping them with the necessary skills and knowledge to explore, test, and implement trading ideas.

Enterprise Development Managers (EDMs) from the sector lead organisations possessed an in-depth understanding of the needs of organisations operating in their respective fields, and played a critical role in the design and delivery of the learning offer. This allowed them to tailor content to meet the unique needs of each cohort, with later cohorts such as Black and Minoritised Communities adopting a more bespoke approach.

Although there were some differences in the learning support offered, EDMs maintained consistency by meeting regularly, sharing insights, and discussing effective strategies (see Part Three for more discussion on EDM collaboration). This enabled later cohorts to learn from the experience of the pilot sectors, and for EDMs to identify and

recommend successful consultants and pool resources where appropriate. As a result, several key types of support were delivered across the EDP sectors:

Learning Sessions & Workshops offered to 247 organisations, including:

- Business planning
- Marketing, branding and sales
- HR and managing people
- Digital strategy and social media
- Balancing mission and profit
- How to win tenders
- Maximising the effectiveness of your board
- Impact measurement

Individual advice and support offered to 128 organisations, including:

- Financial support and business planning
- Support with financial management systems
- Managing business growth
- Legal support
- Coaching and mentoring, including regular check-ins with EDM
- Wellbeing support

Peer Learning offered to 247 organisations, including:

- Common interest groups
- Peer coaching and check-ins
- Action Learning Sets
- An end-of-programme conference



The tailored aspect of the programme was the most beneficial aspect, because all the organisations in our cohort had different challenges, skills and priority needs. So, trusting us to understand these, and to support us in tailoring our own support programme, while at the same time facilitating the regular peer support sessions was amazing."

Participating organisation, BMC

Learning, Training, and Expertise

Participating organisations valued the diverse range of learning support sessions and expertise on offer

While the flexibility to send alternative staff members in place of key contacts was valued in some sector cohorts, facilitating continuous professional development opportunities across organisations, some participants expressed concerns. The introduction of new individuals in peer group settings occasionally hampered trust-building and group cohesion within these cohorts.

Participating organisations in the Youth and Homelessness sectors gained from ongoing access to learning sessions beyond the funded period; however, sectors that joined at a later stage could not provide alumni or learning phases to their organisations. During the programme, EDMs from all cohorts created a centralised resource for learning materials, which allowed participants to access and utilise session content as and when needed.

“

[The EDM] [...] was really good at involving everybody and making sure that the programme was going to be meaningful [...] and [that] all the things that were planned were something that we all wanted or could benefit from [...] that was quite exciting.”

Participating organisation, Equality

Participating organisations were grateful when sectors provided flexibility in access to the learning content

While the flexibility to send alternative staff members in place of key contacts was valued in some sector cohorts, facilitating continuous professional development opportunities across organisations, some participants expressed concerns. The introduction of new individuals in peer group settings occasionally hampered trust-building and group cohesion within these cohorts.

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Some felt the training did not sufficiently match or accommodate their needs

Given the diverse developmental stages of participating organisations, designing a learning programme that effectively catered to the unique needs and support requirements of the entire cohort proved to be a challenge. Some larger organisations felt that the support available was not appropriately pitched for them due to their more advanced stages of development, while others felt that the EDP learning support was a repeat of content they had already covered in other similar funding and support programmes.

Some felt pressured to attend learning support sessions even when they weren't relevant, timely or tailored to the realities of their busy lives. Numerous participants expressed the need for scheduling sessions well ahead of time to accommodate their demanding schedules. Some also felt that the programme could have demonstrated a better understanding of the hectic lives of social entrepreneurs working within small organisations.



One organisation attended a finance session and found that "[t]here wasn't really a need for us [to be there] ... we're a well-established charity ... we have a finance department ... so those kind of questions as to how you plan your projections, and how you make sure that you've got your cash flow sorted ... wasn't necessary for us."

Participating organisation, Youth



We're businesspeople, some [of us] have [additional] jobs, and caring responsibilities."

Participating organisation, BMC



The training aspect was a bit generic and had to meet the needs of a very diverse audience."

Participating organisation, Mental Health

“

We had to sit and talk about our mission, vision and Theory of Change ... I know my vision, have you seen my website value proposition? I know what I'm doing. This is boring. This is a waste of time!"

Participating organisation, Equality

Peer Learning

Structured peer learning brought clarity, accountability, and community to participating organisations

By analysing the most frequently mentioned words when describing the learning support offered, and taking out the more common descriptive words, we can see that the most frequently mentioned aspect was “peer”, indicating how vital member-to-member relationships and interactions are. Through interviews, we learned that peer support, particularly through facilitated Action Learning Sets, was valued for providing a structured environment for participants to troubleshoot, learn from, and support one another. While some were initially sceptical of whether it was worth their time, these concerns were dispelled through participation. and interviewees from all sectors praised effective facilitators.

“

I found the peer-to-peer sessions incredibly beneficial in thinking about how we might create a Theory of Change for our training modules, especially by measuring longer-term impact rather than short-term impact, which we have been doing through SurveyMonkey. [...] The sessions highlighted our need to develop a more robust way of collecting longer-term data to measure the systemic change that is so vital for our line of work."

Participating organisation, Equality

Disparities in organisation size, development stage, and enterprise progress, however, negatively affected the perceived benefits of peer learning, with participants from more advanced organisations feeling they contributed more than they gained. And again, as with the training sessions, the scheduling, length, and spacing of Action Learning Sets created difficulties for participants to effectively engage with the content due to workloads and limited time to implement learning between sessions.

Peer matching was also a challenge due to the variety of participating organisations, and sometimes hindered potential knowledge sharing and growth. In particular, imbalances in group composition based on participants' roles led to disconnection when discussing role-specific challenges.



I think we were doing them at every month or something like that. I think [you need to be] pragmatic about everybody's roles and how much there is to do ... I remember people feeding this back at the time that ... we might not have progressed anything [between one session and the next]."

Participating organisation, Environment



We felt like we had a lot to share and a lot to give so it was a great space to be able to do that. But then we weren't getting much from others because they were still at the beginning of their journey."

Participating organisation, Mental Health



There was a sense of disconnect when discussing role-specific challenges, as the only founder in a group of employees from various other roles."

Participating organisation, Equality



My relationship with [the EDM] was very productive and allowed me, as the Founder Director, to be creative and adventurous, which is a rare opportunity. I really appreciated the support I received throughout my journey."

Participating organisation, Black and Minoritised Communities

Individual advice and support

EDMs were personable and responsive, and played a pivotal role in their participating organisations' journeys

Effective EDMs were proactive, empathetic, and strong communicators, serving as critical friends, advocates, and supportive sign-posters and connectors. Their ongoing support ensured that participating organisations received continuous guidance whenever it was needed, all from a place of deep understanding of the sector, its issues and challenges, beneficiaries, context, and the wider system. EDMs worked with participating organisations to adapt and change their trading plans in real-time and in response to their research and circumstances providing a safe space and confidence boost for many.

 I can't underemphasise how [much] having a warm, interested person... somebody who genuinely gets you ... whose kind of walked the walk as well ... makes a massive difference."

Participating organisation, Homelessness

 [Our EDM] was just full of energy and full of positivity... she promoted us, she was our biggest supporter."

Participating organisation, Homelessness

 They were on that journey with you for that year, they know where you're going."

Participating organisation, Homelessness

 [Our EDM met with us] on a regular basis to find out how we were doing ... He [wouldn't] just ask what problems you had ... he was proactive ... he would give you advice [and send] information."

Participating organisation, Mental Health

Expert one-to-one advice, especially on financial and legal aspects, was highly appreciated, but could have been more tailored to the needs of social entrepreneurs

Bespoke one-to-ones with experts brought in to fulfil individual organisational needs, where impactful, particularly when they offered accountability, comment and challenge. Financial and legal "peripatetic" support was highly appreciated, underscoring the importance of providing tailored guidance for organisations as they navigate specialised areas of their operations. When we surveyed participating organisations, seven in ten (69%) said that future programmes should focus on 'mentors and specialist support'.

Some participating organisations wanted access to advice more tailored to their specific needs as social entrepreneurs, and were frustrated to find that the unfamiliar terminology of 'peripatetic support' had referred to this kind of assistance. This could explain the initial lack of uptake reported by EDMs in their interviews. A few who did take up one-to-one support told us about poor experiences with consultants who did not have personal experience of running or supporting social enterprises specifically.

More accountability and practical help putting ideas and advice into practice was something many participating organisations wanted more of, so that they could ensure that they really got the most out of the programme in between training sessions and meetings.



[The consultant] helped us to improve our overall financial management by implementing systems to track and forecast cash flow, and helped us set sales targets for sustainable income generation. We managed to trade effectively for the first time since incorporation bringing in more money than we ever had before!"

Participating organisation, Environment



Perhaps most beneficial was the ability to access additional support from consultants without having to write new funding bids to find the money to expand on the learning."

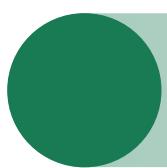
Participating organisation, Environment

“

I found the 121 consultancy sessions most useful in the programme, the quality of consultants that you brought on board were exceptional. [...] [EDM] also always made herself available to discuss our progress and any issues or concerns that arose, but also didn't shy away from asking the difficult questions about our business model and how we planned to achieve sustainability.”

Participating organisation, BMC

1.4 Funder and Delivery Partner Learning About Sectoral Approaches



This section summarises the learning shared by the funder, Access, and delivery partner, Social Investment Business (SIB), in the design and delivery of a sector-based enterprise development programme. The programme has provided invaluable insights into how to support VCSE organisations to develop trading and enterprise activities. The sectoral approach, which involved sector partners closely designing and leading on the delivery of the programme, was a key strength. This approach not only built trust and capacity within sectors but also ensured that support was tailored to the unique needs of participating organisations.

Enhancing capacity in sectors

Building on the strengths of existing sectors

The funder and delivery partner agree that the sectoral approach was central to the EDP's success. By working with sector partners, the programme was able to tap into existing membership networks, expertise, and goodwill within each sector. Their connections and their insider knowledge of the sector are inimitable by most non-sector-specific funders.

Sector partners brought sector-specific expertise and insight, enabling the programme to target the right organisations and offer tailored support. This approach allowed for bespoke support that was responsive to the specific challenges and opportunities faced by organisations in different sectors. As a result, the programme was not just a generic grant scheme but a responsive, sector-specific intervention.



The sector partners know their sectors, they know these organisations, and they have met them. If they want them in, they're in."

Access

Increasing knowledge and resources within sectors to create a legacy of enterprise

The EDP aimed to build capacity within sectors, equipping sector partners with the knowledge and resources to support enterprise development long-term. By embedding the programme within existing sector infrastructure, the EDP created a legacy of knowledge and expertise that will continue to benefit organisations beyond the programme's lifespan.



If this is about building capacity, building knowledge, building learning, we can only do that in the pools of infrastructure that exists."

Access

Genuine relationships and trust

Funder respect for sector partner expertise creates a truly collaborative programme

The relationships between Access, SIB, and the sector partners were a cornerstone of the EDP's success. The programme fostered an open and collaborative environment, where sector partners were respected as experts and given the autonomy to design and deliver support that met the needs of their members.

Access and SIB worked closely with sector partners to co-design the programme, ensuring it was relevant and impactful. This collaborative approach ensured that the programme was grounded in the realities of each sector.



We would have discussions with these partners and say, 'These are the issues we identify within this sector. Do they resonate with you? Do you think there's something specific to be done here?'

Access

Generous funding of roles leads to commitment, focus, and learning

Access and SIB provided generous funding to sector partners, covering the salaries of Enterprise Development Managers (EDMs) and enabling them to focus entirely on delivering the programme. This level of support also allowed sector partners to build authentic relationships with participating organisations and deliver high-quality, tailored support.

EDP also funded Sector Partner organisations' ambitions for complementary and legacy activities, such as developing case studies, enabling site visits, undertaking research, and creating useful assets to share learning with the wider sector. This means that not only is the impact of EDP amplified, but it has also created a repository of knowledge that can inform future enterprise development initiatives.



Being able to respond to the organisations and what they need [...] my salary is being paid and the entire job is EDP, so I can actually design the programme in a way that's really responsive, that's really proactive, that's able to look at different needs and different aspects of the programme [...] if I was here two days a week, I don't see how we would have done all of that stuff because it's just not possible."

EDM, Youth



Access funds the programme really well, we have been able to do case studies, do research, do site visits [...] all of those things that make it so that we're actually working with a diversity of organisations well."

EDM, Youth

Why bring in Sector Partners?

- To find, target, and appropriately support the 'right' applicants
- Sector-specific expertise, insight, and insider understanding
- To offer a better, more bespoke programme to participating organisations
- For coherence – structuring the fund around sectors gives shape to EDP

- Working with existing infrastructure and connections, not starting from scratch
- To build capacity, knowledge and experience in different VCSE sectors
- To create a legacy for the programme, owned by Sector Partners

What makes for a good Sector Partner?

- Senior leadership fully and demonstrably bought into the values and ambitions of the programme
- Genuine enthusiasm and determination to drive enterprise in their sector
- Some understanding of social investment, enterprise, and an idea of the models likely to suit their sector, but with an appetite to know more
- The facility to communicate with many diverse VCSEs within their sector, e.g.,
 - likely a membership organisation
 - run training and best practice, or consultancy, in the sector
 - undertake research to support their policy and advocacy work
- Effective existing mechanisms to foster peer-to-peer connections between VCSEs

Think about endings at the beginning

A programme with a ‘test-and-learn’ approach still needs consistent metrics

The programme’s designers told us in interviews that they wanted to make sure that they were delivering an evidence-based offer that was responsive to what was working best for the sector partners and the organisations they were supporting. Even beyond the Pilot, they engaged in extensive live learning with each round of funding and across every sector, including the application processes, criteria, and fee structures. This was confirmed by the EDMs, who told us that continuous learning was an integral part of the programme: when there were areas that needed improvement, these were identified and solutions incorporated into the programme.

However, this test-and-iterate approach led to many outcomes and metrics changing and adapting as the programme evolved; as a stakeholder from the funder pointed out, if a Theory of Change with metrics had been established at the start, and data captured

consistently, this would have allowed them to understand better the journey that organisations were undertaking.



I think we should have fleshed out what we were trying to do more effectively. The fact that the programme didn't have a theory of change until we started thinking about the evaluation is a big sign of that [...] So it's really hard to say 'we've achieved our aims because we know X, Y and Z.'

Access



It might have been laid out [internally], but more could have been made around the link between enterprise development and then social investment. So I think that type of thesis and theories would only come by putting in place specific kind of measurement plans and assessing well, basically setting up targets or KPIs that would assess whether that is a link that exists or not."

Access

Plan better for exit and legacy

Legacy needs resourcing

Relatedly, stakeholders at the funder and the delivery partner told us that a key learning for them was that they should have paid more attention to managing the ending of the EDP, particularly in developing an understanding of how to leverage the knowledge to build a legacy and foster the uptake of a similar approach with other funders.

To enshrine the sector-based approach in particular, Access understands that it needs to consider how to enhance the legacy and impact of this programme. Given that this approach relies on sector partner organisations spearheading the enterprise development programme – delivering training, connecting members, having dedicated Enterprise roles, developing an evidence base, and more – there needs to be a strategy for how these organisations will continue to be supported by Access, and – crucially – a community of other funders who share Access' ambitions and values.



I think maybe we [Access] should have been a bit more active as to leveraging some of this to what next. Like, 'What will come after EDP?"

Access



We all need long-term visibility: who needs to be hired; how long the organisation have got to play with (...) But without that, you just going to end up with a haphazard piecemeal approach. If you really want to change the space, this needs to be bigger than logos and egos."

Access

Addressing the need for a longer support period

Access and Social Investment Business (SIB) demonstrated flexibility and a commitment to learning throughout the Enterprise Development Programme (EDP). While funding was initially for 12 months, the amount of time participating organisations stayed on the programme varied, reflecting its intentionally open-ended design. It became clear that many participants would benefit from extended engagement to explore enterprise development fully.

In response to participant needs, particularly in light of challenges such as the COVID-19 pandemic and the global cost-of-living crisis, Access and SIB supported longer programme durations for early cohorts, with some staying on for up to 18 months. This allowed for more tailored support and flexibility to accommodate diverse organisational circumstances.

“ It's definitely a longer process for organisations. Life happens. And being a flexible programme and being able to defer to the knowledge and relationship that the sector partners have with their organisations, you know, we are were able to flex to accommodate some of the sorts of shifts in timescales that have happened.”

SIB

“ There was a concern about timing and being able to get organisations through the programme in time. So, I think we'd have to consider, no matter when organisations come on, they've got that whole 18-month period to deliver, and we have that support and that might include feasibility, so I want to build that into the programme.”

Access

Many participating organisations wished the support could extend into an alumni programme. In fact, 22% of participating organisations who completed the post-programme survey said they would like future programmes to specifically focus on fostering connections with other organisations for learning, sharing and solidarity. As an example, the end-of-programme conference in the Equality strand provided a valuable opportunity to bring together participating organisations from across the country, fostering in-person interactions and connections and serving as a platform to celebrate achievements. Some participating organisations we spoke to worried about the ‘cliff-edge’ when the support ended, and how it might impact their enterprise.

“ I think it should have been two years [...] because I'm still working on my stuff [...] So just carrying on [...] with the workshops and the touch base with the consultants.”

Participating organisation, BMC

“

The program was really helpful for us and the support during the program was amazing. This made the sharp cliff-edge when the program ended even more challenging. With both funding and support ending at the same time, we've really struggled to keep the growth we achieved during the program and we are worried about the sustainability of our project.”

Participating organisation, BMC

Key learning for future programmes

The following recommendations are grounded in insights shared by interviewees and workshop attendees, including participating organisations, sector leads, and funders, combined with the evaluators' interpretation of the research findings. They reflect both areas where the EDP approach demonstrated best practice and where learning has emerged in response to challenges or limitations experienced during the programme.

Grant allocation and administration

Build on EDP's success in reaching underserved communities to create a social investment ecosystem that gets finance and support where it is lacking, but greatly needed.

- Tackle institutional inequities by continuing to actively address systemic underfunding for black and marginalised communities and creating markets for BMC funders and social investors.
- Continue to fund projects and organisations outside the Capital and in rural areas – especially in deprived part of the country – to address geographic and deprivation disparities.

When designing the best application experience you can, think of the smallest, most over-worked charities with least capacity for grant applications.

- Streamline the application process by reducing the number of steps or simplifying the online system.
- EDP successfully introduced check-in opportunities with the support teams throughout the application process to maintain accountability and provide guidance.
- Like EDP, provide funding or dedicated support to help small organisations develop their applications.
- Offer detailed feedback on grant application outcomes, especially when funding is not awarded.

Maximise the impact each pound can make by ensuring that participating organisations know when to expect the money, how much, and expectations for how it should be spent.

- Ensure clear and consistent communication around funding release schedules.
- Improve the timeliness of initial funding distribution to reduce financial strain on participating organisations.
- Provide explicit information on spending deadlines and grant utilisation expectations.
- Prioritise relationships with participating organisations, to understanding their specific contexts, needs and to build trust.

Build on EDP's success by prioritising building relationships with participating organisations, to avoid the dreaded 'feeling like just a number'.

- Most participating organisations have had poor experiences with grant funding in the past; feeling overwhelmed by reporting requirements, and forced to evidence outcomes that aren't achievable or meaningful to them.
- Continue to support change and growth by working in partnership with participating organisations, allowing space for them to adapt their ideas and milestones as needed. Create a culture that embraces making mistakes and learning from them.
- Minimise pressure and build trust by maintaining proportionate reporting requirements.
- Benefits should be measured at the organisation level - not the cohort level (as there is so much diversity in 'starting lines').
- Share insights from monitoring data analysis with all participants to maximise the benefits of collective learning.

Continue funding diverse enterprise types, to create an inspiring and varied marketplace for VCSEs

- Continue to support the development of a wide variety of enterprise ideas from across sectors, including services, products and hub/space/membership models.
- Showcase to funders, and the charities they might fund, the diversity of viable and active enterprises across all sectors.
- Continue to fund smaller organisations at an early stage of trading, to build their confidence and appetite for enterprise early – and so integrate business into their 'DNA' from the start of their journey.

Learning support programme

Provide applicants with a range of realistic timeframes and budgets to help them benchmark their own proposals, to ensure that they are given enough time and grant to carry out their plans to fruition

- The most frequent request was for extended support duration, with five participating organisations spontaneously asking for a second year, alumni programme, or longer funding, on the free-text part of our survey.
- This was also echoed in the majority of our interviews with participating organisations, and by all EDMs.

When designing a learning programme, leave room for collaboration, flexibility and responsiveness

- More relevant workshops with tailored content was another prominent theme, with 3 spontaneous mentions in our survey.
- Take a collaborative approach to defining training needs with participating organisations and tailor support accordingly.
- Provide an 'pick and mix' approach to the training offer, allowing participants to choose sessions that are most useful, meet their needs, and fit into their wider schedules.
- Continue to listen to feedback and make changes so that support is more effective and tailored.

Communicate clearly about what's on offer, why it's useful, and with considerate scheduling

- Clear communication about the purpose of each learning activity is essential. Providing detailed information about session objectives and expected outcomes can help participants better understand the value and relevance of each session.
- Think about and justify which parts of the learning and peer programme are mandatory.
- Improve communication about available support, avoiding technical language and jargon.
- Address scheduling, length, and spacing concerns for Action Learning Sets, providing a more pragmatic approach that accommodates participants' workloads and allows sufficient time for applying learnings between sessions.

Strengthen participating organisations' support networks from the start by pre-allocating mentors, experts, and buddies

- Assign a specific business mentor to each participating organisation at the outset, with regular check-ins, to enhance the effectiveness of one-to-one support.

- Ensure advisors are focused on specific issues faced by organisations and have experience working with and for social enterprises
- Implement a buddy system that matches participants based on organisation types to enhance peer learning effectiveness and encourage relevant knowledge sharing.

Bring people at the same stage together, to ensure most learning feels relevant and applicable

- Consider grouping participating organisations at similar development stages to optimise benefits for all participants involved in peer learning.
- A participatory approach could also be adopted in learning sessions, building on the knowledge and experience in the room, tailoring learning, and building in personal accountability into each session.
- Incorporate field visits to established social enterprising organisations, offering opportunities for inspiration and practical advice from successful models.
- Provide access to alumni networks and learning phases, to maximise the benefits of the programme, and prevent a cliff edge of support.

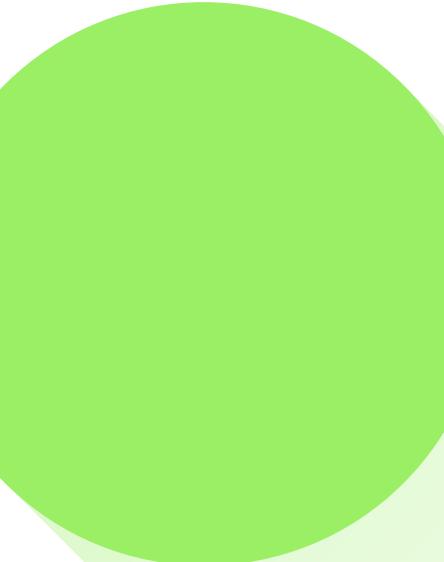
Part 2: The impact on participating organisations

This section delves into the key areas where EDP has made a difference to participating organisations: building stronger foundations, encouraging experimentation and trying new ways of working, fostering growth and social investment readiness, and aligning commercial activities with social mission. These impacts are not isolated; they often build on one another, creating a cumulative effect that strengthens organisations' resilience over time.

For many⁹ participating organisations, the EDP provided a critical foundation, particularly for those with little to no prior experience in trading. These organisations gained essential knowledge, skills, and confidence, enabling them to explore enterprise activities without compromising their core services. The programme also offered a safe space to test new ideas, refine strategies, and discard unviable approaches. More experienced organisations were able to leverage the programme to grow and scale their enterprises, pursue social investment, and deepen the alignment between their commercial activities and social missions.

The diversity of impact highlights the importance of tailoring support to the specific needs and stages of organisations. Future programmes could benefit from a more targeted approach, offering different types of support to organisations at different stages of their enterprise journey, and creating sector-based cohorts stratified by experience and ambition. By doing so, they can ensure that all participating organisations — whether they are just starting out or looking to scale — receive the most relevant and impactful support.

⁹ See the Methodology for an explanation of our use of 'a few', 'some', 'most' and 'many' when discussing qualitative findings from interviews and participatory workshops.



Data comes from a number of different sources:

Quantitative data

- Monitoring forms filled in by organisations applying to the EDP
- Proxy comparisons are made, where applicable, with several sources
 - Social Enterprise UK's (SEUK) national survey of Social Enterprises in the UK
 - NCVO's Civil Society Almanac picture of civil society organisations
 - Other 'similar' programmes (e.g. Access's Growth Fund, the School for Social Entrepreneurs' Social Enterprise Programme (SEP), and Power to Change's Community Business Fund);

Qualitative data

- In-depth interviews with participating organisations and Enterprise Development Managers (EDMs)
- Open text boxes on application and monitoring forms
- Participatory workshops participating organisations

10

¹⁰ NCVO, UK Civil Society Almanac 2024: <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2024/>

2.1 Building Stronger Foundations



To truly benefit from launching a social enterprise, organisations should have clear governance, a functional structure with enough capacity and relevant expertise, and facilitating systems and processes.¹¹ The transferable skills and bespoke support given by EDP were used across the entire organisation to 'sure up the foundations' and enhance their resilience and capacity to withstand future shocks. This programme supported those facing instability in reaching a more secure organisational standing in areas such as governance, management, operations, and finances. While these challenges were often seen in smaller, younger organisations, everyone experienced benefits from this support, especially given the numerous economic stressors of recent years.

Key Findings

Improved systems, strategy and governance

- Participating organisations improved their plans and systems.
- Organisations diversified their Senior Leadership Teams and boards.

Increased the efficiency of their organisations

- Leaders told us their organisations are more efficient with their assets and costs.

More able to withstand economic stressors, like COVID-19 and the cost-of-living crisis.

- 21% of organisations reported that they were enabled to 'sustain activity' as a result of EDP.

¹¹ Social Enterprise UK, 'Start your Social Enterprise' (2017) provides a useful basis for what to get in place before starting a new social enterprise. Their advice includes getting clear on mission, understanding money and your financial position, recruiting skilled people, getting the legal structure and governance right, developing a business plan, and looking after yourself: <https://www.socialenterprise.org.uk/app/uploads/2022/07/Start-your-social-enterprise-guide-1.pdf>

- Many enterprises would not have existed at all without the funding and support from EDP.

Resilience increased overall

- Participating organisations boosted financial resilience over 5 years, with those exceeding £1 million turnover showing greater strength
- There were some sector differences in perceived resilience at the end of the programme
- Participating organisations felt better able to manage future shocks overall, although there were some variations observed across different sectors

Able to diversify their income through enterprise, as well as securing more grants and donations

- Trading income increased in real terms but stayed the same / decreased slightly as a proportion of income over the five years.
- Grant income increased more for EDP participants than trading income.
- Participating organisations accessed a wide diversity of grant funding, further enhancing the diversity of income sources



We were able to develop a detailed business case, marketing strategy, and implementation plan that will lead to a robust and 'game-changing' solution.

[...] Most significantly, the funding ensured we had a dedicated contractor who could develop and manage the supply chain project, resulting in a strong foundation that we have built on."

Good Food Oxfordshire

Improved systems, strategy and governance

Participating organisations improved their plans and systems

Strong organisational foundations, including governance and strategy, are fundamental to developing a successful social enterprise.¹² Most participating organisations interviewed for this evaluation and those who participated in the participatory workshops found that the tailored support provided through EDP helped them establish and improve their systems and strategic planning. Participating

¹² Social Enterprise UK (2023) Mission Critical – State of Social Enterprise Survey 2023. Available at: <https://www.socialenterprise.org.uk/social-enterprise-knowledge-centre/the-state-of-social-enterprise/>

organisations and their Enterprise Development Managers believed that the leaders with decision-making powers who actively engaged in the learning programme benefited the most. They developed business and financial plans, marketing and social media strategies, pricing structures, and improved HR processes, including access and inclusion policies. Such improvements helped 97% of participants feel better able to plan for and withstand future shocks (see Figure 15).

Defining a clear mission was particularly powerful in getting everyone on board and focused on the same goal within their organisations. According to some interviewees, this learning was bolstered through the recruitment of new trustees and board members, as well as staff, who brought in much-needed expertise in enterprise, finance, marketing and business development. In the end-of-grant monitoring data, around one in five participating organisations mentioned feeling clearer about their direction as a result of the support they received.

Establishing these foundations was essential not only for cultivating the enterprising ideas of participating organisations but also for ensuring organisational stability across the board. Many of those interviewed said the skills they developed on the programme were transferable to non-enterprise contexts, i.e., to the wider operation and management of the charity. The mentoring and independent support proved particularly valuable to smaller organisations that didn't feel they had the time or know-how to invest in strategic thinking, and whose systems were generally underdeveloped as a result. For them, the support and guidance in developing an enterprise boosted their business acumen and confidence towards developing their entire organisation. So, even when a trading idea was not viable, these participating organisations could apply their learning to manage their organisations better. This finding suggests that even for participants whose enterprise has not yet developed, their experience on the programme has brought other benefits that are likely to improve their future organisational resilience.



There has been this unseen impact where organisations [can], all of a sudden, talk about their financial position with a lot more confidence, and they're just in a better state to manage their organisation even if their enterprise hasn't been a success."

EDM, Mental Health

“

Being able to articulate our mission and strategy?
That breeds confidence. Everyone is singing from the
same hymn sheet.”

Participating organisation, BMC

Participating organisations diversified their SLT and board

Another significant finding revealed by the monitoring data is that the diversity of leadership was preserved or increased over the duration of the programme. Diversity increased most in women-led organisations, although the number of BMC-led organisations also saw a sizeable increase. More diverse leadership teams are more representative of the intended beneficiaries of many of these social enterprises, leading to better understanding and engagement with their customer base.

In some organisations, beneficiaries also played a vital role in steering decision-making and trajectories. An interviewee from the Equality cohort stated, “*We were very clear from day one. We wanted to set up the women's group, empower them to make decisions, and reimagine governance.*” Similarly, an interviewee from the Youth cohort highlighted how their organisation constituted a board of young people as the driving force behind their steering committee. More leadership with diverse skills and backgrounds helped founders to make more informed, strategic decisions.

Diversity of leadership before and after EDP

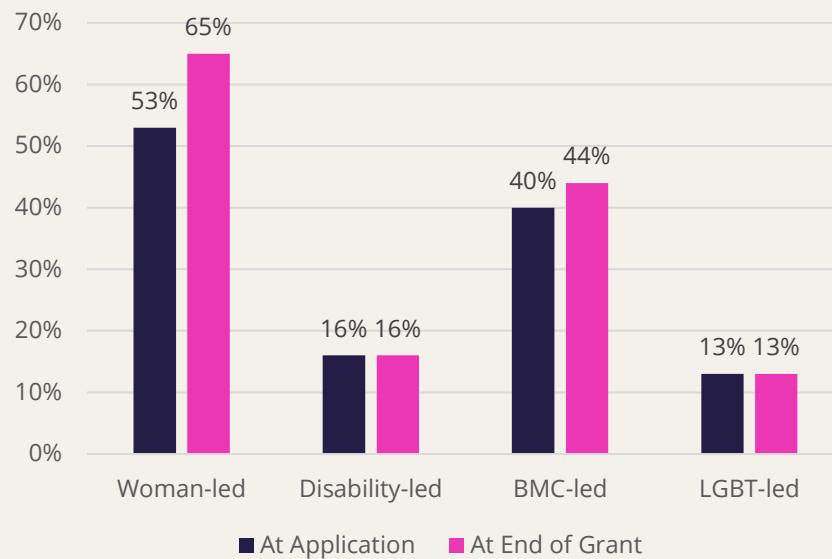


Figure 9 Proportion of EDP participants with 50% or more diversity-led leadership teams before and after EDP (Matched sample analysis (Application and End-of-grant monitoring forms), N=210)

“

I think in terms of mentality, the organisation has evolved significantly, [we have brought] in more senior leadership [to support] the rest of the organisation [...] we've brought on three new trustees and [the] significant value that they bring to the board and specifically to meet the growth of the charity. Whilst I won't say the programme [was] the only reason we've done that but I would be lying if [I said] it didn't play a contributing role.”

Participant, BMC

Improved organisational efficiency

Participating organisations are more efficient with their assets and costs.

According to the post-programme survey, the EDP had a positive impact on organisations' ability to manage their current assets and costs more efficiently: 38% of respondents reported a moderate improvement in their efficiency, while an impressive 40% acknowledged a significant enhancement. These findings underscore the EDP's effectiveness in fostering fiscal responsibility and promoting resource optimisation among grant recipients. These efficiency improvements can be partly attributed to EDP's emphasis on structural enhancements and professionalisation within participating organisations, ultimately resulting in more effective and streamlined operations.

While the end-of-grant monitoring data had limited mentions of increased efficiency (approximately five instances)¹³, it is worth noting that these mentions were primarily associated with the external expert support received in reviewing and improving financial systems, such as reporting, tracking, and forecasting. This assistance proved crucial in helping participating organisations enhance their systems, manage finances more effectively, and ultimately achieve greater operational efficiencies.

¹³ Thematic analysis of open-text responses to question 'What was the most useful part of the support you received?' (End-of-grant monitoring form, N=196).

Ability to more efficient with assets and/or costs

Ability to be more efficient with assets and/or costs

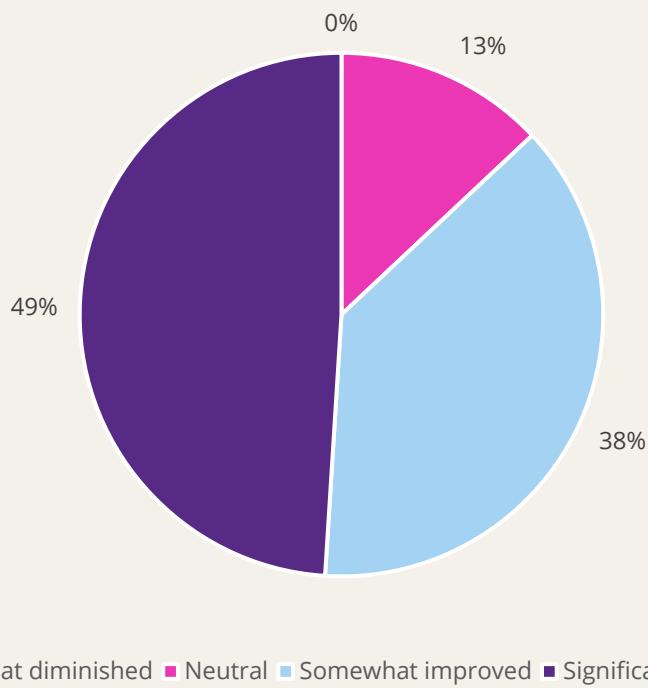


Figure 10 Thinking about your whole organisation, and not just your enterprise activity, what difference has being part of the EDP made to your ability to be more efficient with assets and/or costs? (Post programme survey, N=45)

Navigating economic stressors

Participating organisations were impacted by COVID-19 and the cost-of-living crisis

Unsurprisingly, those interviewed for the evaluation explained how the pandemic brought uncertainty and stress, with many doubling down on providing basic support to their beneficiaries or service users. This delay in enterprise development limited the scope to secure new premises, purchase supplies, or conduct market research. Others had to quickly adapt and shift services to digital and/or socially distanced delivery.

After pandemic restrictions eased, many saw an increase in need, complexity and demand for support. Staffing was also impacted, with organisations facing higher rates of staff turnover, and a more competitive job market leading to higher spend on recruitment and

salaries. Others have been affected by the decline in other sources of income, for example, participating organisations working in the Mental Health sector found there was less predictability in the renewal of public sector contracts, which were often for shorter durations.

Conditions were exacerbated by the cost-of-living crisis, which adversely affected the viability of some enterprises that spoke to us. The ongoing monitoring forms revealed that 14% of all open-ended descriptions of challenges mentioned COVID, and 11% mentioned the cost-of-living crisis.¹⁴ According to these comments, rising material and energy costs, combined with less money in customer pockets, made it increasingly difficult for some organisations to keep afloat. This was a particular issue for organisations running retail and hospitality enterprises. For example, fewer customers were donating to one interviewee, Paper Cup Project's, 'pay-it-forward' coffee scheme, which meant they couldn't support key beneficiaries: *"we can't afford to give out thirty cappuccinos every day (to people experiencing homelessness) because the money has to come from somewhere."* Another participant from the homelessness sector worried about the future viability of their retail enterprise altogether:



We're losing money on the shop. We're trying to keep it going for as long as we can, but I don't think trade will pick up because of our current situation and the cost-of-living crisis."

Participating organisation, Homelessness



[the cost of living] crisis has resulted in fewer people using the café due to their financial budget limitations."

Participating organisation, BMC

Despite these conditions, and thanks to the support of EDP, its tailored and hands-on approach made possible by the sector-based model, and the flexibility in grant-allocation (left to the discretion of EDMs), 21% of participating organisations were enabled to 'sustain activity' that they otherwise might not have been able to. In some instances, the EDP has been instrumental in maintaining the operations of participating organisations and preventing closure. For others, the support from EDMs helped them set up enterprises that

¹⁴ A manual analysis of 325 comments in response to the prompt 'Could you tell us a bit more about how these challenges have impacted your project/organisation.'

were responsive to people's needs during the pandemic lockdowns and subsequently the cost-of-living crisis.



We probably would have been closed by now without EDP, so it's been a lifesaver."

Participating organisation, Environment



The feasibility work has enabled us to better understand the market and refine our offer [...] The support has been invaluable. Without it, the development of a new product would have been exceptionally difficult with such a small team when demand for existing services was increasing due to the pandemic."

Participating organisation, Equality



This fantastic support has consistently helped our charity over a challenging time. [...] After securing support, we had to navigate the closure of our much-loved café right at the beginning of the pandemic. The programme supported us in developing our subscription box business over lockdown. [...] Considering all the issues faced, I am immensely proud of the resilience shown by all the staff and grateful for the trust and flexibility provided by the programme staff."

Participating organisation, Mental Health



[The EDM] provided great insight and support into the challenges of launching a new service during the pandemic."

Participating organisation, Equality

Many enterprises would likely not exist without EDP

Responses to the post-programme survey show that, without EDP funding and support, just over a fifth of enterprises would 'not have been developed at all', and 43% would have been delayed or developed more slowly.

What would have happened to the enterprising idea without EDP

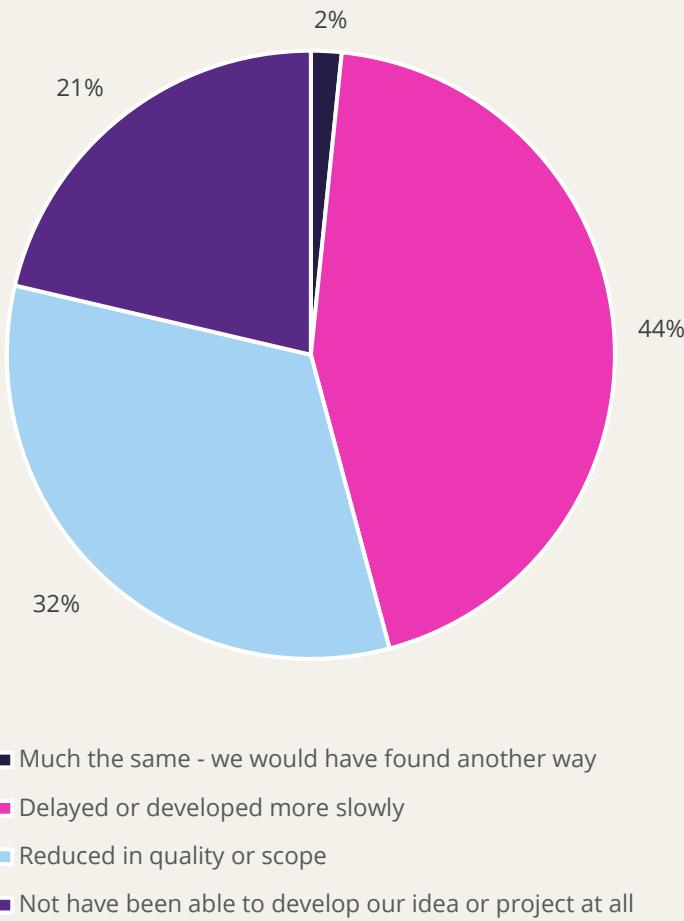


Figure 11 If you had not been involved in EDP, what do you think would have happened to your enterprising idea or project? (Post programme survey, N=45)

For some participating organisations that took part in interviews, the EDP played a pivotal role in the establishment of their organisation. The funding and support proved indispensable in turning ideas into operating enterprises. In some instances, the EDP has been instrumental in maintaining the operations of participating organisations and preventing closure. We came across two further organisations in the end-of-grant monitoring who said their existence was due entirely to the programme.



Without EDP and without [the Enterprise Development Manager], there is a fair chance that [our] organisation would never have started."

Paper Cup Project, Homelessness

“

It has allowed the CEO to spend quality time within the NHS and establish new working relationships at strategic and tactical levels throughout the whole region. This has been invaluable to the organisation as it would not exist in the future unless it had made these changes.”

Participating organisation, Mental Health

Increased resilience

Participating organisations experienced an overall increase in resilience

96% of participants in the main programme rated their resilience after the programme as resilient overall, with 18% rating it “very resilient”. This feeling of resilience was underpinned, at least in part, by an objective measure of resilience calculated by a third-party provider of financial benchmarking for the sector, MyCake, using their exclusive methodology for non-profit sector organisations.¹⁵ Applying this measure to a sample of EDP participants showed that their aggregate resilience score increased over the last five years by 4%. Upon closer examination, it appears that size is important: having an income or turnover of over £1 million is closely related to achieving a top resilience score.

¹⁵ The metrics this resilience score is built on are the following: Turnover level, Sector of primary operation (ICNPO), Age of organisation, Ratio of trading : grant income, Types of trading income and ratios between them, Salary spend levels, Overhead levels, Fixed : current assets ratios, Working capital as a proportion of turnover. (Dexter, R., Kane, D., Musgrave, S., Newbigin, J., Prime, S. & S Thelwall (2020) 'Devising a Resilience Rating System for Charities & the Non-Profit Sector'. Supported by Goldsmiths, University of London. <https://mycake.org/news/devising-a-resilience-rating-system-for-non-profits>).

Perceived resilience after EDP

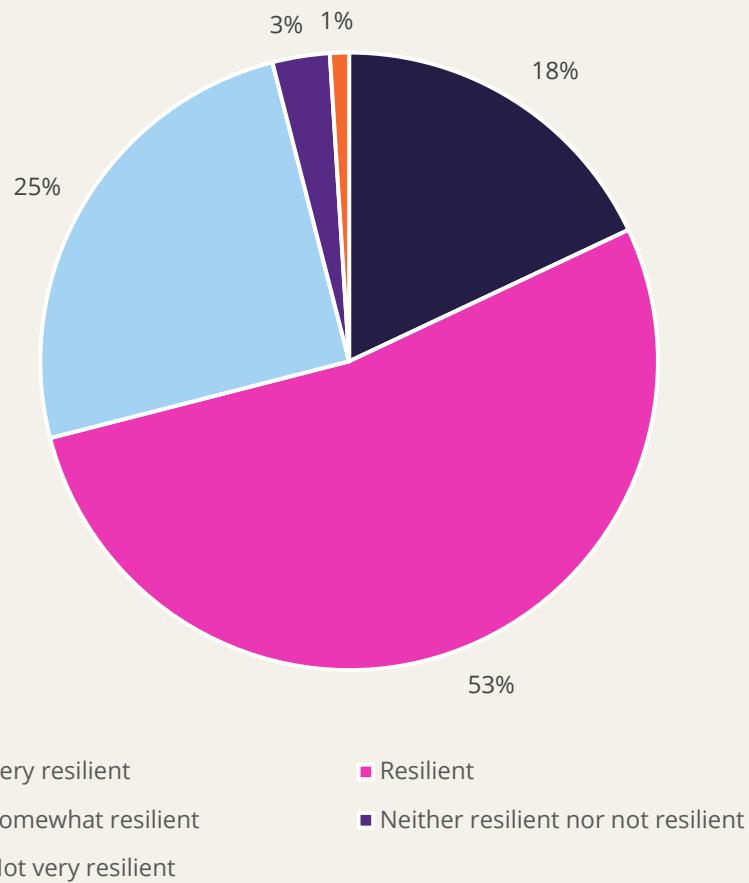


Figure 12 How resilient do you feel as an organisation having received support from EDP? (End-of-grant monitoring form [Main Programme], N=180)

In the end-of-grant monitoring, 11 participating organisations explicitly mentioned that the EDP helped them become more resilient, adaptable, or better equipped to withstand challenges.

This is all supported by qualitative data drawn from interviews, which indicates that smaller community-led organisations are more vulnerable to the risks of developing an enterprise, made worse in the context of COVID-19 and the cost-of-living crisis. This is particularly true for those with limited resources, including start-ups, who rely on their enterprise being a success to keep them going: if that enterprise fails, they could lose everything.



One of the main things for me is [...] when designing programmes to remember that for smaller micro-organisations, failure means potentially losing everything. And the weight that that has can be immense."

EDM, Equality

Participating organisations boosted financial resilience over five years

However, perceptions of resilience varied by sector. By the end of the EDP, 25% of Environmental organisations and 20% of Homelessness and Black and Minoritised Community (BMC) organisations described themselves as "very resilient," compared to just 6% of organisations in the Equality sector. This disparity may reflect the relative nascentcy of enterprise models in some sectors or a higher reliance on a single source of income. Interviewees from Equality-focused organisations also reported feeling especially vulnerable to shifts in corporate priorities, particularly around diversity and inclusion, which affected the stability of their income. Similarly, interviewees working in the mental health sector noted increased vulnerability due to declining public sector budgets, including squeezed NHS funding.

Sectors with lower resilience may benefit from a version of the EDP that focuses more explicitly on the foundations of income diversification, financial sustainability, and the development of new enterprise models beyond those traditionally established within the sector.

Feeling “very resilient” after EDP (by sector)

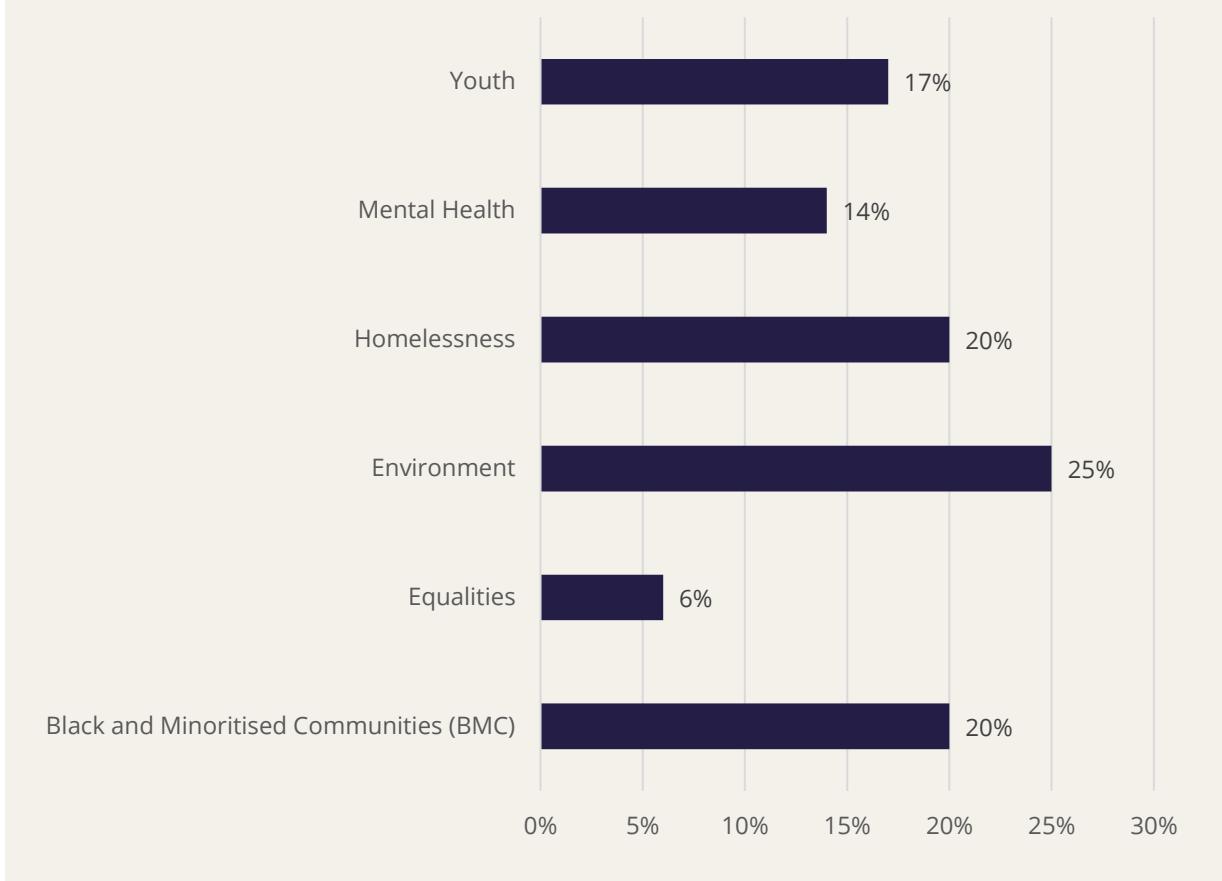


Figure 13 Proportion of EDP participants feeling “very resilient” after EDP, by sector (End-of-grant monitoring form (Main Programme), N=180)

97% of participants in the main programme felt more able to plan for and withstand future shocks after the programme, 61% “To a great extent”. As with resilience, and likely due to the same differences in sectoral starting points and funding contexts, there were some variations observed across different sectors: 80% of homelessness organisations felt better able to plan for and withstand future shocks after the programme, 61% “To a great extent”, compared with 24% of Equality organisations – these sectoral difference echo those on resilience, above.

Feeling better able to plan for the future and withstand future shocks

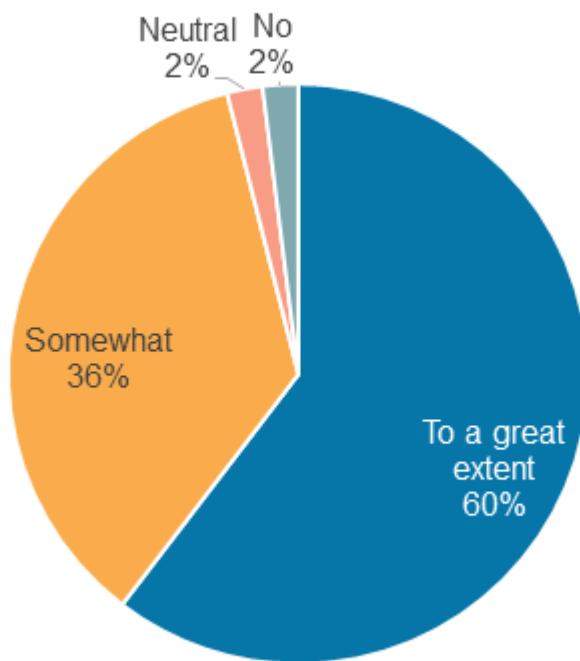


Figure 14 'Do you think the support through EDP has enabled you to better plan for the future and withstand shocks?' (End-of-grant monitoring form [Main Programme], N=180)

Feeling better able to plan for the future and withstand future shocks (by sector)

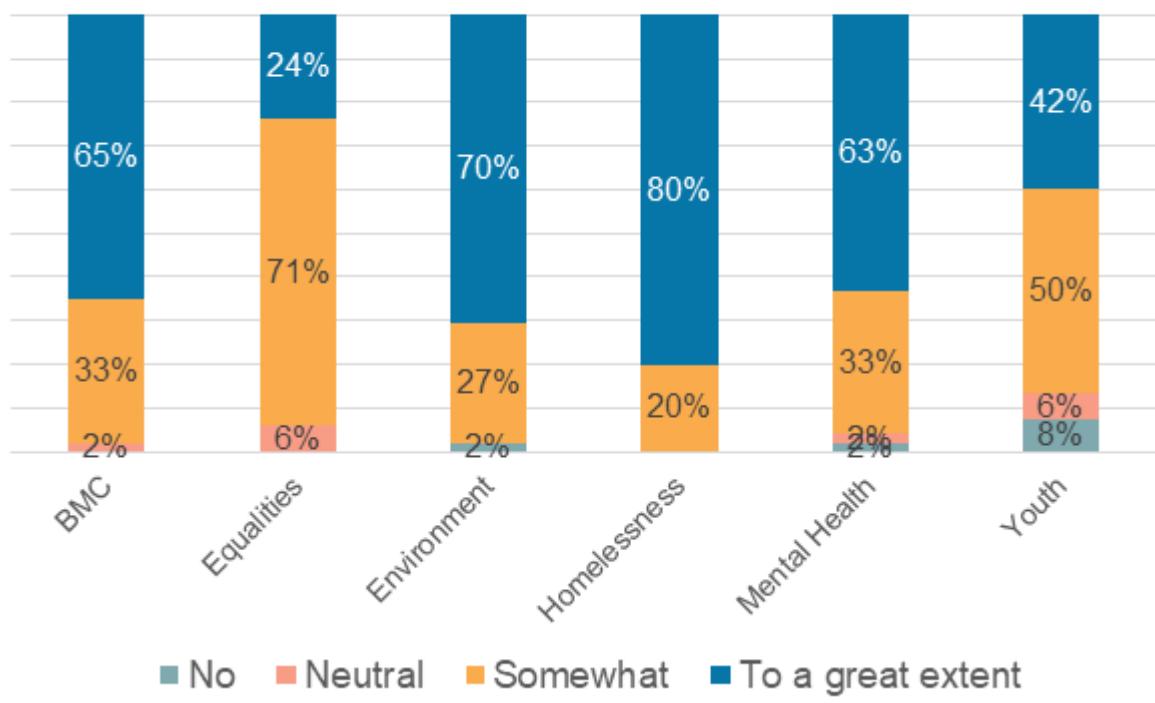


Figure 15 Do you think the support through EDP has enabled you to better plan for the future and withstand shocks? By sector (End-of-grant monitoring form (Main Programme), N=180)

Income diversification

Interviewed participating organisations recognise the role of diversifying income streams in ensuring financial resilience and reducing reliance on a single source of funding in favour of multiple sources, including trading, grants, donations, and investments. For some, this means moving away from grant funding, which is increasingly limited in the context of austerity.¹⁶ In our workshops, we were told that lack of funding is a concern for organisations vulnerable to transient funder priorities based on fleeting trends, especially those whose causes are more likely to be politicised and marginalised.

“

The funding landscape has changed so much over the years, and small charities are seriously impacted by the external environment. So things like Covid, austerity, councils not managing their own budgets properly, [...] When they're struggling for cash, the first thing they think of is cutting grants to voluntary sector organisations ... that leads to potential redundancies, [and] loss of services.”

Participating organisation, Mental Health

“

The most important outcome for the organisations they were supporting:] “I say financial resilience because one thing that comes up time and time again when working with funders is their short attention spans and hot topics [...] After George Floyd's murder, we saw a huge boom in funding for black and minoritised organisations and for anti-racist work, but that's really tapered off recently.”

EDM, Equality

For others, accessing multiple income streams does not mean moving away from grants entirely, but rather complementing them with other sources of funds including commercial and trading income and charitable donations. Understanding how participating organisations feel about income diversification, along with a continued commitment to keeping grant funding as a key part of their revenue mix, is crucial when interpreting the quantitative findings on trading income presented below.

¹⁶ Social Enterprise UK (2023) Mission Critical – State of Social Enterprise Survey 2023. Available at: <https://www.socialenterprise.org.uk/social-enterprise-knowledge-centre/the-state-of-social-enterprise/>

“

We are registered with the charity commission, but we see ourselves as a business [...] We're really lucky to be in both camps [...] we can apply for grants, ... get donations... [and are] offering a genuine service. We've got multiple ways that we can get money in.”

Arc: Crescent Cleaning, Homelessness

Trading income increased in real terms

Trading income increased by 41% between 2019 and 2023 (16% adjusting for inflation)¹⁷ for the EDP participant sample.¹⁸

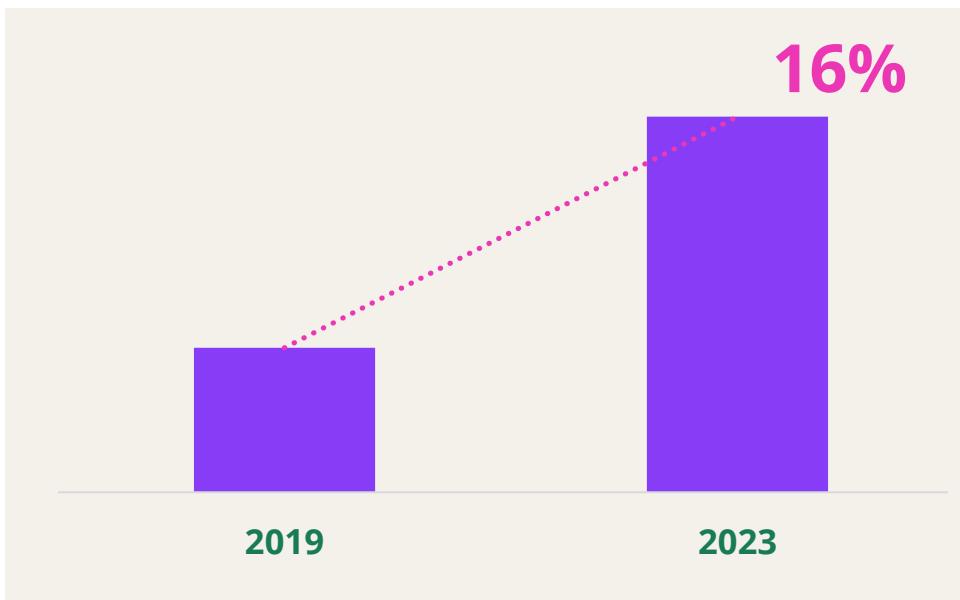


Figure 16 Increase in trading income (2019-2023), real-terms (Financial Analysis, N=56)

As a proportion of total income, trading income stayed the same / decreased slightly between 2019 and 2023 from 40% to 39% (Figure 17).¹⁹ Since organisational resilience relies partly on having diverse, reliable income streams, an increase in income across all sources suggests greater resilience.

¹⁷ All financial change results are quoted in nominal terms and adjusted for inflation (real-terms) since inflation has been very volatile over the last five years it has eaten away a lot of the financial growth achieved. Adjustment for inflation was carried out using the ONS's CPI index: all items, annual rate (see Methodology).

¹⁸ See Methodology for how this sample of 56 organisations was constructed. There is one significant outlier without which the overall increase for the sample was 19% (1% in real-terms).

¹⁹ This analysis omits one large outlier.

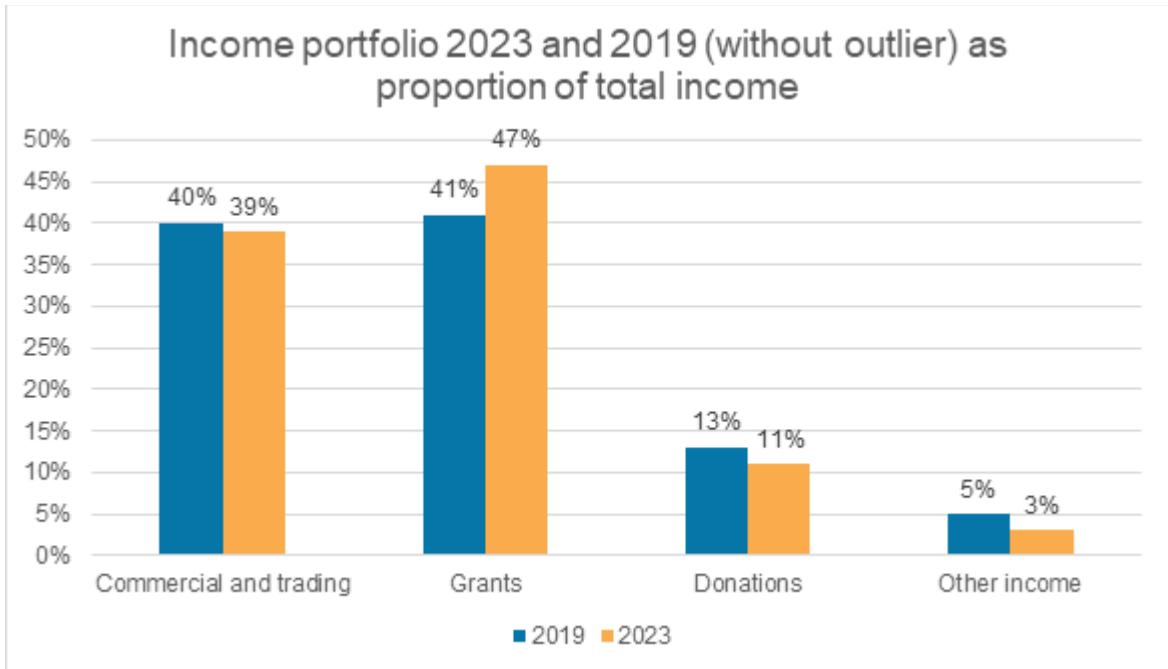


Figure 17 Income portfolios of EDP participants at application / after EDP showing constituent proportions of different types of income (Financial Analysis, N=56)

Income from grants increased more than trading income.

EDP participants' aggregate grant income increased by 90%²⁰ over the five years between 2019 and 2023 (57% in real terms). Aggregate grant income increased as a proportion of total income from 41% to 47%. Income from donations, although a smaller proportion of total income, increased by 29% (7% in real terms) for the EDP participant sample between 2019 and 2023.

EDP participants had a very diverse ecosystem of grant funding after participating in the EDP. An analysis of co-funding (see Methodology) found that while three-quarters (76%) of grant funding comes from three main sources, there was a wide variety of funders within each category: independent philanthropic grant making trusts and foundations (27%), statutory sources (central, local or international government) (25%) and the NHS (or local health bodies) (24%).

Some participating organisations used the extra time, resource and capacity that their funding gave them to apply to further grant funding. The support from experts and EDMs also proved invaluable to their success in securing larger and more ambitious grants.

²⁰ There was one significant outlier without which the increase would be 76% (44% in real-terms).



The funding was really beneficial as this allowed the CEO to increase their hours, which in turn meant that they had time to make funding applications and achieve our target."

Participating organisation, Youth



[An expert] introduced us to a funding consultant, who is acting as a critical friend during the application phase for a £250,000 Heritage Lottery Fund bid."

Participating organisation, Environment

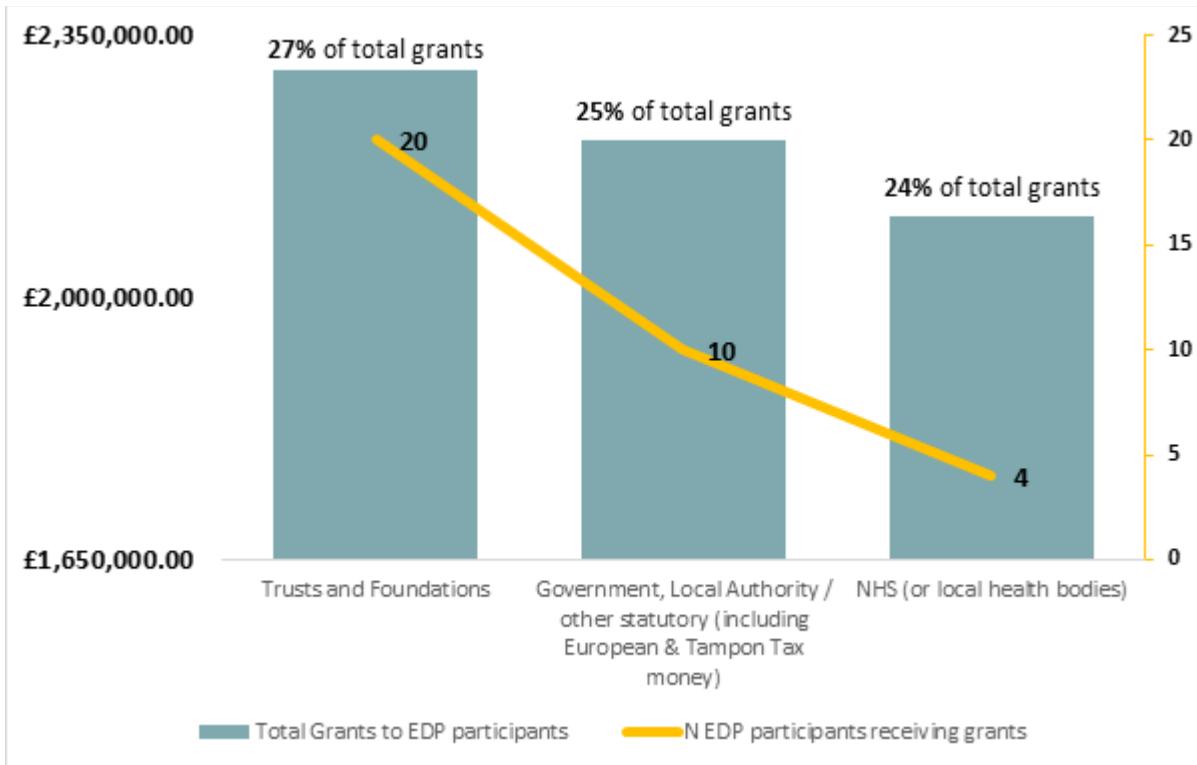


Figure 18 Primary sources of grant income to EDP participants, 2023 (% of total grants and N EDP participants receiving grants from this source) (Co-funding analysis, N=20)

EDP participants also received grants from a wide variety of other sources (see Appendix D). Of note are the 6.5% from National Lottery funders, 3.5% from other charities, 1.5% from the Enterprise Development Programme, 1.5% from other social enterprises and 1.4% from corporates.

As explored above, it's crucial to recognise that securing grants remains a key strategy for many organisations as part of the income

mix.²¹ In addition, the professionalisation of organisations through the EDP, particularly in terms of their business processes and systems, likely plays a significant role in their ability to secure grant funding.

Their success in securing larger and more competitive grants is a good indicator of increased confidence and ambition, and their enhanced attractiveness to other funders, which came about as a result of participating in the EDP. We cover this change in confidence and ambition in the following sections (2.2 and 2.3)



Most social impact organisations will be sustainable somewhere between 100% grant dependency and full commercial viability."

Enterprise Grants Taskforce

²¹ Enterprise Grants Taskforce (ND) "New report shines light on "significant potential" of enterprise grant-making" Funders Collaborative Hub online blog (<https://www.funderscollaborativehub.org.uk/blogs/new-report-shines-light-on-significant-potential-of-enterprise-grant-making>)

2.2 Investing in Social Leaders

Committed and skilled social leaders, with a deep understanding of the challenges facing their communities, are essential to the success of social enterprises. EDP has supported numerous founder-led organisations, demonstrating that investing in these leaders is crucial for building long-term resilience, particularly as they often address acute needs within marginalised communities with limited funding. Social leaders require support, like that provided by EDP, to enhance their capacity for organisational development and trading activity.

Leading a social enterprise amidst economic and social challenges can be isolating, putting leaders at high risk of burnout. EDP has facilitated connections between leaders, fostering mutual support and amplifying their voices to secure additional assistance. Moreover, these leaders are highly engaged, eager for training and development opportunities, and well-positioned to maximise the benefits of funded programmes like EDP.

Key Findings

EDP helped social leaders develop a better knowledge and understanding of enterprise

- EDP boosted leaders' knowledge of trading and enterprise.
- Social leaders were best placed to gain the most from the learning and apply it to their organisations

The programme grew confident leaders

- EDP helped leaders to overcome "founder's syndrome."
- Leaders gained confidence, acknowledged accomplishments, and cultivated assertiveness.

Leaders were supported to manage people better and enhance their wellbeing

- Participating organisations felt better able to manage the well-being of leaders and the wider team

- Capacity continues to be a challenge, leading to burnout

Peer learning and cohorts gave isolated social leaders a place to connect, share, and reflect

- Participating organisations value being part of a community of peers
- Connecting with peers allowed participants to learn and develop
- Peer support extended beyond EDP



The funding enabled me, as the founder and managing director, to leave my day-to-day job to focus on the social enterprise, and employ someone else to work on the business too."

Participating organisation, Environment

Knowledge and understanding of enterprise

The application data shows that participating organisations at the beginning of their trading journey tended to lack knowledge of enterprise, trading models, and business acumen. This was a particular problem for those in sectors with fewer trading models to emulate, such as Equality and Mental Health cohorts; as a result, they required additional support to increase their knowledge base, and to conceive of viable enterprise ideas. A discussion of the differences in trading development across sectors can be found in Part One.

Originally, EDP's funders had anticipated supporting organisations with mixed-income models where trading constituted a significant portion of their income. However, many of the organisations that took part (at least in the early years of the programme) had little to no trading income (one-third (32%) were earning less than 25% from trading at application). As sector leads were ultimately responsible for deciding who they would support (not the funder), this explains the difference between the funder's expectations and the reality, according to the sector leads, as experts, of who would most benefit from participating in EDP.

EDP was successful in boosting participating organisations' knowledge of trading and enterprise

Analysis of EDP monitoring data shows that 97% of participants in the main programme rated their confidence and understanding around trading and enterprise after the programme as positive overall, with 44% rating it "very positive". These findings were echoed in the post-programme survey, with 93% reporting that they had improved their knowledge and understanding around trading and enterprise (62% significantly) and 96% reporting an improvement in their organisational confidence to trade and/or diversify income (78% significantly).

An analysis of the end-of-grant monitoring forms shows that ten participating organisations spontaneously reported that the support helped them develop business skills, enterprise knowledge, or commercial expertise.²²



The funded development time has enabled us to move forward trading ideas that would have otherwise taken us years. The project as a whole has helped us to become more commercially minded."

Participating organisation, Environment



The training and support package has been invaluable. Small charities like ours rarely have access to high-quality training and development activities. It has improved our confidence in Business Planning, Marketing and how we communicate our social impact."

Participating organisation, Environment

²² 'What was the most useful part of the support you received?', (End-of-grant monitoring, N=196)

Self-rated confidence and understanding around trading, compared to start

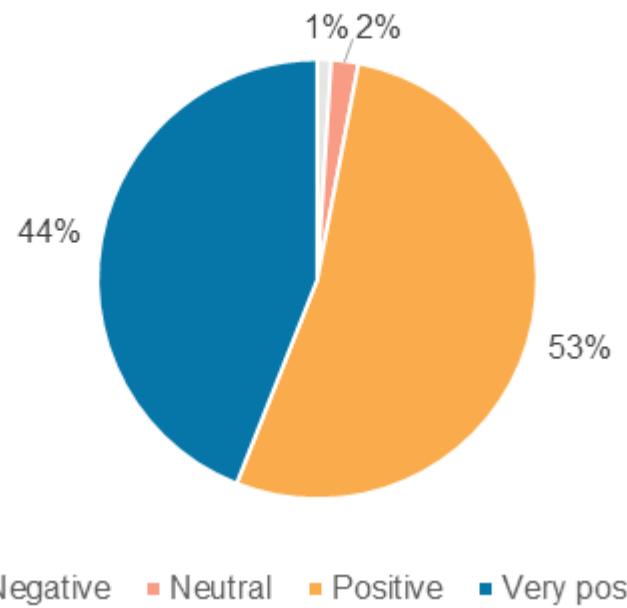


Figure 19 How would you rate your organisation's confidence and understanding around trading and enterprise compared to when you started the enterprise development programme? (End-of-grant monitoring form (Main Programme), N=180)

Difference made by EDP on grantees' knowledge and confidence around enterprise and trading

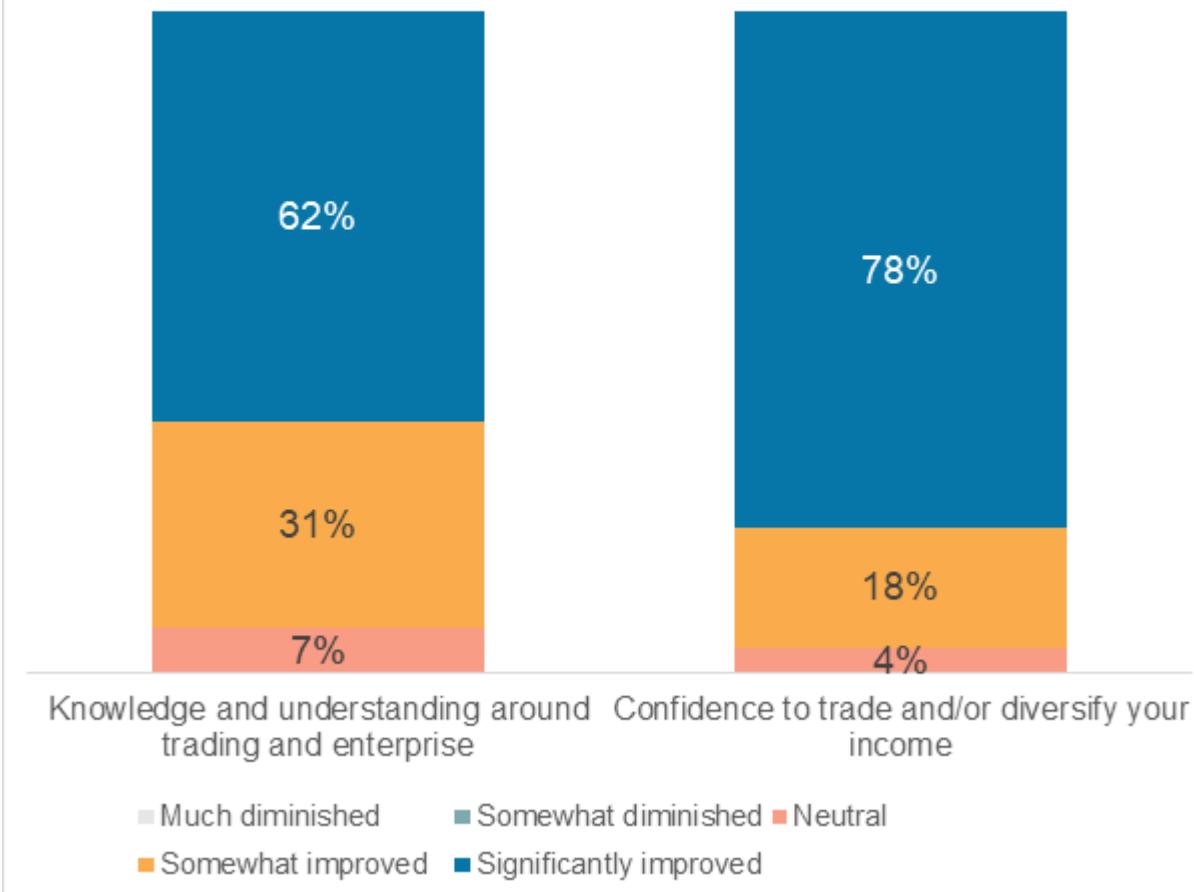


Figure 20 Thinking about your whole organisation, and not just your enterprising activity, what difference has being part of the EDP made on your: knowledge and understanding around trading and enterprise/confidence to trade and/or diversify your income (N=45)

Social leaders are best placed to gain the most from the learning programme and apply it

Leaders of participating organisations, who consistently attended sessions, benefited most from the learning and support on offer through EDP. Individuals with the power to drive change in their organisations, and the knowledge and experience of running them, were in the best position to make the most of the learning and put it into practice.

However, social leaders have hectic schedules and struggle with capacity, especially those who run small organisations. As a result, many found it difficult to ring-fence time to attend learning support sessions. The COVID pandemic and ensuing cost-of-living crisis added

yet more pressure, with participating organisations firefighting on many fronts. Lack of capacity within organisations meant that many had no choice but to prioritise delivery over enterprise development.

Some participating organisations sent different and less senior staff to the EDP sessions. This approach affected continuity, the accrual of knowledge and limited applicability within organisations. Continually changing faces also impacted the peer learning and sharing experience. Other organisations fell through the cracks because the EDP didn't cater to specific access and inclusion needs.



There were definitely some organisations where engagement was lacking...they saw an opportunity to get some grants and were less interested in that development aspect of the programme. So that was challenging and a bit frustrating at times."

EDM, Mental Health



[Some organisation[s] dramatically shifted ... and there were bigger 'fish to fry', or more important matters on their plate, that took all of their time and energy [...] and the enterprise side of things had to be put on the back burner."

EDM, Mental Health



We really learnt a lot from working with charities led by and for people with learning disabilities: how timeframes need to be changed, and how things need to be set in place before you try and engage people in developing [an enterprise]."

EDM, Equality

More confident leaders

EDP helped leaders to overcome 'founder's syndrome'

According to participants interviewed for the evaluation and those who participated in the workshops, EDP helped leaders deal with 'founders' syndrome'.²³ It can be difficult for social leaders to step

²³ Kislenko, S. (2022) Dismantling founder's syndrome. Available at: <https://thephilanthropist.ca/2022/02/dismantling-founders-syndrome/>

back, delegate, and empower others. The programme gave the social leaders we held a workshop with the opportunity to step back from daily operations, to delegate more, and thereby to identify future leaders whilst also focusing on strategy and growth. Founders, in particular, benefited from funding to pay for more staff support, which enabled them to step back from day-to-day delivery and take more time thinking strategically and planning for the long term. (see more in Section 2.4 'Growth and Workforce Expansion').



I would say that now I, in particular, work more **on** the business than **in** the business."

Participating organisation, Environment



I think being able to delegate more has been really useful. [Employee name] and I [are] now kind of on an equal footing... I'm hoping that he might want to take over and... run it."

Forests of Heart, Environment



You're inevitably delegating more [...] founders syndrome, it's an issue [...] I speak to so many people who say they are enjoying working for this organisation, but the founder is almost strangling it, and not able to [...] step back."

Participating organisation, Equality



Before this opportunity, I was just constantly working, putting out fires. I didn't take any time off to think or to network with others."

The Mentoring Lab, BMC

Leaders gained confidence, acknowledged accomplishments, and cultivated assertiveness

Many of those we spoke to in our interviews and workshops identified themselves as strong and resilient individuals. This was particularly true for those working in small social enterprises and entrepreneurial charities. With the support of EDMs, consultants, and their peers, leaders became more confident in themselves and their abilities, recognising their achievements and growing more assertive. Some

felt more empowered to share their unique lived experiences and to speak up in places of power.

We found that this newfound confidence was a clear precursor to the next stage of developing an enterprise: of 'trying something new' that they would not have done previously (see Section 2.3). Leaders learned to articulate goals, pursue opportunities, and communicate their worth. This involved a shift in mindset towards valuing themselves and their organisations by demanding more. Some applied for larger, more competitive grants; others became more confident to turn down inappropriate volunteering, donations, or funding offers.



I think that a real issue with our sector is that there's a real feeling of we're begging, and we need to sort of, only ask for what we need, and I think actually we should ask for what we want and then negotiate it."

Participating organisation, Environment



Everyone says, 'can we come and serve food to your guests, please?' No, you can't, because we don't need you to do that. But if we can find something you've got as a talent and align it with what we need, then it's going to work better [...] We're confident to say to people 'thanks for the offer, but no, is there anything else you can do for us?', whereas before we would have said 'yeah, we'll do what you want.'"

Barons Court Project, Homelessness



[Time on the EDP programme] has shown me how important my voice is."

Participating organisation, BMC

Leaders could step back from delivery and focus on growth, development, and strategy

In the end-of-grant monitoring, twelve people specifically mentioned that the funding and support they received on EDP helped them step back from day-to-day operations to focus on strategy, planning, or enterprise development. In particular, the additional funding enabled many to backfill roles, which released leaders' time and capacity. This extra capacity allowed organisations to clarify their direction, refine their business models, and make informed decisions about growth. This has a long-term impact for many organisations as the time spent

on strategic thinking and long-term planning translates into more time saved in future, improved capacity to deal with growth, and improved decision-making.

People and wellbeing

Participating organisations felt better able to manage the well-being of leaders and the wider team

69% of survey respondents felt that being part of EDP improved their ability to better manage the wellbeing of leaders and team members, 27% significantly, although capacity continued to be an issue for many. 53% said that their team was better supported and resourced to handle their workload compared to before embarking on EDP.

Ability to better manage wellbeing of leaders and team members

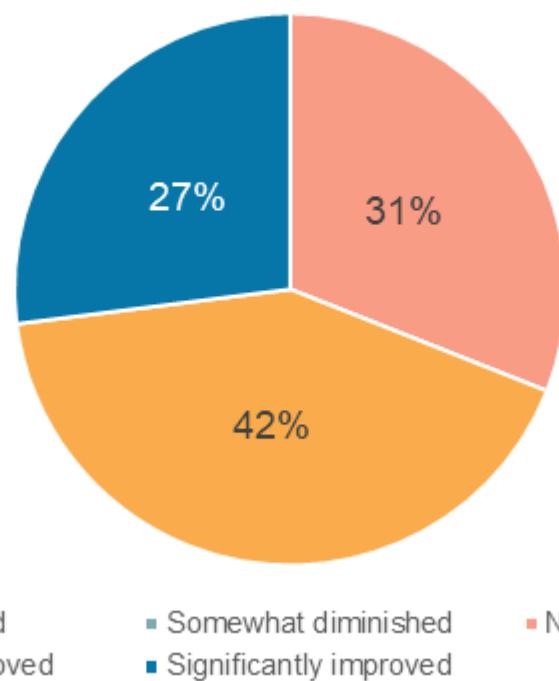


Figure 21 What difference has being part of the EDP made in your ability better to manage the well-being of leaders and team members? (Post programme survey, N=45)

Capacity continues to be a challenge, leading to burnout

In the end-of-grant monitoring, participating organisations identified limited staff capacity as the most prevalent challenge across all sectors. Many do not have enough people in their organisation to cover the roles of delivery, sales & partnership-building, and strategy. Developing an enterprise was described by many as demanding, isolating, and high-responsibility, which, while mitigated by the

coaching and peer support offered by the EDP, needs more investment of time, expertise and skill.

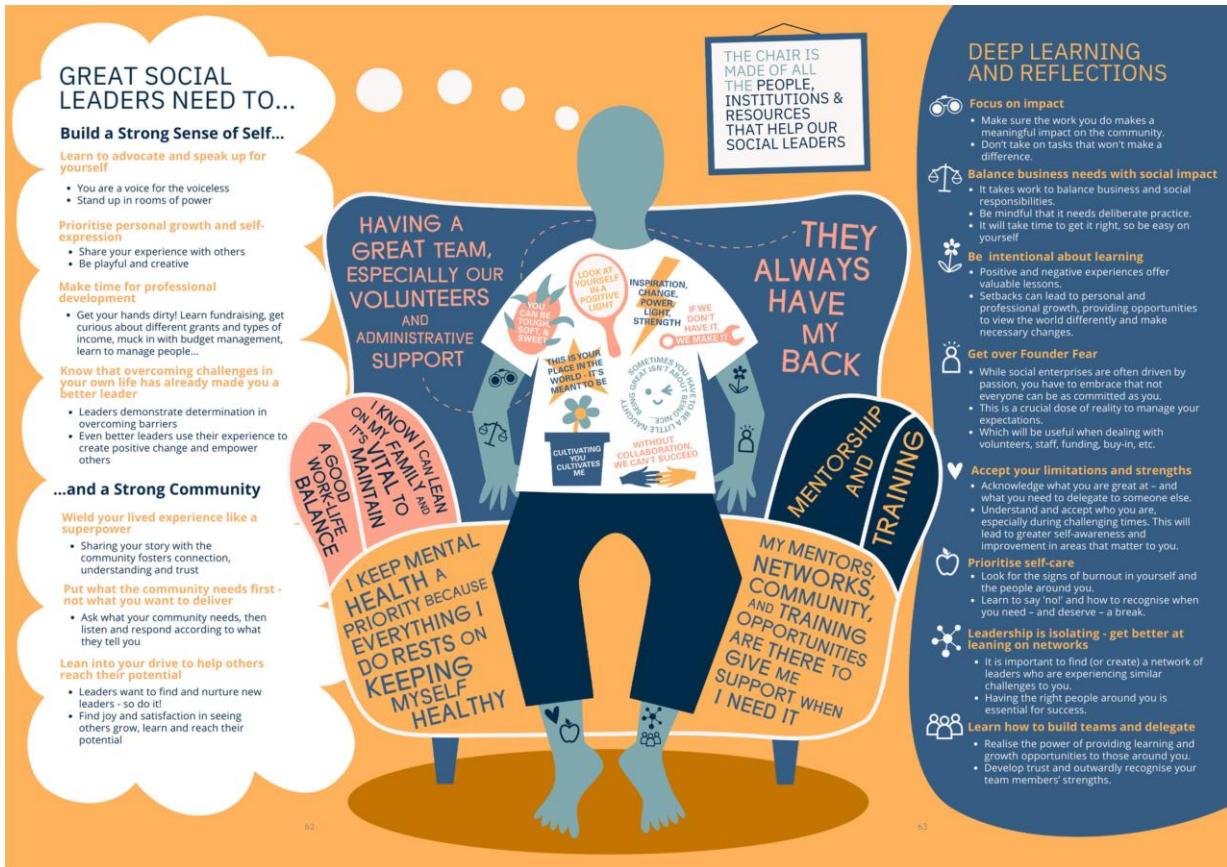
Even with the EDP support, many founders took on enterprise development whilst also delivering their day-to-day work. This led to burnout and demotivation. There was also widespread personal cost: 'low morale', 'isolation', 'overwork' and 'uncertainty' were key phrases that came through repeatedly in our analysis of end-of-grant monitoring, which tended to characterise the broader trend towards burnout and demotivation. This was felt especially keenly by smaller organisations and/or those run by marginalised and minoritised leaders, staff, and volunteers.

More insights into the experiences of social leaders and how to support them can be found on the next double-page spread, which shares findings from a participatory workshop exploring this important topic.



Whilst this [programme] has massively helped, we continue to need to deliver on direct projects with young people. We don't have the funds required for paying staff to be strategic, to develop new, longer-term relationships, or to go for the funds that would enable our enterprise work as a whole."

Participating organisation, Youth



Peer learning and support

The EDMs prioritised relationships not only between themselves and their participating organisations, but also peer-to-peer, by fostering supportive connections in a structured peer group setting to share learning, provide support and generate opportunities to work together. This was supported by the programme design, including the sector cohort model, group training sessions, and facilitated peer-to-peer and networking support.

Participating organisations valued being part of a community of peers

Data from the post-programme survey showed that 80% of respondents felt their connection to other organisations from which they could learn and share had somewhat or significantly improved.

Ability to build community to learn from and share with

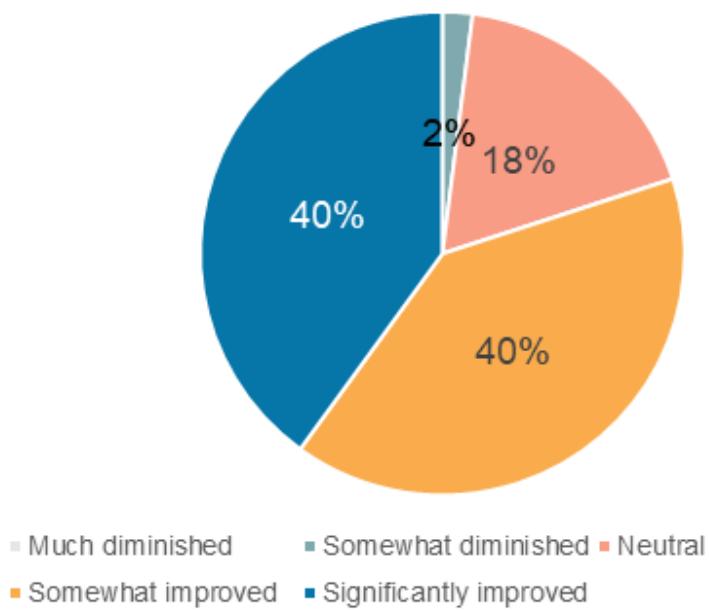


Figure 22 What difference has being part of EDP made in building a community to learn from and share with other organisations? (Post programme survey, N=45)

Peer connections played a pivotal role in addressing feelings of loneliness among social leaders, as they often face isolation due to the demands of managing social enterprises or charitable organisations and the complex social issues they aim to solve. Structured peer support significantly enhanced leaders' sense of community and reduced feelings of isolation, and providing a space for honest conversations about struggles fosters support and connection among peers. A transformative change can occur when a project evolves from a lonely endeavour to a collaborative effort based on mutual support.



It can be a lonely role, and you do, over time, build up a network of organisations and individuals who have similar roles to yourself and whom you can call on for support. I think that's how charity CEOs function. But this was the first time I'd done a proper peer support programme, and it was good.”

Sandwell African Caribbean Mental Health Foundation, Mental Health

“

I really just needed a space just to say how f*** awful this all is, and how difficult it is, and have that real kind of openness. So, to have people that were just talking like human beings, not like robots and being honest about their vulnerabilities ... and to be encouraged and supported ... you can't put a price on that.”

Participating organisation, BMC

This was particularly important for the minoritised leaders who spoke to us, who told us they can face unique loneliness. Supportive networks can lead to unexpected friendships, collaboration and a sense of camaraderie among minority-led enterprises. Being surrounded by diverse, accomplished peers from various backgrounds serves as motivation and encourages the sharing of knowledge. Connections made during the pandemic proved especially vital for support and collaboration, showcasing the value of peer relationships in challenging times.

“

Too often when you are working in this sector, especially among ethnic minorities, it can feel quite lonely. Although nobody was doing exactly what I was doing, the knowledge that others were going through the programme helped us form a nice little group. We created a WhatsApp group so [...] it created quite a nice camaraderie among people who might not otherwise even say hello to one another on the street necessarily. So, people from very different backgrounds and life experiences can go out for a cup of coffee together. So, that was very special.”

Participating organisation, BMC

“

If you talk about what has been a change for me. This is not a lonely project anymore. This is now a communal enterprise [...] that's been a massive change.”

Participating organisation, BMC

Connecting with peers allowed participants to learn and develop

Peers become critical friends who help participants consider problems or opportunities from a different perspective. Action Learning was highlighted as particularly useful as 'testbeds' for new and emerging ideas, as they were a safe and supportive space. For

smaller organisations, these peer groups sometimes functioned as supplementary team members – colleagues to bounce ideas off and provide moral support.



It was the link to someone who had helped set up a cleaning company for another charity organisation. I was then put in touch with them, and it was nice because they were [a few years] ahead of us... I was able to run through our plans, and as a result of his feedback, we were able to tweak [things]."

Participating organisation, Homelessness



At times, as I founder, we often get tunnel vision ... you need other people ...who are not family or friends who think everything you do is perfect ... in your corner to be like. Have you thought about this or that...?"

Participating organisation, BMC



The support groups were also really valuable for me, especially before recruiting a team. They helped me think outside of the day-to-day, gain advice from others in similar positions and extend my network of peers and professionals."

Participating organisation, Equality

Some organisations found it beneficial to be matched with a similar organisation, and particularly ones further along in their journey, who could help and guide them. Participating organisations whose enterprise objectives intersected with those of other cohorts, such as mentoring Black youth or community gardening for mental health, would have liked more opportunities to connect with the larger group and create organic, self-sustaining sub-groups.

Continued peer connections beyond EDP

Participants have maintained strong relationships developed during the programme, meeting regularly to continue their collaboration and support. This ongoing connectivity fosters a sense of community and shared purpose. Participants actively support one another by sharing resources, recommending funding opportunities, and celebrating each other's successes. 51% of participating organisations surveyed told us that they felt they had a better network of support and useful contacts following the EDP.

Engaging with peers beyond the programme's end continues to alleviate feelings of isolation, particularly in more difficult times, especially in the face of the 'cliff-edge' of support and funding that is often felt at the end of programmes like the EDP. Regular contact, even infrequent, helps participants feel supported and connected. End-of-cohort conferences held by sector lead organisations helped support continued connections.

“

In my group, I got on really well with two ladies who support young people... so I still meet them... every couple of months... and we actually do the same sort of things as we did in the facilitated group. So, we have kept it going.”

Participating organisation, Mental Health

“

[We] see each other's progress and [...] big each other up where we can [...] like put[ting] [each other] forward for bits of funding [...] we've been helping each other out in little ways along the way”

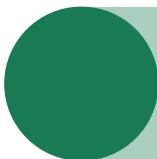
Standing Tall, Homelessness

“

One thing I really appreciate is that [...] I still feel connected. I can—and do—reach out whenever I need to [...] EDP supports people during [...] vulnerable times in their business and personal lives. Therefore, I believe it's crucial to maintain some form of contact, even if it's just an email every six months. This approach is quite unique in my experience, as typically, once the programme is done, that's it; you don't hear from them again. So, this ongoing connection is a lovely aspect of EDP.”

Participating organisation, Equality

2.3 Trying Something New



EDP support boosted organisations' confidence to experiment and take risks by mitigating the perceived risks associated with innovation and potential failure. The funding enabled market research and feasibility studies, promoting evidence-based enterprise development. Consequently, leaders grew more assertive in articulating their needs, fostering innovative partnerships to elevate their brand, products, and services, and inspiring stakeholders to embrace new ventures.

Key Findings

EDP enabled participating organisations to safely test their enterprise ideas

- Participating organisations adopted an iterative 'test and learn' approach
- They were able to test the viability of enterprise ideas without jeopardising existing services
- Flexibility built into EDP allowed participating organisations to discard unviable ideas

Organisations were supported to develop and grow new and existing enterprises

- EDP supported participating organisations to consolidate, expand and set up new enterprises
- Participating organisations from across sectors showcase a wide variety of exciting enterprise ideas

EDP supported leaders to champion social enterprise within and beyond their organisations

- EDP empowered leaders to effectively communicate the value of pursuing alternative income streams.
- Participating organisations are more effective at influencing others to support their work

“

Without the funding, we would not have taken the risk to use the charity's funds on a new enterprise, we would also not have had the confidence to take on this challenge. Although the funding was crucial, the ongoing accessible support and specialist training were absolutely necessary to give us the skills and "head space" to create our product. Having an external organisation believe in our product helped our confidence and drive to succeed in creating our social enterprise..”

Participating organisation, Environment

Testing enterprise ideas

EDP enabled participating organisations to test enterprise ideas and viability, experiment, and take risks. When we analysed responses to the end-of-grant monitoring forms, we found that 12 people explicitly mentioned that the support helped them test, prototype, or experiment with enterprise ideas and assess feasibility, which represents about one in sixteen participating organisations. In these responses, many said how helpful it had been to have the expertise and reassurance of expert consultants supporting them through the 'twists and turns' of the enterprise development process.

Participating organisations adopted an iterative 'test and learn' approach

EDP was designed to allow participating organisations to test enterprise ideas, adapt them iteratively, and test them again (see Fig. 15). An iterative approach encourages participating organisations to learn from each test, identifying what works and what doesn't. This agile and continuous learning process leads to better decision-making and stronger, more viable enterprise ideas and is proven to be more efficient, cost-effective, and ultimately resulting in a higher return on investment.²⁴ In an uncertain economy, iterative learning can also equip enterprises with greater agility to navigate unpredictable circumstances by fostering a mindset that welcomes change and adaptation.²⁵

²⁴ Adaptovate (ND) "How important is the agile "test and learn" approach?" (<https://www.adaptovate.com/design-and-innovation/product-design-and-management/test-and-learn/how-important-is-the-agile-test-and-learn-approach/>)

²⁵ Colletti, A. (ND) "Iterative Learning: A Crucial Success Factor for Today's Enterprises" LinkedIn Article (<https://www.linkedin.com/pulse/iterative-learning-crucial-success-factor-todays-sandro-coletti-7yl1f/>)

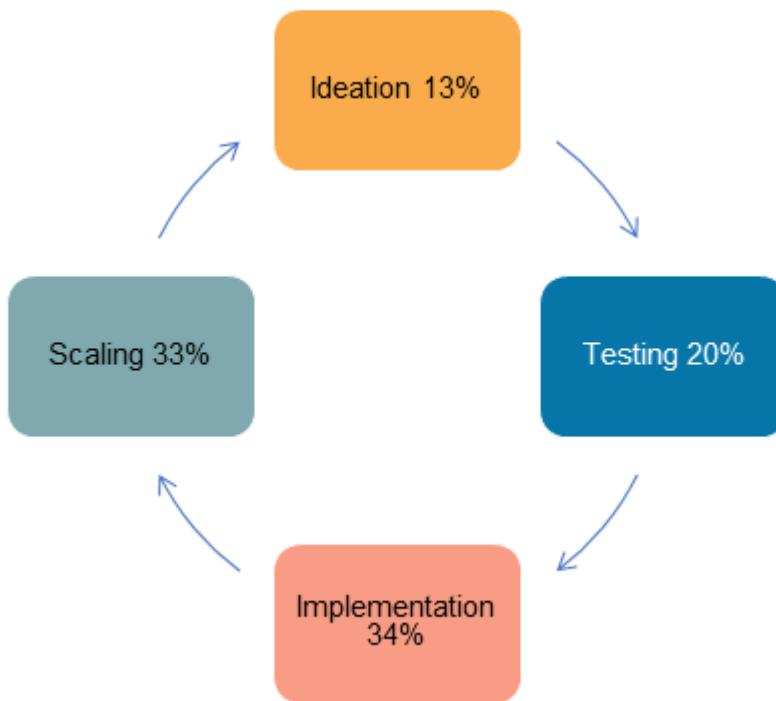


Figure 23 Proportion of organisations approved for EDP by stage of development of trading (Application monitoring form (Main Programme), N=192)

Having regular reviews with [the consultant] meant that we were supported in navigating the twists and turns of our search and ultimately the feasibility. Without the funding, we wouldn't have been able to react positively and adapt to the changes in circumstance."

Participating organisation, Environment

Access to opportunities to explore and test new enterprise and revenue-generating ideas

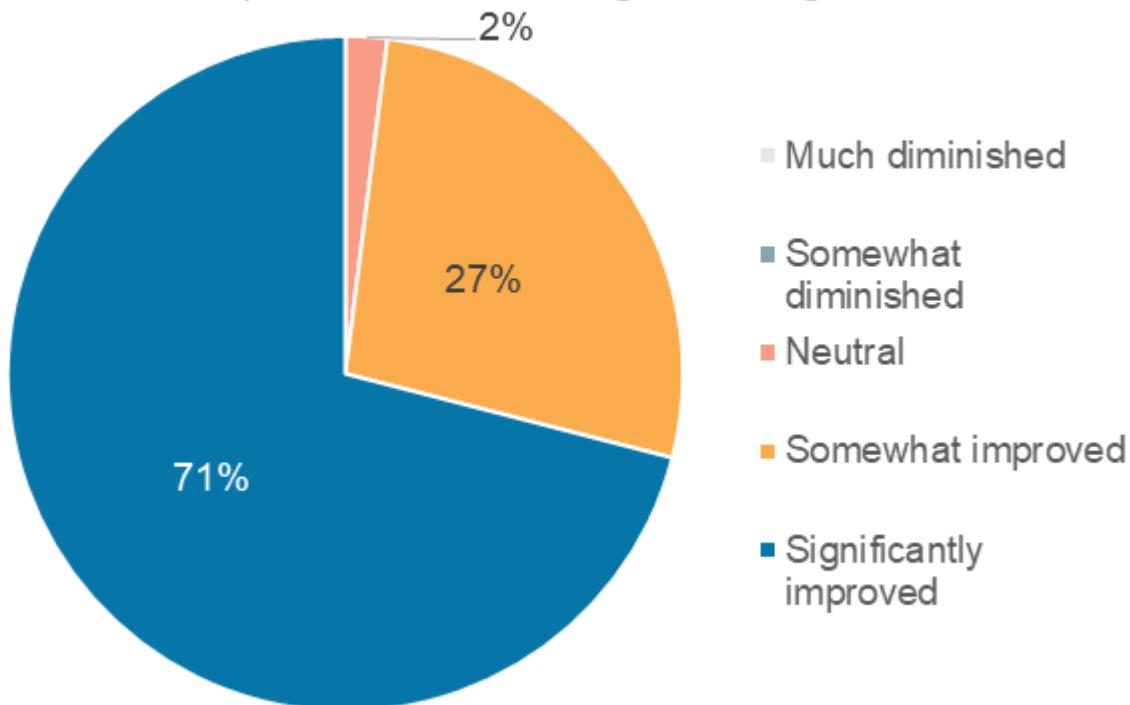


Figure 24 'Thinking about your whole organisation, and not just your enterprising activity, what difference has being part of the EDP made on your opportunities to explore and test new enterprise and revenue-generating ideas?' (Post programme survey, N=45)

Participating organisations could test the viability of enterprise ideas without jeopardising existing services

Researching and piloting a new enterprise is fundamental to viability and success. 98% of EDP participants felt that they had had improved opportunities to explore and test new enterprise and revenue-generating ideas through the programme (71% significantly). Interviewees found that the funding and hands-on support enabled them to "take time to think it through," (participating organisation, Youth), and pay for robust market research. This allowed organisations to take a considered and evidence-based approach to developing an enterprise.²⁶

Mitigating the risks of starting or scaling an enterprise is a huge consideration for all of the organisations engaged in the interviews. EDP enabled them to test ideas without risking the organisation by using its cash reserves or taking resources away from existing services.

²⁶ SSE (ND) Researching and piloting a new idea. Available at: <https://www.the-sse.org/resources/idea/researching-and-piloting-a-new-idea/>

Participating organisations valued the flexibility built into EDP to change their plans based on evidence from research and testing that showed their original idea was not feasible. For a few of those we interviewed, finding out that their enterprise idea was not viable was not considered a failure but a valuable learning opportunity, which helped them to pivot their ideas and/or focus on strategies that support their organisational aims.

Feasibility grants

Specific grants for testing and proving viability were incredibly valuable to participating organisations

For many organisations, feasibility grant funding was game-changing, providing the space, confidence, and resources needed to test ideas, refine their models, and build long-term sustainability – all in a risk-free environment. A crucial aspect of feasibility support was market research and strategic development, enabling organisations to assess demand, refine their services, and secure buy-in from key stakeholders, including trustees. This not only strengthened business cases but also helped organisations attract further investment, engage with potential partners and clients in new ways, and build commercial awareness. One interviewee discussed the 'Income Generation Feasibility Study', describing how he engaged with potential clients for the first time, effectively pitching services to them. He reflected, "It was unfamiliar, but stimulating!" (Mental Health).

While feasibility funding is challenging to come by, those who received it found the impact "significant"— helping them move beyond ideas into structured, sustainable plans that positioned them for long-term success. Others, as mentioned in previous sections, were grateful for the opportunity to trial something that ultimately might not have worked safely.



The funding enabled us to trial a new delivery model that has now become a core part of our services—we wouldn't have had the confidence to do this without the grant."

Participating organisation, Equality



We learned to pitch our services to potential clients even though the service was in the embryonic stage."

Participating organisation, Environment

“

The feasibility work has enabled us to secure funding for the first two years of the service development.”

Participating organisation, Environment

”

The Feasibility Study drew our attention to various weaknesses in our organisation and suggested improvements which could be made.”

Participating organisation, Environment

Changes from the Pilot Programme

The Pilot phase of the EDP had a separate grant for feasibility testing, which tended to be for smaller amounts – under £10,000 – and which sat outside the supported learning programme. Feasibility Grants were confirmed as essential, but there was recognition that more structure was needed to support organisations in transitioning from feasibility to full development. For the main programme, then, small feasibility grants were still allocated in practice, even if they were not always labelled as such. Now, all organisations would participate in the complete programme offer; the programme made little distinction between the different stages at which participating organisations were. For example, some organisations were too advanced for feasibility grants but not yet ready for full development funding, highlighting the need for better transition support, which participation in a fully-supported programme could provide. The revised approach aimed to create a safe space for all organisations to experiment, test ideas, and pivot their business models without fear of failure, and to bridge the gap between testing an idea and realising it.

Case Study: Ella's – Learning that an idea won't work is just as valuable as learning what can

Background

Ella's supports survivors of trafficking and sexual exploitation to live safe and free lives, by providing survivors with long-term housing options for up to 18 months. Ella's applied to the EDP to support the development of a business plan to purchase a house, and to pilot a women's cleaning and maintenance social enterprise.

Viability testing

Having explored the business case and viability, they were able to purchase a property, which is the start of their long-term plan for growth and sustainability. At the same time, having researched trading models that had worked in their sector, Ella's piloted a women's cleaning and maintenance company. On testing, they found that the enterprise was unfeasible due to the challenge of recruiting enough women to provide a consistent service.

The difference EDP made

The EDP funding provided Ella's with the invaluable opportunity to properly resource staff time to explore social enterprise viability. As the founder explained, "freedom: that's what this money is for; it is to do this development, so we can try an idea out. It doesn't matter if it fails because the money is for that testing process."

For the property purchase, EDP accelerated progress, as the founder noted, "I can't say for sure whether we would have bought a house [without EDP], whether we would have created enough space and time to get to that place, but it definitely helped us. At the very least, EDP made it happen faster, just by giving us that time to focus."

Although Ella's did not pursue their cleaning and maintenance company idea, the founder considered the experience a success: "We remain open to the idea of social enterprise [...] But for now, we did the study, we tried it, and we said: 'This isn't the right time for us', which was really helpful. It's not a beautiful success story of 'we tried it and it worked', but for us, it definitely was a success to have done that. First of all, to take it off the table (because we were constantly talking about it!); and second, because the person we brought on with EDP funding is still helping us with other ventures, like we've bought a house! [...] It was really useful; we learned a lot, but in the end, we decided it wasn't the right time for us."

Advice to others starting on an enterprise journey

"Test and learn and test again!"

Setting up a new enterprise

EDP was successful in enabling organisations to first trial, and then successfully, expand their offer. For example, [The Sewing Rooms](#) developed the [Sew Fab Thermal Cooking Bag](#) – made from upcycled textiles destined for landfills, the bag offers a sustainable solution for energy-efficient cooking. EDP also supported participating organisations to set up new enterprises entirely, such as [ARC](#) setting

up and growing [Crescent Cleaning](#), a company that recruits those who have experienced homelessness and are ready to get back into work.

Analysis of monitoring shows that one in ten participating organisations set up a new trading activity altogether through the development of an innovative new product or service or by repurposing existing assets, for example, by hiring out space to other organisations in current premises, or by installing solar panels to reduce energy costs. Investments in assets leveraged by EDP grant funding were also made, for example through the acquisition of essential equipment, such as coffee machines or property, leading to reduced overhead costs and providing a potential source of rental income.

Over one-third of respondents (36%) were enabled to expand their trading activity in existing markets. For some, the coaching, funding, and access to experts made possible through the programme enabled them to adapt and refine existing products and services by undertaking market research or carrying out user testing, research, and development. 22% scaled activity by bringing products or services to new markets by delivering online, securing contracts with new clients in new areas, or selling products in additional outlets.

EDP has helped organisations to...

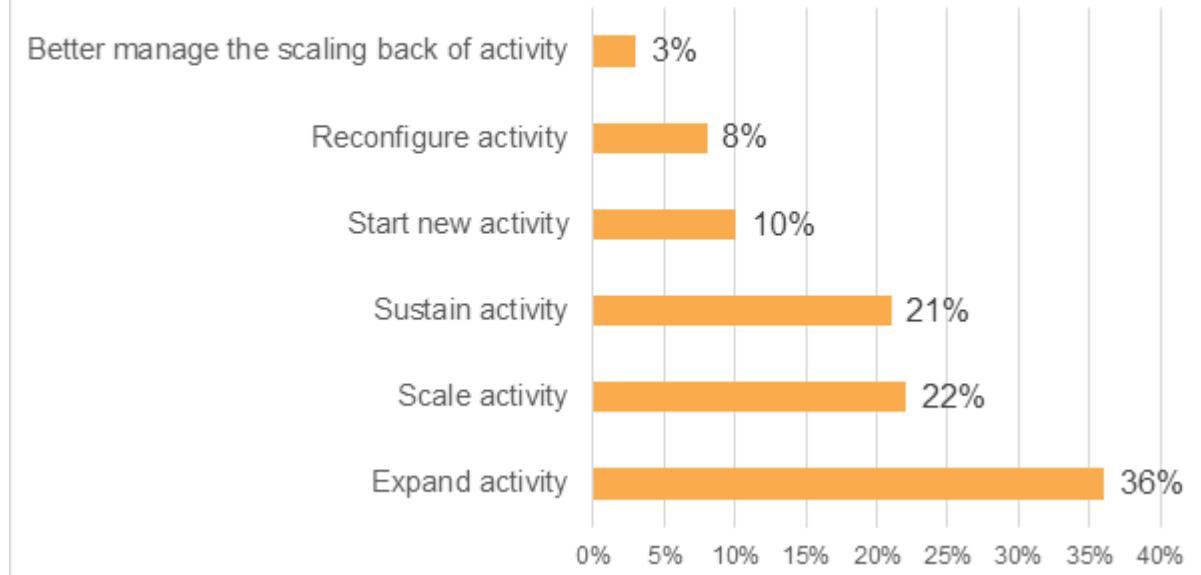


Figure 25 Effect of EDP support on enterprise development (End-of-grant monitoring form (Main Programme), N=179)

Existing Enterprise Types Developed on EDP

From our qualitative research, we have compiled a list of the most common types of trading activity successful applicants already had when they applied to the EDP (from successful application forms, N=225).

Black and Minoritised Communities

Services

- Advocacy and speaking events
- Catering
- Employability and confidence-building programmes
- Education and training programmes
- EDI training to workplaces and schools
- Wellbeing and support programmes
- Coaching & Mentoring
- Youth programmes

Products

- Food delivery/take-away
- Retail: Shops selling low-cost groceries and household goods, pre-loved furniture and clothing, own merchandise

Hubs, Spaces, Memberships

- Space hire and community hubs (making spaces, studios, co-working, etc.,)
- Membership, accreditation, and affiliation fees

Homelessness

Services

- Walking tours
- Spare room hosting
- Supported accommodation
- Recruitment and employment service
- CSR programmes and skills exchange for workplaces
- Cleaning services
- Employability programmes

Products

- Retail: Shops selling products made by beneficiaries

Hubs, Spaces, Memberships

- Community hub
- Creative and making spaces

Mental Health

Services

- Consultancy
- Wellbeing programmes in schools
- Education programmes in schools
- Employability and confidence-building programmes
- EAP in workplaces
- Counselling
- Rehabilitation and chronic health support

Products

- Retail: Shops selling merchandise, and products made by beneficiaries
- Tearooms and cafés
- Self-directed digital learning platform

Equality

Services

- EDI training for workplaces and schools
- Consultancy
- Coaching and mentoring
- Business support, like communications, finance management, market research, and entrepreneurship education
- Employment and recruitment services
- Support services for adults with SEN and disabled people
- Advocacy and access services
- Employability and confidence-building programmes
- Training and CPD for professionals
- Screening services
- Life skills programme
- Accreditation scheme

Products

- Remote and eLearning EDI courses
- Retail: Shops selling own merchandise

Hubs, Spaces, Memberships

- Room hire
- Community hubs

Environment

Services

- CSR and team-building activities
- Training for corporate clients (e.g., carbon emissions, conservation, etc.,)
- Consultancy
- Education programmes in schools
- Programmes for practical outdoor skills, traditional crafts, and learning about nature
- Wellbeing in nature programmes for schools
- Social prescribing (wellbeing programmes in nature)
- Gardening and landscape design services
- Collections, repairs, and recycling services

Products

- Upcycling and reusing to create new products (clothing and soft furnishing; jewellery, art, etc.,)
- Retail: Shops selling eco-friendly and sustainable products, own merchandise, products made by beneficiaries, plants and horticulture, and natural products
- Veg boxes
- Biodiversity data platform

Hubs, Spaces, Memberships

- Repair cafés, Eco community hubs
- Space hire
- City farms and community gardens
- Biodiversity data platform

Youth

Services

- Employability training
- Work experience
- Practical life skills
- Consultancy
- Media training
- Training and CPD for professionals
- Youth voice training
- Transition to independent living support
- Accreditation scheme

Products

- Printing shops
- Coffee van
- Retail: Shops selling products made by beneficiaries, their own merchandise
- Renovating and selling vans

Hubs, Spaces, Memberships

- Enterprise incubator

Championing social enterprise

Leaders can more effectively advocate for pursuing alternative income streams

In cases where boards had been hesitant to prioritise enterprise or investment, the EDP empowered leaders to effectively communicate the value of pursuing alternative income streams.²⁷ A key factor in convincing boards to support social enterprise initiatives was highlighting how these endeavours could simultaneously generate funds and contribute to achieving social goals, such as employing beneficiaries or enhancing their skills (see section 5 below). EDMs agreed that commitment to enterprise from participating organisations' leadership was the most important predicting factor for 'success' on the programme. This commitment looks like (a) having a single point of contact, one person dedicated to driving the enterprise project forward, and (b) where the enterprise is not a separate side project for a charity but an integral part of how the organisation wants to operate and deliver social and environmental good. Senior leadership buy-in and an informed awareness of what it takes to start and run an enterprise are critical.

Some of the participating organisations who spoke to us- especially those in larger, more established charities- struggled to secure buy-in from boards and senior leadership teams to focus on enterprise. This

²⁷ Of those we spoke to in our interviews.

is related to the above point that 'commitment' – inasmuch as enterprise is made integral to the organisation, not a side project – is imperative to its sustained success. EDMs reported that some leaders saw the EDP as restricted grant money, and "what is happening over there" should not interrupt or detract from the work that is being done in the charity overall. One participating organisation said that their feasibility study had been critical in persuading the board.



Board members are quite cautious; they're risk-averse. They don't want to rock the boat and we expect them to be that way. I was able, I think, because of this programme, to see a change in the board members' thinking and their mindset around informed risk."

Participating organisation, Mental Health



Buy-in and business experience from senior leadership and board is really important [...] as is the awareness of the work that goes into enterprise."

EDM, Youth



The feasibility work has enabled us to gain deeper buy-in from internal staff and the board to further develop this area of our work."

Participating organisation, Mental Health

Participating organisations were better able to influence others to support their work

Over half (53%) of participating organisations who responded to the post-programme survey felt they were more effective at influencing others to support their work because of the EDP, and 51% felt they had been able to build a better network of support and useful contacts. Alongside the development of a community of peers, the EDP also fostered connections outside of the cohort groups to other professionals, organisations, including potential clients, customers and funders. Many continue to work with mentors and advisors who delivered learning support during the programme.

Some of those who spoke to us feel better equipped to promote their organisations and gain access to platforms that amplify their message and gain media attention. Others have taken steps to forge new relationships with potential funders. For instance, participating organisations have reported increased confidence in hosting events

and participating in high-profile awards. Linked to the next impact area below, one organisation that participated in our workshop emphasised the importance of fostering connections with potential investors, even when immediate funding is not guaranteed.



I've even been put on the radar of investors [...] it wasn't the fact that I knew they were going to invest in us [...] I just wanted to meet them to see where we're coming from [...] to prepare me for the future. So, I wouldn't have had access to people like that."

Ubuntu Education and Mentoring, BMC



We had linked in with a whole host of organisations, and in terms of funding in grants and donations and [in-kind support ...] I estimate it's brought in a hundred thousand pounds that we wouldn't have had [...] if you start to add up the benefits Homeless Link made [to] widen our profile, it's actually had a really positive impact."

Barons Court Project, Homelessness

2.4 Growth and Social Investment Readiness



For many, participating in the EDP fostered growth, in terms of income, expenditure and workforce and reach. Aspiring to and achieving growth depended on having strong organisational foundations, confidence in finances and enterprise acumen, supportive stakeholders, and a viable and evidenced enterprise idea (see previous sections). These fundamentals need to be in place before social investment is considered an option. We found that those on a stronger organisational footing on starting the EDP, the journey to social investment seemed less daunting and/or risky.

Key Findings

EDP helped participating organisations to grow

- EDP participants grew their total revenue income, expenditure, and net assets over five years
- Multiple factors affected the growth and development of trading.
- Participating organisations credited the EDP with expediting their expansion and preparedness for growth
- A greater proportion of participating organisations were in profit following EDP

Participating organisations were supported to create jobs and bring in new talent

- Participating organisations grew their workforces and salary expenditure
- New jobs brought different skills and expertise into participating organisations
- Some participating organisations struggled to recruit the talent they needed to support enterprise growth

EDP helped raise participating organisations' enterprise and trading ambitions

- EDP boosted participating organisations' ambition to pursue trade and enterprise in the future
- EDP has laid the organisational foundations and confidence for many to develop their enterprise ideas further.^[11]
- Some made enterprise a core part of their organisation

Participating organisations were enabled to take their first steps towards raising social investment

- Provide structured support for organisations considering social investment, including business case development and financial forecasting.
- EDP bolstered confidence to pursue follow-on funding and social investment, with over one in ten responding (11%, 18 organisations) reporting that they will look to raise repayable finance in future.
- Those participating organisations pursuing social investment tended to feel more secure organisational footing.
- Social investment should be timely and may not be suitable for smaller organisations



The fund has been a phenomenal success for us [...] Trading is the organisation's main source of income, we are now self-sustainable through the products and services we offer. This simply would not have been possible without the Enterprise Development Programme."

Participating organisation, Mental Health

Growth

Total revenue income, expenditure and net assets grew over five years

EDP participants' aggregate total income increased by 59% between 2019 and 2023 (31% in real terms). The median EDP participant increase was 65% (36% in real terms), showing that growth largely took place across the whole sample.²⁸ In interviews, participating organisations emphasised the significant role the programme played in bolstering their organisations' financial growth, saying that EDP had

²⁸ Financial analysis (N=56). There were two significant outliers without which the increase in total income was 44% (19% in real-terms), and the median increase was 60% (32% in real-terms).

expedited their organisation's expansion and preparedness for growth. They attributed this to the amount of support, training, and bespoke help on their specific enterprises that the EDP provided, making it different to other, more generic, enterprise development programmes.

EDP participants' aggregate total expenditure increased by 70% between 2019 and 2023 (40% in real terms) (see the next section on 'Workforce Expansion'); while their total net assets increased by 16% (-5% in real terms).

	2019 (Y(-1))	2023 (Y(+3))
Total revenue income (median)	£273,119	£443,357
Commercial & trading income (%) (excluding outlier(s))	40%	39%
Grant income (%) (excluding outlier(s))	41%	47%
Total net assets (median)	£166,046	£211,052

Table 2 EDP participant sample financial metrics (2019-2023) – median and total

 [This project] started as a women's community hub in Hackney, which was always rooted in community wealth [and] particularly solidarity economic principles... That is now a very successful enterprise [...] Since that first support from the funder [they have] taken about £100,000 in revenue [...] and it's now going into its own division and registering as its own CIC."

Participating organisation, Equality

 The fact that the funding was focused on building capacity for our income-generating activities was extremely helpful as it focused our attention on increasing our financial sustainability on several fronts."

Participating organisation, Youth

Multiple factors affected growth

A statistical analysis of the data found that three key factors significantly affected an organisation's prospects of growth (in terms of total income and trading income):

- **Size of organisation** – Larger organisations (>£1m) showed the biggest growth in total income, and the largest proportion of their total income was made up of trading income (while grant income makes up the largest proportion of the smallest organisations).
- **Age of organisation** – Older, more well-established organisations were more likely to be growing overall in terms of median total revenue income and income from trading. Grant dependency generally decreased with age.
- **Sector** – There were sector differences with regard to financial success, with homelessness organisations having the highest median total revenue income and environment organisations having the lowest. The sectors with the highest median incomes were least reliant on earned income. Homelessness, Environment and Black and Minoritised Communities sectors all earned more than 50% of their total income from commercial and trading. Mental Health, Equality, and Youth sectors all earned more than 50% of their total income from grants.²⁹

Case Study: Hope for the Community – The role of grant funding in supporting and growing social enterprise

Background

Hope for the Community is a social enterprise that provides a health and wellbeing intervention for organisations working with people living with long-term and chronic health conditions. It helps people to learn self-management techniques, empowering them to manage their own health. Before EDP, it was delivered face-to-face, and the funding enabled it to add digital courses, enabling it to reach a much wider, global community. The funding also helped them to get accessibility accreditation for their online platform and to be included in a wider health app library.

Grant funding and support to enable enterprise

Hope for the Community's experience showcases the crucial role that funding and support programs like the Enterprise Development Programme (EDP) can play in nurturing and growing social enterprises. Their journey emphasises the significance of providing

²⁹ There were also other programme-specific factors that underpinned and accelerated this growth.

grant funding as part of the mix, particularly during the early stages of trading, when enterprises may lack the financial resources to invest in growth.

For Hope for the Community, the EDP's support arrived at a critical time when the founder did not have the necessary funds or clarity to employ their first team member. The program's assistance enabled the organisation to transition from a single-person operation with a few contractors to building a team of dedicated employees. As the founder recalled, the EDP allowed them to focus on the business, stating, "I think the ones that can incentivise, if they incentivise the right way, they can be game changers like the Enterprise Development Programme was for us."

The combination of grant funding and a comprehensive support programme proved to be highly effective, fostering courage and confidence within the organisation. The founder also highlighted the value of having access to a vetted group of experts, which can help entrepreneurs avoid costly mistakes by providing valuable guidance.

Reflecting on the importance of accountability, the founder emphasised, "Accountability is really important. And I think it just doesn't come with other programs."

Hope for the Community's experience demonstrates how well-structured funding and support initiatives like the EDP can empower social enterprises, driving growth and fostering resilience through a blend of financial resources and expert guidance.

Advice to others starting on an enterprise journey

To recruit someone to the board with "a business development eye" and people with additional business skills, like finance and marketing.

To regularly connect with other organisations with experience delivering the kind of service or product that you want to explore.

Workforce expansion

Participating organisations grew their workforce and salary expenditure

The EDP sample (N=56) increased their employee count by 53% over five years.³⁰ EDP participants' aggregate salary costs (excluding NI and pensions) increased by 48% between 2019 and 2023 (22% in real-terms). This increase was across the board.³¹ For those who create

³⁰ Note that employee numbers are only available for registered charities (32% of EDP participants)

³¹ Median value. There was one outlier, without which the increase would have been 53% (27% in real-terms).

work for beneficiaries as a core part of their social enterprise, job creation is particularly powerful.



We've generated £50,000 worth of turnover that sort of thing and paid thousands of pounds worth of wages to young people as well as supported a number of them [...] to move on and get jobs elsewhere."

[The Break], Youth

New jobs brought different skills and expertise into participating organisations

In our interviews and monitoring data, many participating organisations spoke about using the grant funding for staffing support, and the transformative impact it had on them, enhancing their capacity to develop their enterprise and wider organisation. In fact, in their end-of-grant monitoring report, around one in five specifically mentioned the ability to recruit staff as a key outcome. Some of the smaller organisations we spoke to noted that the funding enabled them to hire equitably and compensate appropriately, which was in line with their values.

These personnel filled crucial gaps and freed up capacity so leaders could focus on strategic planning and operations. These included roles in marketing, project management, and business development. For example, one participating organisation said in their end-of-grant monitoring that they were able to recruit a new worker to support their CEO in developing training programmes. This became such an important role that the individual is now their full-time Operations Manager and senior leadership team member. Another used the funding to hire a Project Officer who managed project delivery and significantly scaled their business pipeline, strengthening their long-term sustainability.

In several cases, having dedicated staff allowed organisations to refine their business plans, expand training offers, and develop new income streams — outcomes that would have been difficult without this additional resource.

While creating new roles is a positive outcome, it would be valuable to revisit these organisations in the future to assess whether the roles created have been sustained over time, or if they were short-term positions primarily dependent on EDP funding.

“

The recruitment of a new worker on a short-term contract to assist the CEO with developing our new training programmes was extremely beneficial in the development of our social enterprise. We were able to earn extra income to make this post full time and on a permanent contract. The post holder is now [...] a critical and important part of our Management team. She has been instrumental in developing and enhancing the quality of our programmes.”

Participating organisation, Mental Health

“

EDP let me get someone part-time [...] and [enabled us to] pay equitably; we don't pay our staff the bare minimum [...] a lot of the people who work with us are from Global Majority communities. That's something I'm passionate about. We have grown the team [...] me, another full-time person and two part-time people.”

Participating organisation, Equality

“

The grant enabled us to have a dedicated member of staff working on the project, which was important as [without it], we could not really grow and develop our training.”

Participating organisation, Equality

Some struggled to recruit the talent they needed to support enterprise growth

Some participating organisations struggled to recruit the talent they needed to support enterprise growth. An analysis of the end-of-grant (EOG) monitoring forms (N=139) reveals that a third of those who mentioned finding recruitment challenging specifically highlighted their difficulty in attracting individuals with experience in both enterprise and their sector/target beneficiary. This analysis also reveals that a lack of discrete funds for salaries, combined with a competitive job market, meant that many smaller organisations could not attract talent, which led, in some cases, to delays in developing their enterprise. Many found themselves dependent on pro bono or voluntary support, which left them with inadequate capacity and skill to develop an enterprise at the pace they had anticipated. These participating organisations greatly appreciated the access to consultants via EDP, as they helped to fill the 'skills gaps' – in some cases, these consultants were hired, or commissioned, directly by the organisations beyond the programme. As a result of these challenges

in recruitment, fewer people were doing the work required to develop an enterprise, leading to slowed or stalled projects.

Trading appetite and confidence

EDP boosted participating organisations' ambition to pursue trade and enterprise in the future

Of those who completed end-of-grant monitoring, 95% rated their ambition to trade after the programme as positive, with over half (54%) rating it “very positive”. In that same monitoring, we found that seven people explicitly spoke about having a keener interest in enterprise, trading, and business development. Some said that the fund had enabled them to interact with experts whose insights and connections had unlocked new opportunities for the participating organisations; others felt supported by new colleagues who were able to take on some of the workload, enabling leaders to focus on planning for the future.

Ambition to trade and/or diversify income compared to start of EDP

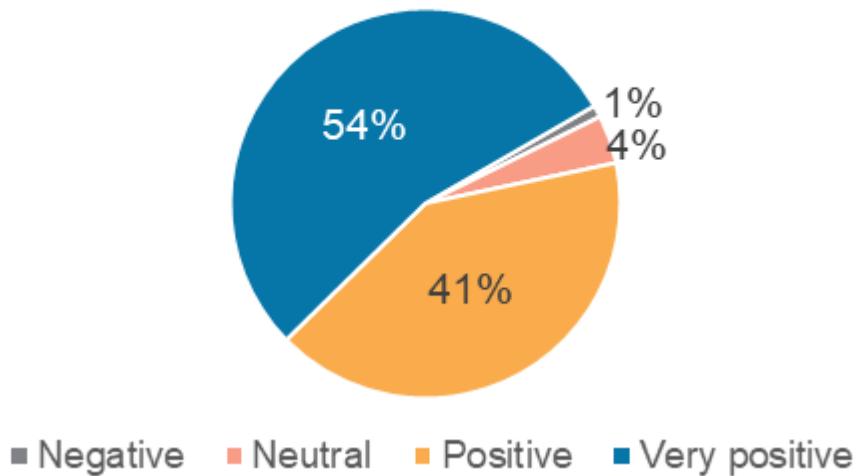


Figure 26 How would you rate your organisation's ambition to trade and/or diversify income compared to when you started the enterprise development programme? (End-of-grant monitoring form (Main Programme), N=127)

EDP laid the foundations for many participating organisations to develop their enterprise ideas further

Those who participated in interviews explained how EDP laid the groundwork for them to pursue trading in the future. Participating organisations shared diverse plans, including setting up new ventures such as takeaway food outlets and paid social prescription services.

Inspired by successful initiatives that provide work experience and employment opportunities to beneficiaries in the youth and homelessness sector, participating organisations expressed their intentions to replicate these projects in new contexts.

Several models demonstrated scalability and potential for replication, including a recruitment agency serving homeless people aspiring to expand nationwide, and an organisation aiming to benefit from economies of scale by growing its network of cafes in new locations. A central legacy of EDP has been in supporting participating organisations to make enterprise a core component of their work.



Income generation that focused specifically on our young people [...] wasn't particularly within the organisations' DNA [...] it was always an absolute dream [...] the Enterprise programme ... was a catalyst for it."

Participating organisation, Youth



The specialist support has been exemplary, and we now have an excellent new website, three exciting experiences on offer, a robust content marketing plan, excellent marketing material, a clear brand and narrative, a better social media presence and robust financial management systems in place. Building on this amazing progress we will now be looking to get some support through the Reach Fund with a view to securing social investment within six months to allow us to drive our business in line with our business model and plan."

Participating organisation, Mental Health



We were able to engage [an expert] right at the beginning of the process. This enabled us to build a robust financial model which supported our Social Investment case. We have a clear vision of the business model and are now planning for the next two years of trading."

Participating organisation, Homelessness

Type of finance looking for	Count of Grant received	Average of Grant received	Min of Grant received	Max of Grant received
Contract Income	59	£25,127	£10,550	£45,918
Grant Funding	91	£26,752	£6,000	£47,250
Repayable Finance	18	£28,775	£13,038	£36,000
Grand Total	222	£25,886	£5,000	£49,890

Table 3 What type of funding are you hoping to raise [in future]? By size of EDP grant

Repayable finance was sought by small and medium-sized organisations (by income or turnover) that may struggle more to access suitable funding, while other organisations of varying sizes were looking to secure grant or contract income. While further grant funding was the predominant choice for most sectors (particularly Youth and Equality organisations), BMC organisations were most likely to seek more contract income (49%), while Environmental organisations were the most likely to be seeking repayable finance (28%).

Despite their generally smaller size (in terms of total income), and despite not receiving the largest grants overall, those organisations ready for repayable finance had received slightly larger grants on average, suggesting that the EDP programme was most successful in preparing organisations for repayable finance at a higher grant level (average value £29,000). When asked what the most important feature of repayable finance is for them, the predominant response was: "Availability of a grant portion (for blended finance)", although other features were also attractive.

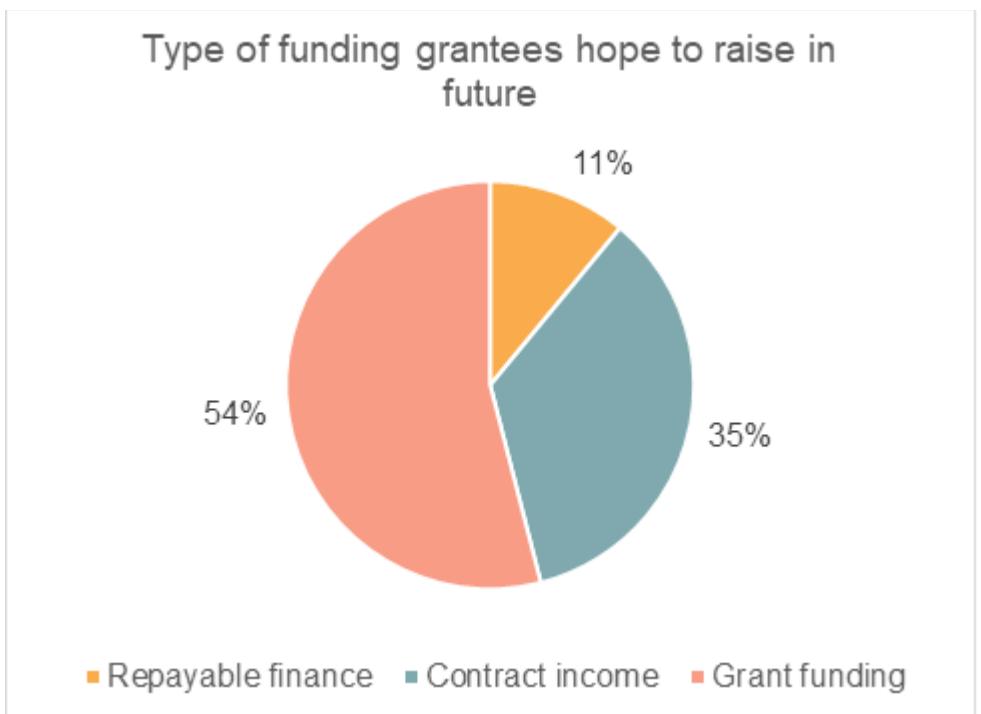


Figure 27 What type of funding are you hoping to raise [in future]? (End-of-grant monitoring form (Main Programme), N=168)

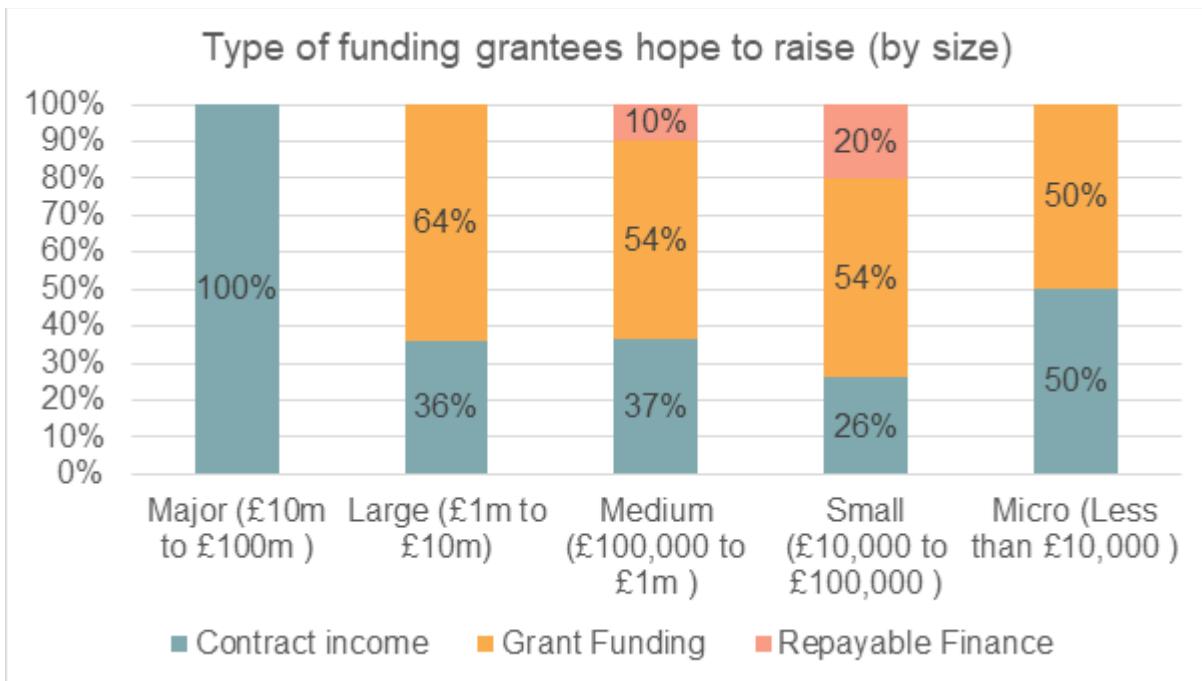


Figure 28 What type of funding are you hoping to raise [in future]? By size End-of-grant monitoring form (Main Programme), N=168, size calculated using NCVO's definitions from the UK Civil Society Almanac)

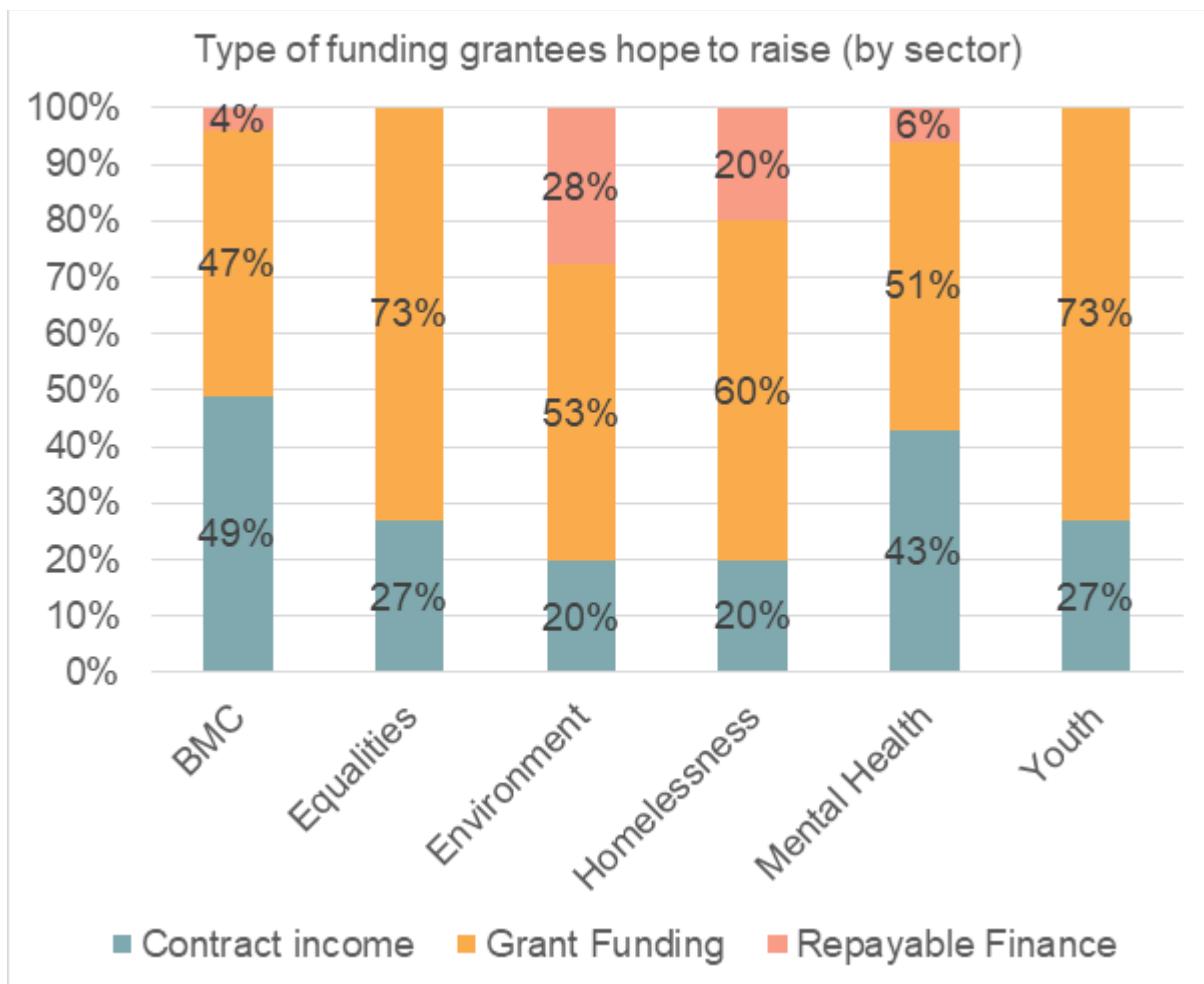


Figure 29 What type of funding are you hoping to raise [in future]? By sector End-of-grant monitoring form (Main Programme), N=168)

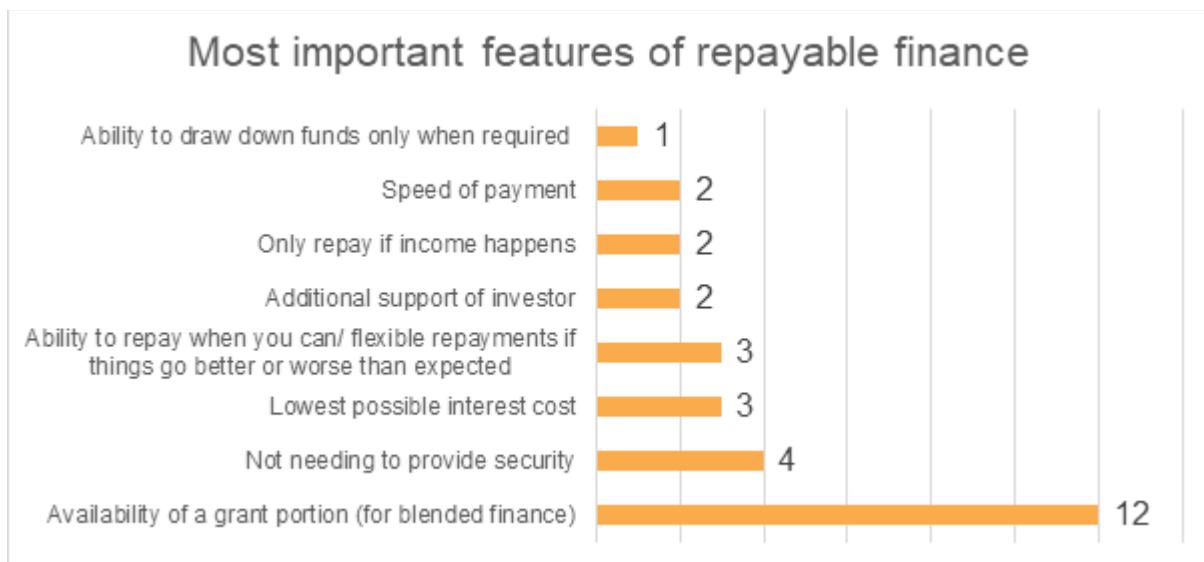


Figure 30 If you were looking to take on repayable finance, what are the most important features to you? (End-of-grant monitoring form (Main Programme), N=168)

Supporting this finding, a quarter of participating organisations who responded to our post programme survey (N=45) said that they wanted other sources of non-grant finance, such as social investment and loans. This higher proportion may indicate that readiness for such finance is a little higher further down the road after the programme, as enterprise ideas have had more chance to develop and progress further.

Some participating organisations who participated in interviews and workshops reported that they had already taken on social investment independently of the EDP, are investment-ready, or see it as a real option down the line. In particular, social investment is seen as a viable way to support the purchasing of assets or to scale proven services. In general, we found that those who intended to pursue social investment described themselves as being on a more secure organisational footing.

Social investment should be timely, but it may not be suitable for smaller organisations.

Some participating organisations we interviewed and those who attended our 'Journeys to Social Investment' workshop told us that raising social investment takes time and should not be rushed. For many, the duration of their participation in the EDP was too short to make a perceptible difference in their capacity to scale, let alone take on social investment.

Those who spoke to us, particularly smaller organisations, said that social investment may not be suitable due to factors such as their size, perceptions of risk aversion, and perceived implications for their non-profit status. Additionally, some felt that there is an over-emphasis on social investment as a means of achieving growth and scaling in the social sector, and a lack of good case studies setting out its virtues.

The next double-page spread offers further insights into the journeys of participating organisations in raising social investment. It presents findings from our participatory workshop (n = 6), which explored this important topic, building on emergent insights from some interviews.



A further year or period of time with appropriate funding would have set us completely on the road to scale."

Participating organisation, Environment

“ Lots of people don't want to go for social investment, and I feel like there is a lot of work happening. There's lots of calls and events about why you should go for social investment. But then every time you speak to people, they're like, don't do it.”

Participating organisation, Equality



Case Study: Remo – Getting social investment ‘ready’

Background

REMO is a UK-based social enterprise and charity dedicated to promoting sustainable access to home essentials and creative opportunities. For nearly two decades, REMO has focused on rescuing, reusing, repairing, refurbishing, and recycling materials to create eco-friendly products and services. REMO's mission is to reduce waste and contribute to the circular economy by extending the life of resources. In the early years, REMO raised awareness about reusing and recycling, advocating for change in communities where recycling services were not yet established. REMO's innovative approach involves collaborating with community members and social

enterprise resellers to divert materials such as paint, furniture, food, and creative materials from landfill. With two locations in Cambridgeshire, an online shop, and a portfolio of environmentally-conscious schemes, REMO continues to make a positive impact to people and the planet.

In 2024, they went on to receive blended finance funding (75% repayable and 25% grant) from the 'Thrive Together' fund in 2024.

Why REMO applied to the Enterprise Development Programme

During the COVID-19 pandemic, REMO conducted a governance review, recognising that the organisation had become heavily focused on project execution. The founders' initial vision was to create a sustainable enterprise that would enable and support other social enterprises and community organisations. To achieve lasting impact, REMO sought to establish a peer support network, addressing the need for sustainable premises and funding, which were frequently raised as concerns among community members.

REMO believed that the Groundwork EDP programme would be an ideal fit to help them prepare for social investment, ultimately allowing them to secure a location and provide a long-term solution for their community. By participating in the programme, REMO aimed to strengthen its business case and build the necessary foundation to create a lasting impact through its sustainable and supportive initiatives.

Growing capacity to raise social investment

After a few months in the EDP program, REMO recognised that their initial approach was not as feasible as they had anticipated. Through the EDP's support, REMO pivoted their strategy when an opportunity arose from its landlord, who offered to sell them their current building along with the adjacent one. This led REMO to shift its focus from buying land to purchasing and expanding its current site.

The EDP provided invaluable guidance and tailored support, including one-on-one sessions with experts, which enabled REMO to refine its theory of change and document its social impact. Additionally, REMO received assistance with financial forecasting, resulting in a robust business plan that would better position them for social investment. Overall, the EDP's comprehensive resources and expertise contributed significantly to REMO's ability to adapt its approach and move forward with a solid plan for growth and sustainability.

Advice to others starting on an enterprise journey

One key piece of advice that REMO would like to share with other organisations in the sector is to avoid underestimating their potential or needs. There is a tendency for social enterprises to ask only for the bare minimum, rather than aiming higher and negotiating. REMO

encourages others to think bigger, recognise their worth, and advocate for what they truly desire. By doing so, organisations can create more opportunities for growth, impact, and sustainability.

2.5 Aligning Social Mission and Commercial Aims



EDP empowered some participating organisations to more effectively serve their customers and communities through enterprise. By demonstrating that enterprise can align with and reinforce social missions, EDP contributes to broader acceptance and support for enterprise within the third sector. This, in turn, should encourage the growth of social entrepreneurship, more support in-kind and via grants to support them to foster a more sustainable approach to addressing social issues.

Key Findings

EDP helped participating organisations to extend their reach and enhance their social impact

- Participating organisations felt their ability to make a positive impact on people and communities improved
- Participating organisations better serve their existing community and extend their reach

EDP demonstrate that social and commercial interests can align

- Enterprise directly contributes to the achievement of social objectives
- Balancing social impact objectives with the demands of running an enterprise presents a challenge for some
- This is a particular issue for those working with the most deprived and vulnerable communities
- Even when enterprises operate at a loss, they are supported because of the social dividends that they bring

“

It's difficult ... there is a tension we've had to work our way through. One side of the coin is we're here to help [people] find themselves and have better lives ... then on the other side, we have to pay the bills and be financially stable. Getting that balance at times has been hard.”

Participating organisation, Homelessness

Social impact and reach

A key purpose of the EDP was to support organisations to carry on and extend the good works that they do to promote positive environmental, social, and economic outcomes for their beneficiaries, in their communities and more widely. As a project lead for delivery partner, SIB, stated: “Enterprise development and the trading that they are able to generate from that is used to [...] create greater impact for them as organisations and for the people they support.”

Participating organisations felt their ability to make a positive impact on people and communities improved

Nearly all (96%) EDP participants responding to the post-programme survey reported that they felt being part of the EDP improved the positive impact they were able to have on the people and communities they serve (58% felt it had significantly improved this ability). In particular, the programme had helped them to extend their reach into new communities, increase the quality of their work, and do more of it.

Difference made by EDP on grantees' overall positive social impact

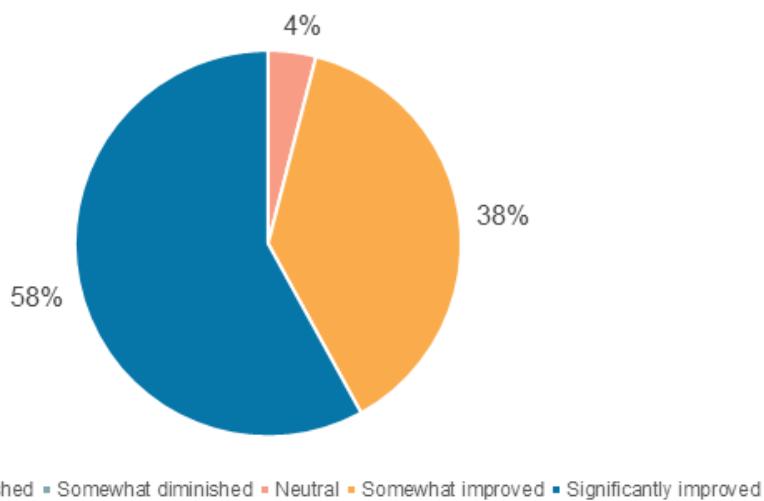


Figure 31 What difference has being part of the EDP made on your overall positive impact on people and communities (Post programme survey, N=45)

Many participating organisations interviewed for the evaluation highlighted their ability to reach more people because of the EDP. Others explained how they had been able to extend support to people who otherwise would not have received assistance. While participating organisations acknowledge the importance of increasing the number of people they can support, they emphasise the significance of individual stories that showcase the human impact of their work. For example, Standing Tall, an enterprise supporting people experiencing homelessness “matches people who have been through homelessness into stable jobs and safe homes as a way of helping them to leave the streets for good” have been able to support 45 people in the last year, and are now starting in three more cities. Another organisation – The Break – in the youth sector told us that when their organisation started in 2019 things were slow, but since being on EDP:



In the last two years we've worked with 40, 50, 60 young people [and] have paid thousands of pounds worth of wages [to them], [and have] supported a number to move on to get jobs elsewhere.”

The Break, Youth

Others explained how they had been able to extend support to people who otherwise would not have received assistance. While participating organisations acknowledge the importance of increasing the number of people they can support, they emphasise the significance of individual stories that showcase the human impact of

their work. A participating organisation from the Homelessness cohort shared personal anecdotes around individuals overcoming huge challenges in their lives to work in social enterprise, including trauma, drug addiction, mental and physical health problems, stating, "our aim is to foster resilience and create opportunities for individuals facing various challenges."



Others have extended their work to new audiences, for example one participating organisation: "now work[s] with a special educational needs school where we go to them every term and we're able to provide the young people with [...] work experience."

Standing Tall, Homelessness



One of the unintended consequences about this whole thing has been seeing the artist's confidence grow."

Barons Court Project, Homelessness



We help around between 25 and 30 homeless people every day, six days a week."

Participating organisation, Homelessness

Case Study: The Pump – How social enterprise can inspire and teach young people to create their own businesses

Background

The Pump is a charity located in the heart of East Birmingham, dedicated to supporting the growth and development of all young individuals, with a particular emphasis on assisting those who face isolation and disadvantage. This charitable organisation operates within a remarkable £4 million building, designed by young people for young people. The innovative and youth-centric design offers a variety of engaging and resourceful solutions for young individuals in the community.

Functioning as a central hub for youth work, The Pump collaborates closely with partner organisations to deliver an all-encompassing and

integrated range of services for young people. The charity's goal is to provide opportunities that inspire and motivate young individuals to reach their full potential and lead fulfilling lives.

Why they applied for the Enterprise Development Programme

The Pump applied to the EDP to strengthen their Pump Café social enterprise and overall support for young people. The EDP resources enabled dedicated staff hours for enterprise development, enhancing services and creating more opportunities for disadvantaged youth.

Giving out grants to young people

Although not initially part of the proposal, the mini-grant initiative for young people emerged organically when a young person sought assistance in starting her cake-selling business. Inspired by her success, other youths began sharing their ideas with the Pump's youth leaders, who utilised skills learned through the EDP to help develop business plans. This informal approach integrated seamlessly with the Pump's existing services, creating a buzz that led to the challenge of securing funding to maintain and expand the initiative. A notable success story involved two teenagers, likely involved in low-level drug dealing, who were encouraged by a youth leader to channel their entrepreneurial skills positively. This mirrors the origins of [Hoodrich](#), a well-known Birmingham streetwear brand born from a youth centre providing micro-grants, demonstrating the potential impact of recognising and nurturing young people's strengths and talents through mentorship and financial support.

Legacy and next steps

The Pump attributed its increased confidence in enterprise development to the impact of the EDP. The organisation remains committed to exploring the commercial potential of The Pump Café and its Creative Spaces, including a recording studio and a Makerspace.

Advice to others starting on an enterprise journey

The Pump involves young people in their governance and thinks that young people often have the best ideas about the future and direction of the centre; they would suggest that all others should ask young people what kind of social enterprise would excite them, and for their ideas.

Many participating organisations found that enterprise directly contributes to achieving their social goals

All EDP participants responding to the post-programme survey felt that being a part of EDP had improved their ability to create an appropriate 'fit' between their trading/ enterprise activity and their intended social impact (64% felt it had significantly improved this ability).

Difference made by EDP on grantees' ability to create an 'appropriate fit' with commercial objectives and social mission

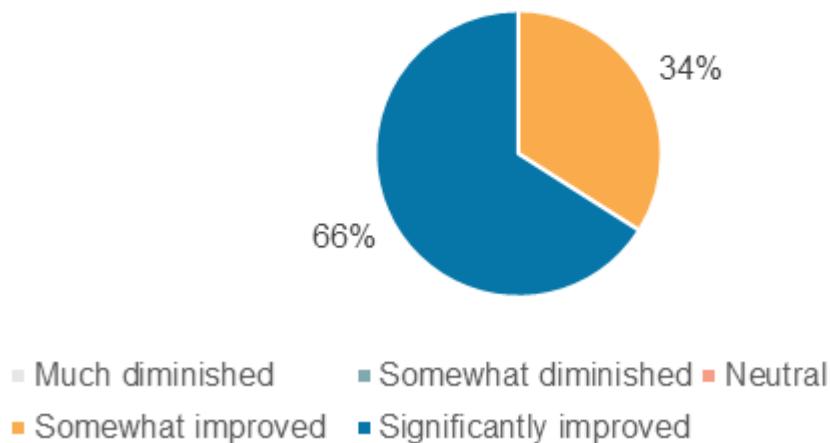


Figure 32 Thinking about the communities that you serve and work with, what has EDP enabled your organisation to do? (Post programme survey, N=45)

Despite previous fears or scepticism, numerous participating organisations interviewed for the evaluation recognised that pursuing trading activities does not inherently conflict with their social objectives. On the contrary, many participating organisations have found ways to harmoniously integrate their trading endeavours with their core mission, ultimately amplifying their social impact. Some even merged the enterprise and charity into a single, cohesive unit, like Bloody Good Employers (case study, below).

“

I think some people feel uncomfortable about that whole concept. I personally don't at all because I think it's realistic ... I think as long as you have proper governance in place and proper rules in place and proper expectations. I actually think Social Enterprises can have just as much, if not more, social impact [than charities].”

Participating organisation, Equality

”

Yeah, we're two separate entities, but we operate as one group. So, in our Theory of Change, the work we do on [the social enterprise] is just one of the interventions alongside all the other stuff we do as a charity... It's really built into our impact work [...] and directly contributes to the mission and the vision of the charity.”

Participating organisation, Equality

Another enterprise delivers Diversity and Inclusion training by involving young people with lived experiences. This approach not only fosters accountability in large businesses but also equips young people with valuable skills for their futures while reinforcing the organisation's commitment to inclusivity and empowerment.

Enterprises that employ individuals with lived experience exemplify how to align social benefits with making money. These types of enterprises also provide direct advantages, such as experience, employment, and confidence, to their target beneficiaries, while simultaneously raising awareness for their cause and organisation. An enterprise in the homelessness cohort creates opportunities for artists within the community, allowing them to sell their work and generate income. This initiative effectively raises awareness about homelessness and engages the public in conversations, reinforcing the charity's mission to address social issues while providing a platform for marginalised voices. Another example comes from the Homelessness sector, where a social enterprise provides cleaning services for important local civic spaces, including a theatre and a day centre, successfully blending business objectives with charitable purposes, ensuring that participants feel valued and contribute positively to their community.

“

One of the things that's been really interesting is when we're running a stall [...] people realise when they pick up a card and turn over the back, that it talks about homelessness. Then [they] realise that the artist is there, and [...] they start to have a conversation.”

Participating organisation, Homelessness

”

There's a sense of pride that you could only get from working [...] That's why Social Enterprise works, because you've got the business aspect side of things, but you've always got that charitable side too. They know they need to work hard because otherwise, we may lose a contract. They also get praise from companies that support the project.”

Participating organisation, Homelessness

Case Study: Bloody Good Employers – Delivering Social Impact Through Social Enterprise

Background

Bloody Good Employers (BGE) is a social enterprise that emerged from its parent charity, Bloody Good Period, to promote menstrual health support in various organisations. Launched in 2021, BGP works with employers, offering accreditation programmes that involve evaluating policies, delivering workshops, and implementing necessary changes. The enterprise has collaborated with over 40 employers, including small charities, public sector organisations, and large corporations. Through selling accreditation programs and one-off workshops, BGP donates its profits back to the parent charity, supporting initiatives to provide period products and education to refugees, asylum seekers, and underserved communities across the UK.

Diversification and growth

BGP joined the EDP programme shortly after its launch to obtain essential support in developing and growing the fledgling enterprise. EDP provided crucial assistance by allowing an enterprise lead to come in and manage the development and sales of BGP's new service. With the programme's support, BGP refined its service offerings, including the development of a new service that appealed to a broader range of employers. This change opened doors to more

organisations and played a significant role in surpassing annual sales targets. As the enterprise continued to grow, BGP expanded its team, hiring an additional member to project manage client services.

Creating a social enterprise that aligns with their social mission

The success of BGP not only generated income but also contributed to the broader mission of the parent charity. BGP's work complemented ongoing efforts in impact and advocacy, enhanced menstrual health education, and encouraged a cultural shift towards open conversations about menstrual health while guiding organisations to take measurable action in supporting people who menstruate within their workplaces.

Advice to others starting on an enterprise journey

To fully leverage programmes like EDP, it is essential for organisations to plan their capacity to participate meticulously. This proactive approach ensures that your organisation can reap the maximum benefits offered by the program. Moreover, maintaining awareness of the programme's various components and strategically aligning your work is key. A strategic approach, such as coordinating communication efforts with the programme's support offerings, can result in a greater impact for you and your organisation.

Balancing social impact with the demands of running an enterprise can be challenging

According to our interviewees, striking a harmonious balance between pursuing social objectives and managing enterprise operations poses a challenge for some organisations. They can face difficulties in maintaining their social focus while achieving financial sustainability. The right business decision may not always align with social and ethical values. For example, it can be challenging to balance the need to provide social support to individuals who are working for a social enterprise while ensuring financial stability for the organisation.



As a cafe, it can be financially sustainable, but that is not the purpose of the cafe. The purpose is to train young people and support them into employment.

Therefore, we need to have more young people in our cafe than [another] usually would [in a commercial cafe]."

Participating organisation, Youth

“

I think that is a challenge of social enterprise ... you are starting something with two different aims and trying to make them align, aren't you? Whereas if most [for-profit businesses] aren't doing that, their aim is just to make money.”

Participating organisation, Homelessness

“

They lead us in everything ... they come first ... everything else is secondary ... it's a safe space for them to [get things wrong] ... so you take the stress away straight away that if you mess up, it's fine, just talk to me. [...] I'm currently overspending quite a bit on wages, but it meant I was able to support these people [...] who otherwise wouldn't be supported. Yeah, so it's always this sort of balance.”

Participating organisation, Homelessness

This is a particular issue for those working with the most deprived and vulnerable communities. A significant proportion of EDP participating organisations operated in disadvantaged areas, where individuals and communities faced more complex needs, which creates a more urgent requirement to support their work further. For some of those who spoke to us, the priority is on supporting individuals in a safe environment, even if it means overspending on wages to provide necessary assistance to those who would otherwise be unsupported. One interviewee's enterprise needs some top-up funding to remain viable, but is supported due to its social impact. One interviewee noted that their enterprise required some top-up funding to remain viable, but it continues to be supported due to its strong social impact. This illustrates how social enterprises can deliver the social value that organisations—and communities—seek, while relying on lower levels of alternative or grant funding than traditional, non-enterprise models might require.

“

The sector we are in produces outcomes that are public goods. An improvement in someone's mental health, or an increase in independence, or more awareness of climate change. At present, such public goods are deemed to have no economic value [...] which results in projects such as ours appearing to produce little worth, even though all the outcomes given as examples have clear positive economic consequences.”

Participating organisation, Equality

 We captured case studies [and sent them to] the board members [...]. I said: 'I know we've got a deficit' [...] and they said 'we're not even looking at that. The work you do is so amazing. We've seen the growth, we go into the cafe, and we see [the benefit for] young people"

Participating organisation, Youth

2.5 Key learning for future programmes

The following recommendations are grounded in insights shared by interviewees and workshop attendees, including participating organisations, sector leads, and funders, combined with the evaluators' interpretation of the research findings. They reflect both areas where the EDP approach demonstrated best practice, and areas where learning has emerged in response to challenges or limitations experienced during the programme.

Strengthen and tailor enterprise support based on organisational readiness

- Provide tailored support to organisations at different stages of their enterprise journey, ensuring they can develop clear strategies, build robust operational systems, and strengthen governance.
- Continue to offer targeted assistance in core business planning areas such as pricing, marketing, and HR policies. For organisations with limited or no prior enterprise experience, prioritise foundational support through introductory training and access to experienced mentors or consultants familiar with early-stage enterprise development.
- Additionally, offer more focused support to help organisations diversify and strengthen their leadership teams and boards, particularly by bringing in expertise in enterprise, finance, and business development.

Enhance organisational resilience through tailored, extended, and stage-appropriate support

- Prioritise organisations with smaller turnovers, providing targeted assistance to improve resilience and promote growth.
- Create a 'pre-programme' focusing on fundamental aspects of income diversification and resilience-building for sectors with lower resilience scores, such as Mental Health and Equality.
- Support organisations to diversify their income mix from various sources, including revenue from donations and grant funding, alongside diverse enterprising activities and social investment.

- Continue to provide structured support for organisations considering social investment, including business case development and financial forecasting.
- Offer guidance on navigating the impact of economic stressors, such as the cost-of-living crisis, on enterprise viability and sustainability.
- Lengthen the programme's duration for all, and establish alumni networks with peer support and ongoing access to resources. One in ten survey respondents spontaneously mentioned in the open-text section that the duration of the programme was too short and that an alumni programme would be highly beneficial. This continued assistance will help participants weather challenging times and maintain their progress.

Ensure that all organisations can fully benefit from the enterprise learning and support provided.

- Address capacity challenges by allocating dedicated funding to cover staff time for attending learning and support sessions. This will help organisations participate more effectively in the programme.
- Offer additional resources to organisations at risk of disengagement, particularly smaller organisations from marginalised backgrounds. This will help create a more inclusive environment and foster equal opportunities for growth.
- Building on the EDM model, establish a clear commitment upfront, designating a single point of contact and attendee for each organisation. This will ensure consistent engagement and streamline communication.
- Implement a tiered programme to distinguish between organisations seeking short-term support and those dedicated to long-term learning. Offer a smaller funding pot for organisations interested in testing viability or securing existing enterprises, and reserve a larger pot for those committed to participating in the comprehensive learning programme. This approach echoes the successful Pilot programme.
- Invest time in co-designing a tailored programme to effectively support people with disabilities, ensuring that their unique needs and challenges are addressed.

Nurture confident social leaders and cultivate connections for enhanced peer learning and support

- Invest in social leadership development to address "founder's syndrome" and encourage delegation, enabling leaders to focus on strategic growth.

- Continue promoting peer-to-peer learning and support networks, particularly for minoritised leaders, fostering a sense of community and collaboration.
- Expand peer support initiatives for other marginalised groups to create empowering connections across sectors. This will help individuals with similar challenges in enterprise development, such as women, LGBTQ+ individuals, refugees, asylum-seekers, and those who have experienced homelessness, to learn from one another and share resources.
- Organise more opportunities for organisations from different sectors to come together and share best practices, further strengthening the network of knowledge and support within the community.

Assist organisations in demonstrating and communicating the social value of their work

The EDP implemented a distinctive sector-based strategy for funding allocation, programme design, and delivery. This approach enlisted sector-specific lead organisations to collaborate closely with the funder in shortlisting and allocating grants to recipients. Furthermore, it facilitated the creation of customised support programmes that catered to the unique requirements of each sector. By emphasising a bottom-up method rather than conventional top-down funding models, this strategy aimed to foster greater inclusivity and relevance for the organisations involved. It also sought to build up capacity for enterprise within specific sectors, by upskilling and supporting umbrella organisations.

Drawing on interviews and feedback from the six sector organisations involved in the EDP, this analysis explores the success of the sector-based approach to inform the design of similar future programmes.

The EDP enhanced the Sector Lead organisations' ability to leverage their in-depth sector knowledge in providing tailored guidance and support. They now have access to more enterprise case studies and models, ensuring relevant and practical assistance to organisations at various stages of their trading journey.

Sector partners have forged strong relationships, sharing resources and learning, and offering participating organisations access to vetted consultants with sector expertise. This collaborative approach helps organisations overcome challenges and accelerates progress towards sustainable enterprise models. Recognising the intersectional nature of organisations, the sharing of knowledge across sectors has proven vital.

Sector partners continue to integrate trade, enterprise, and social investment into their strategies. To sustain the EDP's impact, Sector Lead organisations should be supported in incorporating enterprise development into their long-term plans, promoting ongoing commitment and support from senior leadership.

Key Findings

Building sector-specific enterprise knowledge

- Sector Leads are better able to leverage their deep understanding of their sector to provide tailored enterprise advice
- Sector Leads have more enterprise case studies to inspire and show potential

Developing cross-sectoral collaboration

- Enterprise Development Managers built close and trusting relationships, shared learning and resources
- Cross-sectoral working is vital as sector boundaries are artificial

Embedding Enterprise Development into Sector Strategies

- Sector Leads continue to develop trade, enterprise and social investment as part of their offer.
- Supporting enterprise development in Sector Lead organisations for long-term impact
- Addressing the risk of losing enterprise knowledge as funded roles end

Building sector-specific enterprise knowledge

Sector Leads are better able to leverage their deep understanding of their sector to provide tailored enterprise advice

As highlighted in Part 1, participating organisations greatly valued the role of Sector Lead organisations in delivering customised and responsive learning support and funding. Sector Leads' close understanding of their context and the dedicated time they invested in getting to know the participating organisations and their trading opportunities proved to be a key success of the EDP.

The EDP strengthened Sector Lead organisations' ability to offer tailored advice and information on enterprise development by

funding an Enterprise Development Manager role grounded in their existing sector knowledge. For some organisations, this was the first time enterprise development had a visible, full-time role. EDMs adopted a test-and-learn approach, refining their methods throughout the programme to better understand what worked best for their sector. As a result, they are now better equipped to support enterprise development within their member organisations.

Sector Leads have more case studies and models to show what is possible

The EDP empowered Sector Lead organisations to recognise and promote a diverse range of social enterprises that effectively addressed social objectives while generating revenue. This experience proved particularly impactful for sectors with less-developed enterprise models, such as Environment and Mental Health, which lacked successful examples of enterprises within their sectors prior to EDP.



The social enterprise sector really shows you that there's so much you can do based on what the community needs [...] we've got 55 organisations that are delivering such a range of services that you might not see in the general voluntary and community sector. [The] offer is so wide-ranging and so creative."

EDM, Mental Health



People just hadn't really seen much enterprise activity in the equality sector (...) everybody was pleasantly surprised at how many really interesting business models there are, all the incredible work that's been done, [and] all the different ideas that were there."

EDM, Equality

Although case studies reveal that certain enterprise models are more common in specific sectors, such as consultancy and training in Equality, land-based and upcycling businesses in Environment and service sector businesses in Homelessness, the main lesson from EDP is that there is no "one-size-fits-all" enterprise model by sector.



You can't really be like, hey, here's the business model that works for the whole youth sector, and everyone should be doing this. It's very specific to each organisation."

EDM, Youth

As discussed in Part 2, the motivations behind developing trading activities also vary, ranging from generating income to compensate for lost funding, providing training and employment opportunities for beneficiaries, or creating an attractive 'shopfront' to raise public awareness. Consequently, some enterprises must be profitable, while others can simply 'break even,' as their primary purpose is not profit-driven but rather focused on social impact or increasing brand awareness.

In this context, EDMs highlighted the significance of customising funding and support to cater to individual organisations' unique contexts, rather than imposing a rigid, top-down enterprise model. Furthermore, the presence of cross-sectoral overlaps in enterprise types demonstrates the importance of collaboration across sectors, a point that will be further explored in the following section.

Developing Cross-Sectoral Collaboration

Enterprise Development Managers built strong relationships and shared resources

Enterprise Development Managers (EDMs) across sectors successfully built close, trusting relationships, sharing valuable learning resources and experiences with one another. Despite these strong connections, not all EDMs felt equally integrated within their respective Sector Lead organisations.

Approximately half of EDMs reported feeling isolated due to their specialized roles within their organisations, which were funded by the EDP. This led to a reliance on their relationships with fellow EDMs, as they often couldn't easily discuss their work with other colleagues. Notably, as explored in Part 2, some participating organisations interviewed experienced similar feelings of isolation, particularly those who were hired specifically to fulfil grant requirements, typically by more established charities.

As a result, EDMs dedicated significant time to regular meetings and exchanges of expertise, resources, and advice, including training materials and consultants. This collaboration allowed managers and

cohorts joining the program later on to benefit from existing knowledge, avoiding the need to start from scratch when designing their programs. The participating organisation also gained from the availability of consistent and proven resources. In particular, access to a pool of vetted consultants and advisors with sector-specific expertise, who can provide tailored support for different stages of enterprise development, was useful.



Effectively, the other EDMs are my team, so that kind of created a lot of push for us to stick together... imagine if you had five other people who do exactly your job, just in another sector. It is so useful to have someone like that on hand."

EDM, Youth

EDMs supports organisations that don't fit neatly within sectoral boundaries

Cross-sectoral collaboration was especially significant, as many organisations do not fit neatly within a single sector but rather bridge or overlap multiple sectors.



Our sector is tricky, as it kind of encompasses the other sectors ... homelessness is such a complex, broad issue."

EDM, Homelessness



While there are different sectors in the EDP, the lines between them aren't quite as strict as they seem ... we have different sectors, but at the same time, they overlap."

EDM, Youth

For Participating organisations supported by the Black and Minoritised Sector Lead, the issue of not fitting neatly within sectoral boundaries was particularly pronounced. These organisations, led by black and minoritised leaders, often provide services and support across various sectors, including Youth, Mental Health, and Equality.



Other sector partners are very much embedded within their sector ... but I can only dabble a little in every sector ... Being a Black or Minoritised person is not a 'sector."

EDM, Equality

In addition, numerous participating organisations discovered commonalities with organisations from other sector cohorts due to similarities in size, location, or enterprise type.

Given the complex and intersectional nature of organisations, close collaboration was crucial for Sector Lead organisations to learn from one another's 'insider' knowledge and provide mutual support through practical advice. This collaborative approach ensured that EDMs could effectively address the diverse needs of participating organisations and foster successful enterprise development across sectors.

Embedding Enterprise Development

Sector Leads continue to develop trade, enterprise and social investment as part of their offer to members and the wider sector

The demonstrated viability of enterprise within various sectors through the EDP has provided a strong business case and social agenda for organisations to consider trading as a potential option. For some sectors, the need for income diversification has been further emphasised by the decline in other funding sources, such as grants or contracts.



Organisations were really struggling in terms of the contracts they were getting from the NHS and local authorities. It's really important for us to [...] consider how organisations could be diversifying their incomes and income streams."

EDM, Mental Health

While some feel conflicted about promoting an enterprising agenda due to concerns over the implications for publicly funded services, most acknowledge the reality of needing a more balanced funding mix, particularly amidst continued austerity. However, while all Sector Lead organisations are enthusiastic about offering enterprise support in various forms to their members, and recognise the ongoing need to

build appetite for enterprise across their sectors, a simple lack of capacity, resource and expertise means that enterprise development is unlikely to be prioritised in their sector without additional funding:



There's loads of innovation, I feel like the impact has been quite massive [...] there's a lot of potential for growth. [But] Now that Access funding is finishing, that buzz in the sector is not really happening [...] In terms of achieving the goal of Enterprise Development becoming more prominent and fundable. That's not necessarily been achieved [for the Equality sector] because we work with other equality organisations. And I think that aspect was a lot more challenging to achieve, for many reasons: capacity being one of them, not just our internal capacity, but also there were numerous occasions where we tried to engage our members, and they're like, 'this sounds fantastic, who's gonna do it? I've got like five people in my organisation, and we're up to eyeballs at work. So, I think that that kind of capacity angle was quite a barrier to achieving that."

EDM, Equality

Nevertheless, as a result of the EDP, some Sector Lead organisations are successfully starting to integrate enterprise development into their long-term strategies and services. For example, the Environmental Sector Lead organisation, having witnessed the impact on social enterprises, affirmed that "it's definitely an area that [the organisation] isn't going to drop now. It's on the agenda. It's in the sights of senior management and the board." Similarly, in the Equality sector, enterprise, once considered experimental, has now become "one of the strands in our 10-year strategy".

This dedication, combined with the resources developed to share learning, impacts, and case studies drawn from the EDP, demonstrates Sector Lead organisations' commitment to promoting enterprise in their respective sectors. Ensuring that organisations beyond the EDP can benefit from this valuable learning and feel more empowered to consider enterprise as an option is a key goal for sector partners, as they aim to create a lasting legacy of continued support and development.

“

We will always promote trading and social investment as options, what we want to do is support our members to understand and have access to options (...) this Learning Action Research Fund, which I'm developing at the moment, is kind of testing that research, and building the practices that we've shared into their organisations.”

EDM, Homelessness

Case Study: Homeless Link – Establishing a social enterprise to support the wider sector to become entrepreneurial

Background

Homeless Link, a national membership charity, is dedicated to supporting organisations working directly with individuals experiencing homelessness in England. With a mission to improve services and advocate for policy changes to end homelessness, the charity's social enterprise arm plays a vital role in achieving these objectives. By offering specialised software, engaging training, expert consultancy, and impactful events, Homeless Link not only supports the homelessness sector but also generates funds to fuel their broader efforts in eradicating homelessness permanently.

The need for self-sufficiency and resilience

In response to long-term reductions in funding, contracts, and commissioning in the homelessness sector, Homeless Link recognised the potential for both their organisation and the sector as a whole to become more self-sufficient and resilient by embracing enterprise.

Embarking on an enterprise journey

Recognising the potential benefits of social enterprise, Homeless Link embarked on their own enterprise journey. Their goal was to create a venture that would offer enterprise guidance and resources. Homeless Link dedicated significant effort to integrating enterprise support into their membership offerings. This commitment resulted in the establishment of a grant and enterprise development team, which has since become an integral part of the organisation.

Supporting organisations through expertise and earning

Homeless Link helps organisations through training, social investment opportunities, consultancy, and coaching. By managing the EDP, they

have gained valuable sector-specific insights and learning, as highlighted by the EDM: "We can develop training from it. So, it's an income opportunity for us [...] and gives us more opportunity to grow our membership by being relevant."

This demonstrates an entrepreneurial mindset and ensures that the lessons learned from the programme contribute to a legacy, further empowering the collective effort to end homelessness.

Advice to others starting on an enterprise journey

Identify gaps in your sector, understand your market, and develop tailored enterprise solutions that address these needs.

There is a risk that enterprise knowledge will be lost as funded roles end

To ensure the continued growth and success of enterprise development within various sectors, Sector Lead organisations told us in interviews that they needed to receive the necessary support to integrate enterprise development in the long term effectively. By prioritising enterprise development as a key component of their overall mission, Sector Lead organisations can better equip their members to explore and capitalise on new opportunities in trading, social investment, and other enterprise-related activities.

As these funded roles come to an end and EDMs move on, there is a risk of losing valuable expertise and institutional knowledge within the sector-led organisations. To mitigate this risk, it is essential to collaborate with these organisations to identify strategies for capturing and preserving EDMs' learning and expertise. Furthermore, plans should be developed to implement and share this knowledge with relevant stakeholders, ensuring that specific insights, such as the pool of vetted consultants and sector-specific expertise, are not lost.

One key approach to supporting this learning and capacity could be through an EDP Part 2. With this in mind, and drawing from interviews with Enterprise Development Managers (EDMs) and their experiences with the EDP, several key recommendations emerged for maximising the effectiveness of future programmes.

Key learning for future programmes

Build on the EDP's achievements in cultivating sector-specific enterprise expertise and learning

- Continue funding dedicated roles like Enterprise Development Managers (EDMs) to harness sector-specific knowledge and deliver customised support. This approach has been proven effective during the EDP and will further strengthen sector expertise.
- Encourage sector organisations to refine their methods by learning from EDP experiences, allowing them to better serve their respective sectors. This involves supporting a diverse range of social enterprises and drawing inspiration from those that surfaced during the EDP, particularly in sectors with less-developed models.

Foster cross-sectoral collaboration and networking

- Encourage collaboration and knowledge sharing among Enterprise Development Managers (EDMs) to ensure mutual support and continuous learning.
- Facilitate partnerships among Sector Lead organisations, acknowledging that many participating organisations operate within multiple sectors. Build upon the EDP's emphasis on cross-sectoral collaboration to address these complexities.
- Develop custom resources and guidance for participating organisations with diverse service offerings, drawing from the experiences of the Black and Minoritised Sector Lead. This will provide targeted support for organisations with intersectional focuses.
- Organise events and platforms enabling participating organisations to connect based on common factors, such as size, location, or enterprise type. Building on the EDP's approach, this will create a supportive environment and promote shared learning experiences among participating organisations.

Embed Enterprise Development within Sector Lead organisations

- Establish clear programme outcomes and metrics:
- Develop a concise Theory of Change to help Sector Lead organisations understand the programme's objectives, target organisations, and potential outcomes.
- Implement consistent monitoring with a minimal set of required metrics to assess programme success and address inconsistencies in data collection between sectors.
- Provide guidance on data entry for efficient monitoring and evaluation.

- Fund long-term programmes:
- Ensure programmes last at least 18 months to enable mindset shifts, business acumen development, and trial-and-error processes.
- Longer programmes allow organisations to integrate enterprise into their operations and achieve sustainable outcomes fully.
- This will also ensure the longevity of Enterprise Development Manager (EDM) roles, facilitate knowledge transfer, and strengthen the rationale for adopting an enterprise approach.
- Resource Sector Leads to help them build and maintain peer networks:
- Capitalise on the EDP's successful peer networks by creating and sustaining long-term networks for ongoing learning and resource sharing, such as alumni networks or online platforms.
- Support the development of an evidence base:
- Provide sector partners with resources and time to contribute to an evidence base, promoting the wide dissemination of expertise and advocating for enterprise development within and beyond their sector.
- Build on the EDP's proactive funding for sector-specific research, case studies, impact reports, and the creation of materials like podcasts and frameworks.
- Ensure legacy planning:
- Collaborate with sector partners to strategise the continuation of enterprise support beyond the programme.
- This may involve funding permanent roles or teams within Sector Lead organisations to maintain enterprise development as a primary focus.

Appendices

Appendix A

Where funding went: Sector

As outlined in the Introduction, the Enterprise Development Programme ran across six different sectors. In the Pilot phase, just Youth and Homelessness sectors took part, with Mental Health, Black and Minoritised Communities (BMC), Environment and Equality sectors added in the Main Programme. The grant total awarded to each of the six sectors overall was similar (between 16% and 19%) with slightly more going to the Youth and Homelessness sectors, largely due to these sectors taking part in both the pilot and main phases of the programme (Figure 32). Over the whole programme (including Pilot and Main) the Youth sector was the largest by number of organisations taking part in the programme and received the largest proportion of overall grant value. (See overall sector differences in Appendix B).

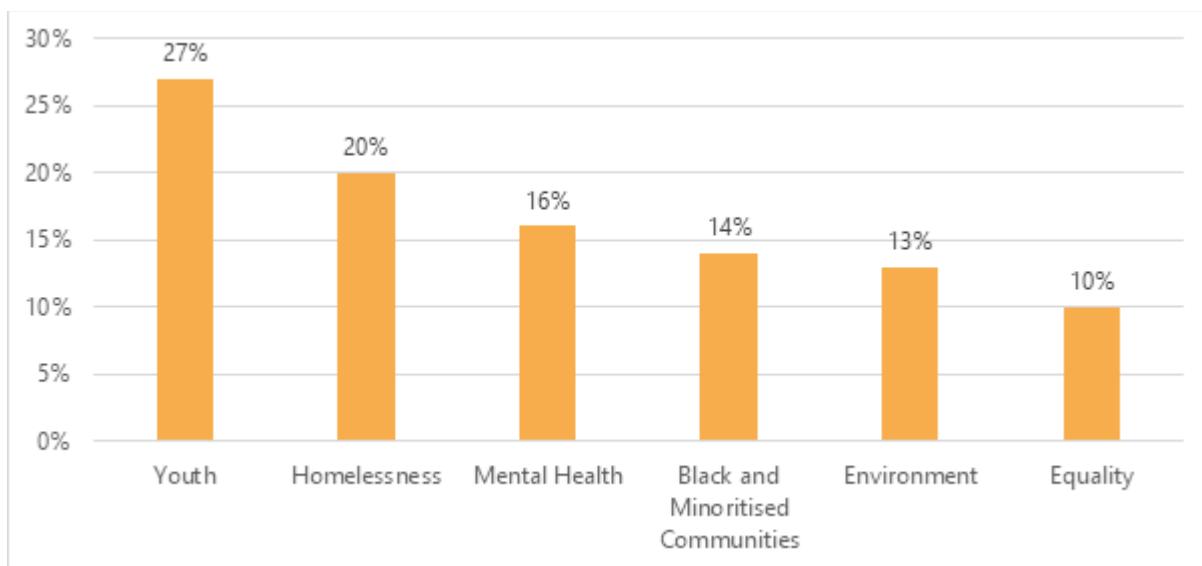


Figure 33 Proportion of organisations taking part in the enterprise development programme by sector (Application monitoring form (Approved for EDP: Pilot and Main Programme), N=357)

Sector leads were ultimately responsible for how funding was distributed, and each gave a different number of varying-sized grants to organisations in their sector. On average, grants to Environmental organisations were larger, and those in the Youth sector were the smallest.

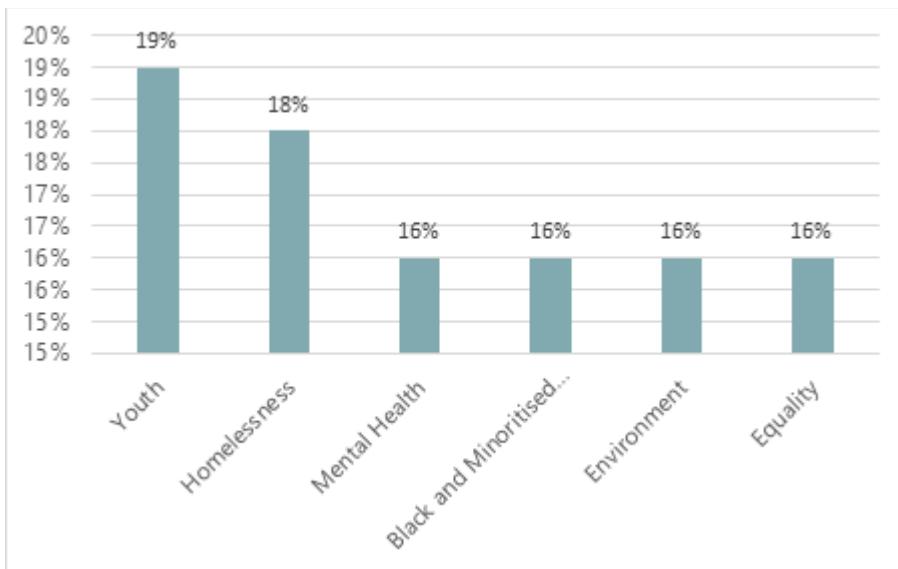


Figure 34 Distribution of total grants by sector (Application monitoring form (Approved for EDP: Pilot and Main Programme), N=404)

Sector	N Grants	Total Grants	Average Grant	Median Grant
Environment	51	£1,296,917	£25,430	£30,000
Black and Minoritised Communities	53	£1,293,134	£24,399	£25,000
Equality	61	£1,337,878	£21,932	£24,702
Homelessness	76	£1,500,338	£19,741	£10,000
Mental Health	69	£1,287,456	£18,659	£19,500
Youth³²	94	£1,528,067	£16,256	£9,225

Table 4 Total grants awarded per sector, with average and median (Application monitoring form (Approved for EDP: Pilot and Main Programme), N=404)

A much higher proportion (60%) of BMC organisations were unsuccessful in their application. This may reflect the high number of such applying for limited EDP places (one quarter (23%) of all applications came from BMC organisations, the second highest sector behind Youth).

³² The lower median grant than average grant in the Youth sector indicates that larger grants to some organisations were skewing the average.

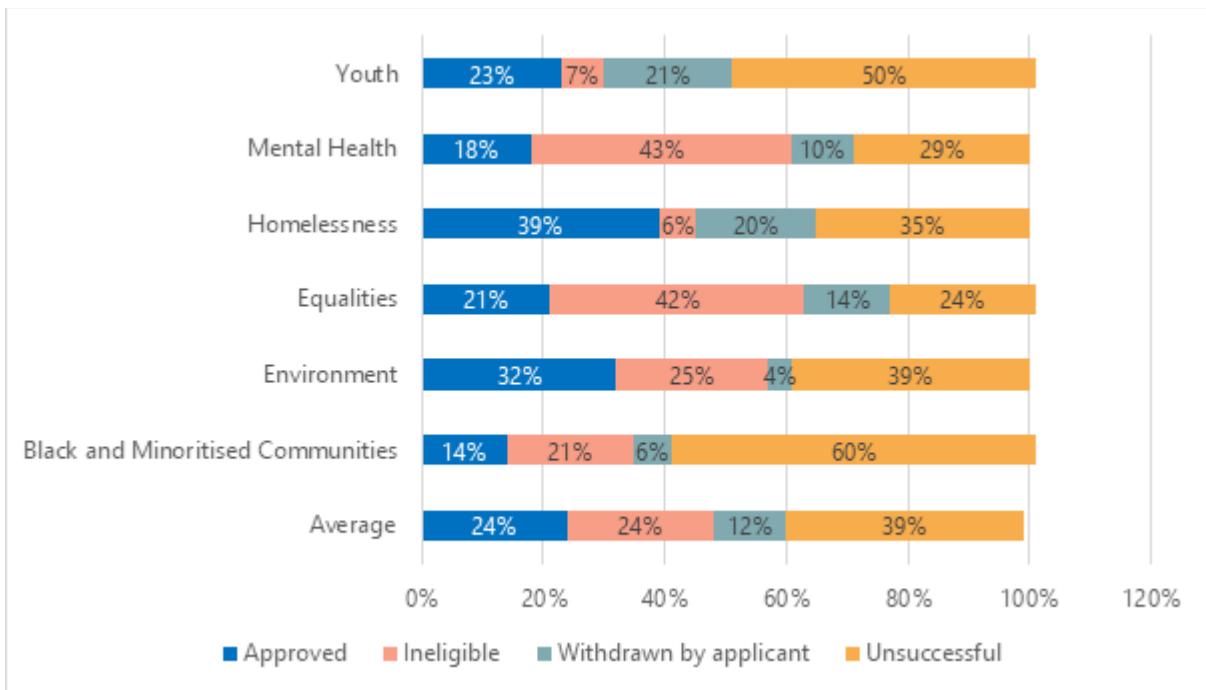


Figure 35 Proportion of organisations approved, deemed ineligible, withdrawn by applicant or otherwise unsuccessful, by sector (Application monitoring form (Approved for EDP: Pilot and Main Programme), N=1611). Percentages may not add to 100% due to rounding.

Primary beneficiaries and primary outcome focus

Organisations within their respective sectors had varying primary beneficiaries and social outcome focuses. Over a quarter (27%) of applications targeted "vulnerable young people," particularly among grantees in the youth sector, although not exclusively. Approximately one-third (36%) of all EDP applications and participants identified their primary outcome focus as "Mental Health & Wellbeing," which was more than double that of any other outcome focus. This highlights the complex and intersecting nature of many grantee organisations, whose purposes often overlap sectoral boundaries.

The approval patterns mostly mirrored the applications, with two notable exceptions: more applications from organisations addressing homelessness were approved, while fewer applications from those focusing on black and minoritised communities received approval.

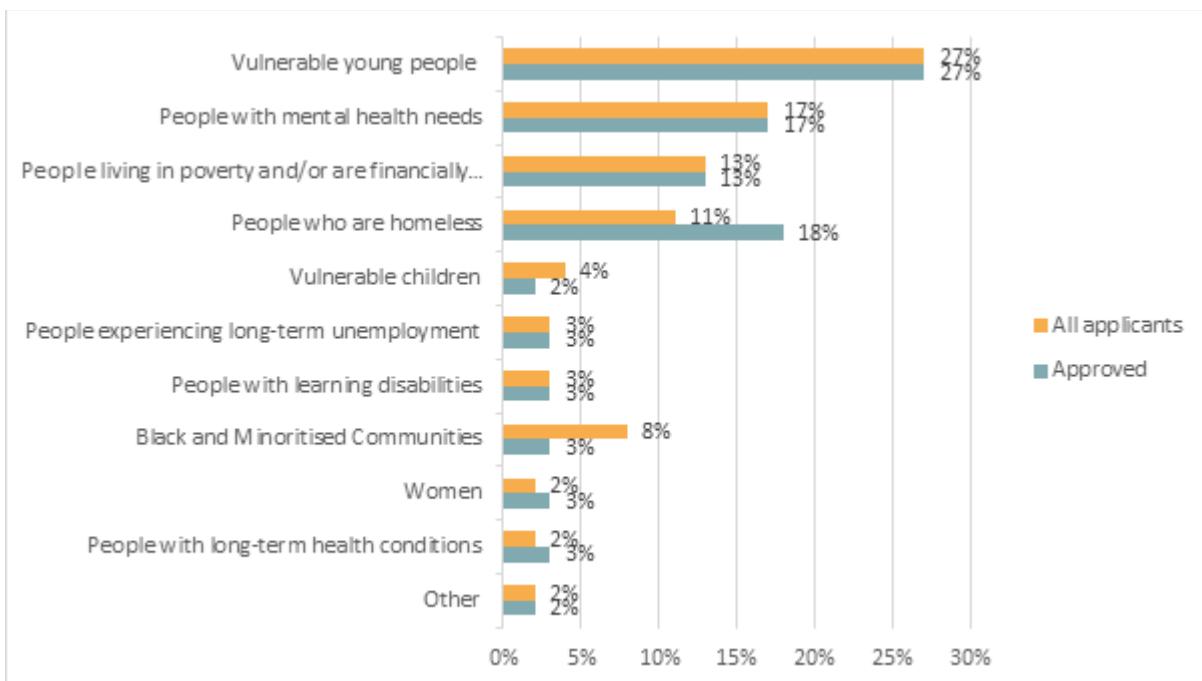


Figure 36 Proportion of organisations approved, deemed ineligible, withdrawn by applicant or otherwise unsuccessful, by primary beneficiaries (Application monitoring form (Approved for EDP: Pilot and Main Programme), N=1611)

Compared to Access' Growth Fund³³, EDP prioritised *more* of the following beneficiaries:

- Vulnerable young people
- People experiencing homelessness
- People with mental health needs
- Other (which includes):
 - Women
 - people from Black and Minoritised Communities
 - LGBT community
 - Migrants, Refugees or Asylum seekers
 - People who have experienced crime or abuse
 - People with addiction issues
 - Vulnerable parents
 - Ex-offenders

And *fewer*:

- People experiencing long-term unemployment
- Vulnerable children

³³ Access' Growth Fund offered loans and blended loan/grant packages rather than the grants plus support package of the EDP.

- Older people.

These differences are likely to do with the six sectors that EDP encouraged to apply.

Where funding went: Diverse leadership

EDP's particular sectoral approach encouraged a large number of diversity-led organisations to apply.

- Around half (49%) of all applications were from organisations that were woman-led (more than 50% of their Board or Senior Management Team were women),
- Two-fifths (41%) were majority led by people from Black and Minoritised Communities (BMC).
- The pattern continued into the approvals: 45% were woman-led, and 24% were BMC-led.

These categories were not mutually exclusive; for example, one quarter (26%) of all applications were both woman-led and BMC-led.

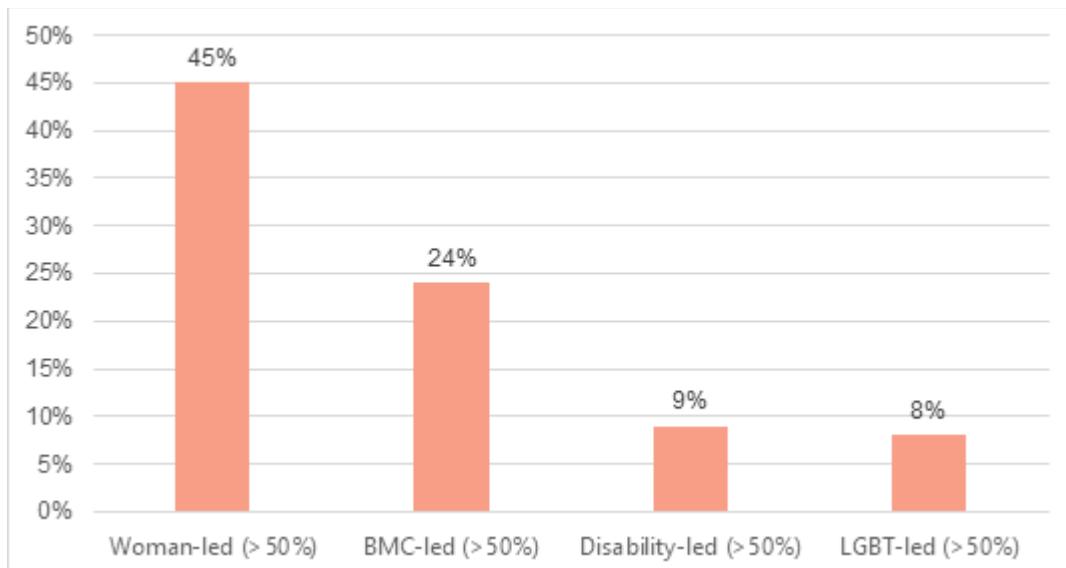


Figure 37 Proportion of organisations approved for EDP that were diversity-led (Application monitoring form (Approved: Pilot and Main Programme), N=356)

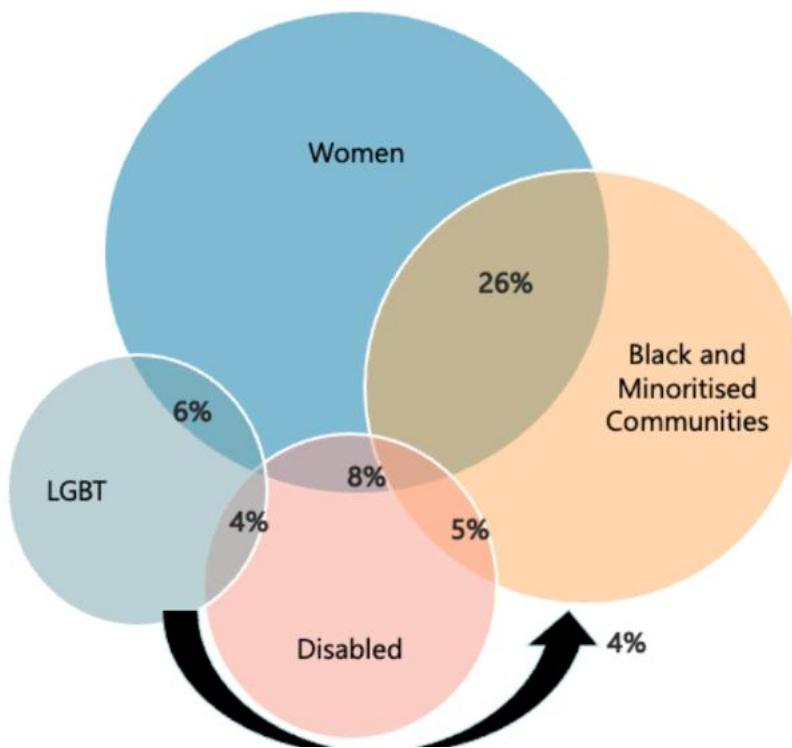


Figure 38 Proportion of organisations approved for EDP that had intersecting marginalised identities (Application monitoring form (Approved: Pilot and Main Programme), N=1327)

- The proportion of woman-led organisations applying is in line with SEUK's member survey findings,³⁴ which highlighted in 2022: "Social enterprises are [also] setting the pace for female-led business with the sector on course to be first to reach gender parity with 47 per cent of social enterprises now led by women." This proportion had grown to 59% by 2023.³⁵
- The proportion of BMC-led organisations applying to the EDP is greater than might be supposed from the general landscape of Social Enterprises, and was likely influenced by the sectoral approach. SEUK's 2023 report noted that in "Social enterprise leadership teams; 77% include at least one person with lived experience of the issues that their organisation aims to address, 59% are at least half female and 13% are at least half comprised of people from ethnic minority backgrounds."³⁶
- BMC-led organisations were more likely to have been trading for less time and to have fewer income streams than women-led organisations

³⁴ Social Enterprise UK (2021) "No Going Back: State of Social Enterprise Report 2021".

³⁵ Social Enterprise UK (2023) "Mission Critical: State of Social Enterprise Survey 2023".

³⁶ Ibid

Where funding went: Type of organisation

Income and turnover³⁷

The majority of EDP participants were small to medium organisations.

- Over one quarter (27%) had a total revenue income of less than £100,000 (a “small” charitable organisation by NCVO definitions)³⁸ at the beginning of the programme (2019)
- a further 56% had an income of less than £1 million in 2019 (“medium” sized).³⁹
- One-sixth (16%) were large charitable organisations according to the NCVO definition (income between £1m-£10m)
- Just one organisation had income over £10m (a “major” charitable organisation).⁴⁰

Employment

- Over three-quarters (78%) of EDP participants were classed as ‘micro’ organisations (with 1-9 full-time paid employees).
- 16% had zero employees
- 20% were classed as ‘small’ organisations (10-49 employees)
- 2% of organisations approved for EDP were classed as ‘medium’ (50+ full-time paid employees).
- Applications followed a very similar pattern, which also echoes the picture of both Community Businesses⁴¹ and Social Enterprises nationally.⁴²
- Among EDP participants, the median number of part-time employees was 4, compared to a median of 3 full-time staff, and a median of 15 volunteers per organisation.

³⁷ While for some small businesses, this may be the same thing, turnover, strictly speaking, refers to the total income generated through business activities, while total revenue income is the total amount an organisation receives from various sources, including grants.

³⁸ NCVO UK Civil Society Almanac 2023 (<https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2023/>)

³⁹ Ibid

⁴⁰ Income data provided by MyCake.

⁴¹ Thornton, A., Litchfield, A., Brooks, S., Britt, R. & J. Hitchin (2019) Community Business Fund evaluation interim report. Research Institute Evaluation Report. Power to Change.

⁴² Comparison with Social Enterprise: Market Trends 2019 (2021) Prepared by Centre for Enterprise and Economic Development Research (CEEDR) Middlesex University Business School (Published by DCMS and DBEIS). Note: the market trends analysis includes full-time and part-time employees. Percentages correspond only to those SEs and organisations with 1-249 employees.

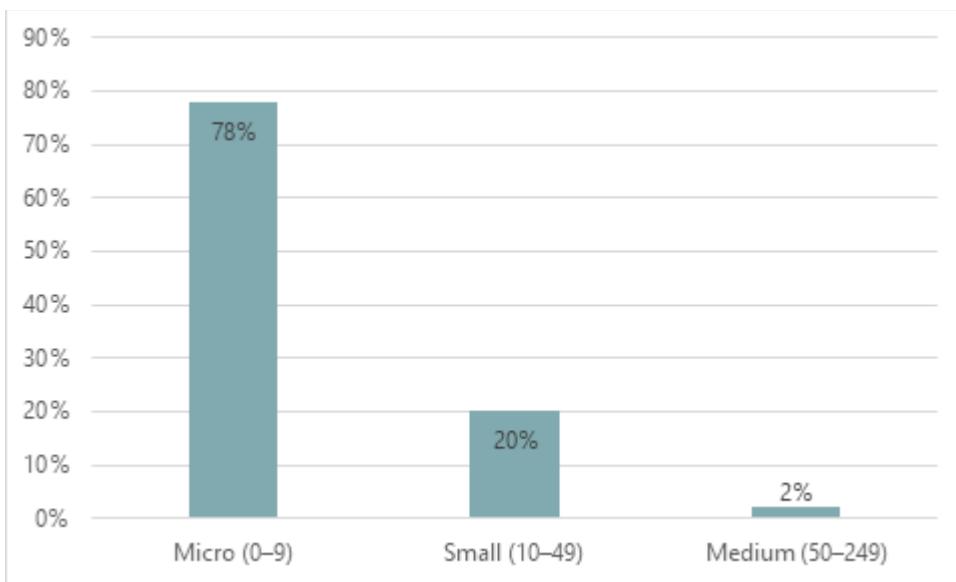


Figure 39 Proportion of organisations approved for EDP by number of employees (Application monitoring form (Approved: Pilot and Main Programme), N=193)

	Median N FT employees	Median N PT employees	Median N Volunteers
EDP participants	3	4	15

Table 5 Median number of employees and volunteers per approved organisation (Application monitoring form (Approved: Pilot and Main Programme), N=193)

Legal form

- Two-thirds (65%) of EDP participants were constituted as charity companies (CLG or CIO) which allows them, within different rules, to trade while retaining charitable status.⁴³
- A further quarter (25%) were set up as Community Interest Companies (CIC), existing to benefit the community rather than private shareholders.
- A much higher proportion of CIOs is noted among EDP participants than both the national picture of social enterprises and the profile of Community Businesses⁴⁴ and this is very likely due to the nature and aims of the Enterprise Development Programme itself, which attracted many registered charities looking to explore their options for expanding their trading.
- At the time of applying to the EDP, 96% of CICs limited by guarantee were already trading, compared to 86% of CLGs and 84% of CIOs.

⁴³ While the eligibility criteria for the EDP ensured that all CLGs in this sample were charitable, it is worth noting that 14% of Community Business CLGs applying to Power to Change's Community Business Fund were found not to have charitable status in 2019 (Thornton, A., Litchfield, A., Brooks, S., Britt, R. & J. Hitchin (2019) Community Business Fund evaluation interim report. Research Institute Evaluation Report. Power to Change.)

⁴⁴ Social Enterprise UK's No Going Back: State of Social Enterprise Survey 2021 reports just 2% of social enterprises as CIOs, while an evaluation of Power to Change's Community Business Fund found 11% in its sample.

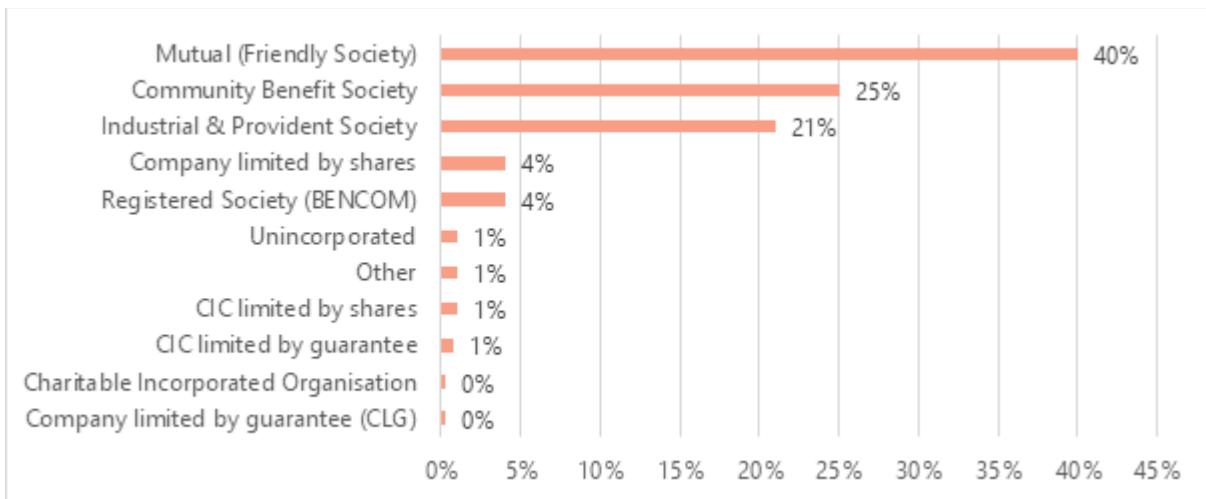


Figure 40 Proportion of organisations approved for EDP by legal form (Application monitoring form (Approved: Pilot and Main Programme), N=357)

Age (year of establishment)

- A majority (68%) of EDP participants were less than twenty years old with a median age of 11.8 years.⁴⁵ The funder reflected that: “They’re older than people in our investment programmes, and that’s generally because we’ve supported organisations that are more likely to be charities.”
- One-third (36%) were less than ten years old.
- This pattern is comparable to the age profile of Community Businesses, whose mean age was 13 years.⁴⁶ Meanwhile, the national picture of social enterprises shows a high startup rate, with one-third (33%) established for less than three years.
- Compared with this, EDP participants were slightly more well-established, but this is likely due to the inclusion of established charities in the programme.
- Applications largely followed the same pattern, although 15% came from new startups (established for less than three years).

⁴⁵ Note that there may be some small inconsistencies in the age data due to the fact that organisations changing their registration with the Charity Commission for England and Wales to a CIO restart the clock on their registration age / year of establishment, so some organisations may be older.

⁴⁶ Thornton, A., Litchfield, A., Brooks, S., Britt, R. & J. Hitchin (2019) Community Business Fund evaluation interim report. Research Institute Evaluation Report. Power to Change.

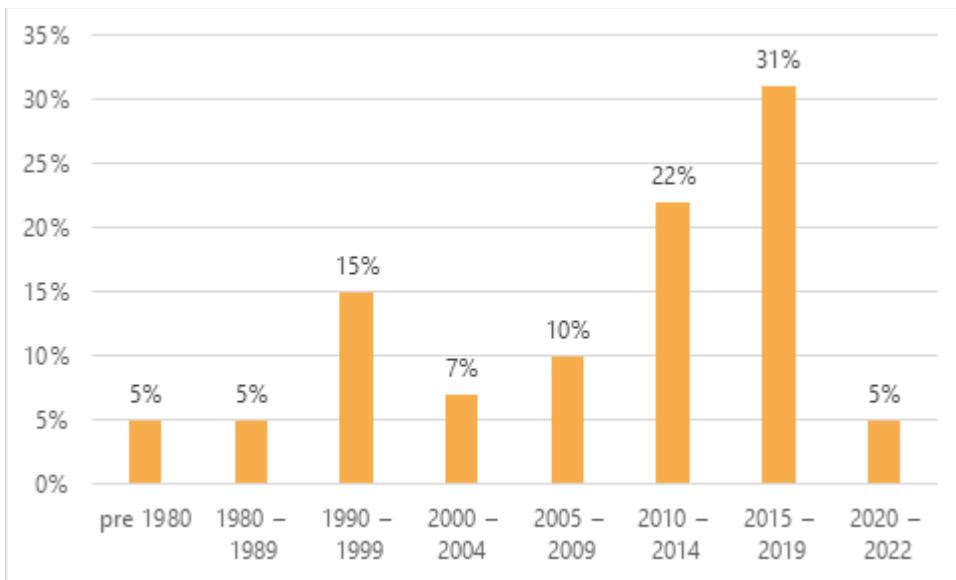


Figure 41 Proportion of organisations approved for EDP by year of establishment (Application monitoring form (Approved: Pilot and Main Programme), N=357)

Where funding went: Existing trading

Trading experience

- Nine out of ten EDP participants were already trading at the point of applying to the programme but their experience with trading was very varied.
- Half (51%) of EDP participants had been trading for less than five years, with over one quarter (28%) trading for less than three years.
- This is comparable with both the national picture of social enterprises (which shows a high startup rate, with one third (33%) established for less than three years) and Community Businesses (also 33%).⁴⁷
- In the case of EDP participants, while they needed to evidence some current trading activities to be eligible, they were generally early-stage traders who were “interested in exploring new trading business models to help build financial resilience but require an initial grant and learning support to get these ideas off the ground”.⁴⁸

Trading income

- The majority (59%) of EDP participants were earning less than half of their total income from trading at the application stage;
- One-third (32%) were earning less than 25%

⁴⁷ Social Enterprise UK (2023) “Mission Critical: State of Social Enterprise Survey 2023”; Thornton, A., Litchfield, A., Brooks, S., Britt, R. & J. Hitchin (2019) Community Business Fund evaluation interim report. Research Institute Evaluation Report. Power to Change.

⁴⁸ Eligibility Criteria for the Enterprise Development Programme.

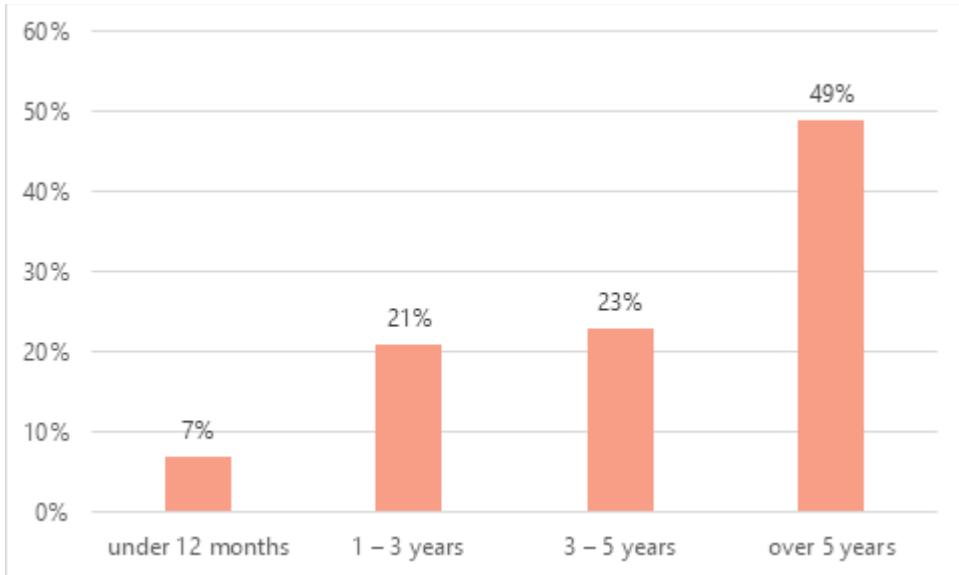


Figure 42 Proportion of organisations approved for EDP by number of years already trading (Application monitoring form (Approved: Pilot and Main Programme), N=156)

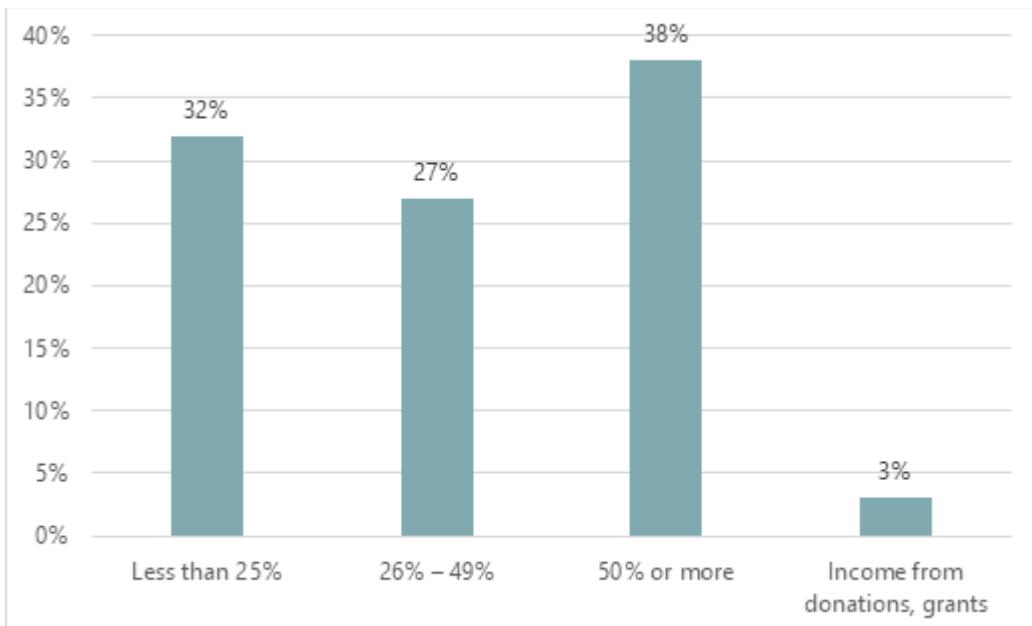


Figure 43 Proportion of organisations approved for EDP by percentage of income earned from trading (Application monitoring form (Approved: Pilot and Main Programme), N=298)

Where funding went: Geography

Geographical spread of grantees

- There was a good spread of participants across all regions.
- One in four EDP participants (25%) were based in London.
- Participants based in the East Midlands were the least represented.

Geographical spread of applications

- More than 3 in every 10 applications came from London.
- The London region had the lowest comparative success rate (at 19%).
- The East of England had the lowest application rate (6%), and achieved relative success rates of 27%.
- This ties in with an evaluation of Access's Reach Fund in 2021 which noted difficulties attracting engagement in the East of England.⁴⁹
- The highest success rate was for applications from a region with a relatively low volume of applications, the North East (at 34%)

London borough clusters

- All thirty-three London boroughs were represented in applications,
- The majority (61%) came from eight London boroughs with the highest scores for median income deprivation.⁵⁰
- Nearly one-third (29%) of successful applicants from London were based in Lambeth (which ranks 11th highest (out of 33) for median income deprivation in the Capital).

Urban vs rural areas

- Three-quarters (75%) of all EDP participants came from urban areas with conurbations, with 50% being in an urban major conurbation.
- Applications followed a very similar pattern.
- Urban/rural classifications varied by sector: over two-thirds (72%) of applications from BMC organisations being based in urban areas with a major conurbation, compared to 29% of environmental organisations. While national figures are not available, this likely reflects a pattern of more social enterprises being based in urban rather than rural areas, and this certainly chimes with Power to Change's finding that 85% of Community Business Fund grantees were based in urban areas.⁵¹

⁴⁹ Goggin, N., McGinn, P, & L. Baker (2021) Reach Fund Evaluation Final Report.

⁵⁰ London boroughs' median income deprivation ranking relative to London and rest of England (2019). Data source: English Indices of Deprivation, Ministry of Housing, Communities and Local Government. From: London's Poverty Profile 2020. Accessed via Trust for London (<https://trustforlondon.org.uk/data/income-deprivation-borough/>). Not all London applications were able to be allocated to a borough due to insufficient data (N=222).

⁵¹ Thornton, A., Litchfield, A., Brooks, S., Britt, R. & J. Hitchin (2019) Community Business Fund evaluation interim report. Research Institute Evaluation Report. Power to Change.

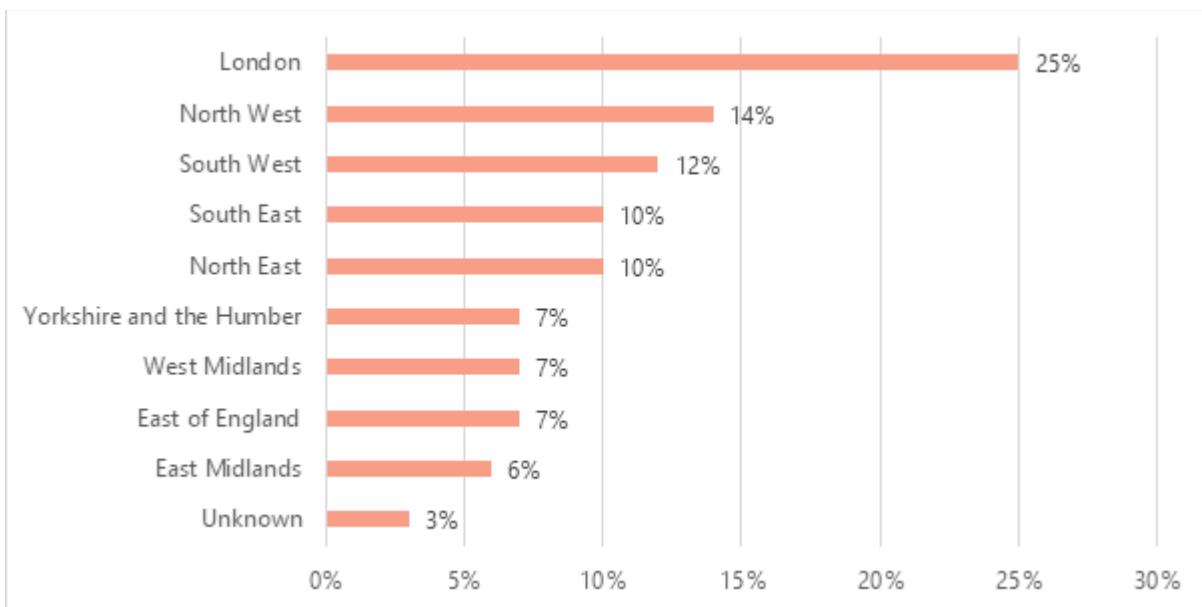


Figure 44 Proportion of organisations approved for EDP by English region (Application monitoring form (Approved: Pilot and Main Programme), N=357)

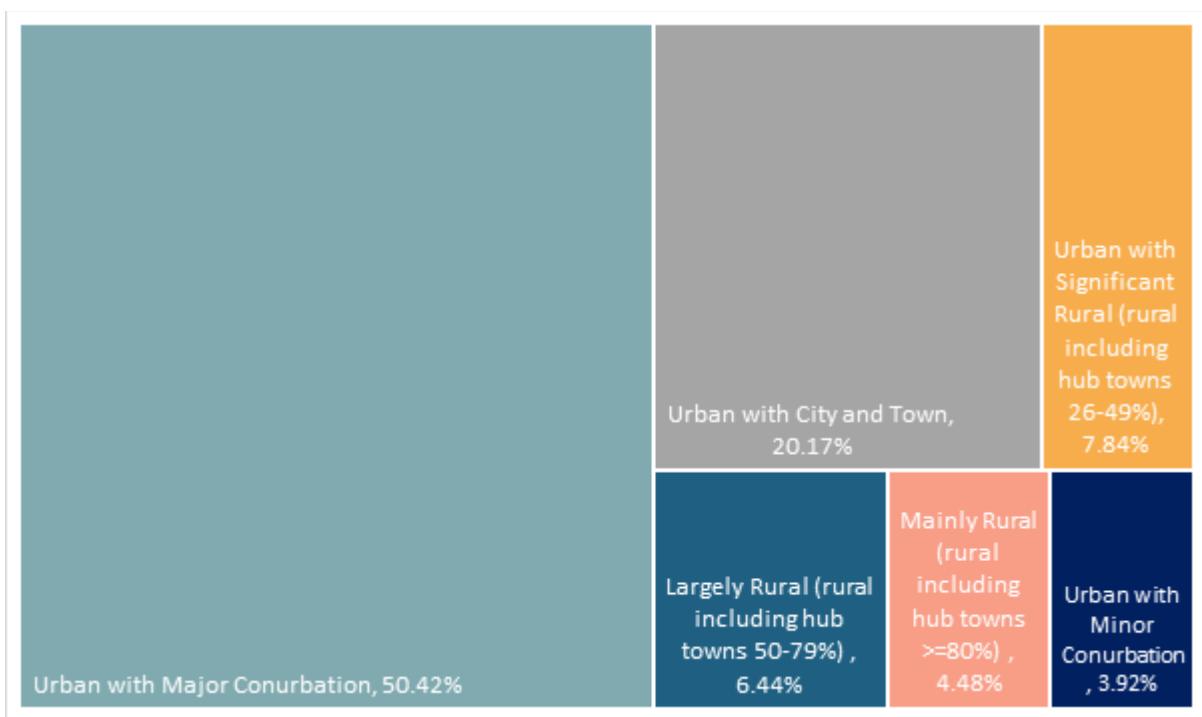


Figure 45 Proportion of organisations approved for EDP by rural/urban location of registered office (Application monitoring form (Approved: Pilot and Main Programme), N=357); ONS Rural Urban Classification (see Methodology).

Deprivation

- Three-quarters (73%) of EDP participants were operating in areas falling into the five deciles of highest multiple deprivation in England

- One-fifth (19%) were operating in areas of highest deprivation (IMD 1).⁵²
- This mirrors the spread of applications and reflects a pattern of more resources going to areas of higher deprivation noted in Access's Growth Fund.⁵³
- This fulfils one of ACCESS's primary goals, that: "Proportionally more of our money is flowing to deprived places and to protected groups."⁵⁴
- This compares with 22% of all social enterprises operating in the most deprived quintile.⁵⁵

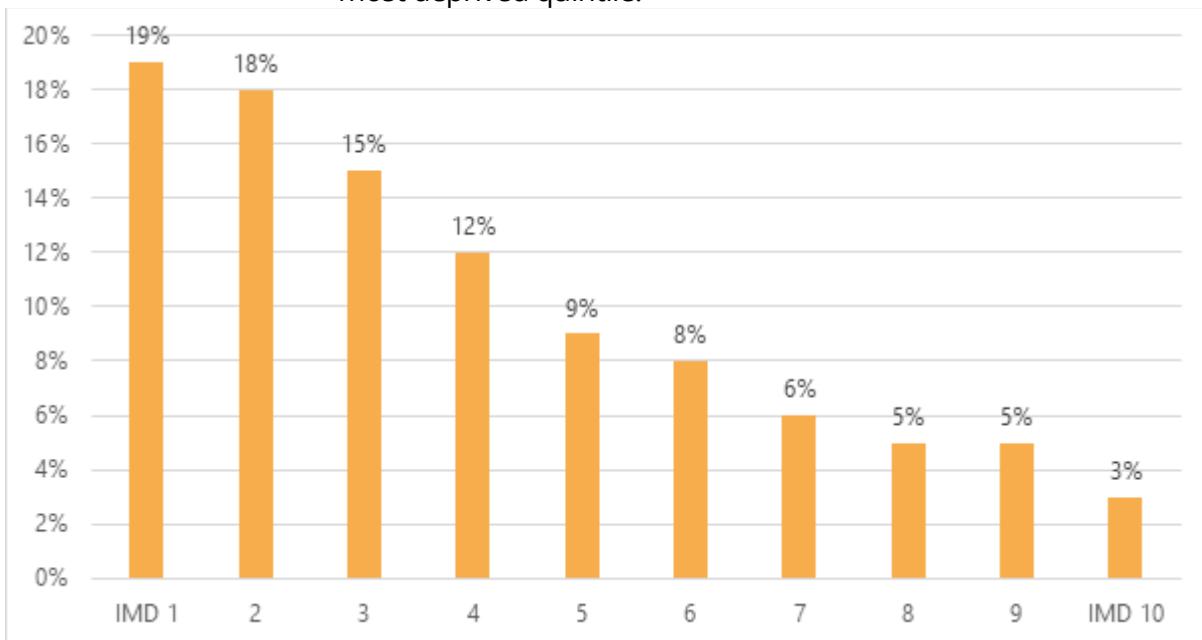


Figure 46 Proportion of organisations approved for EDP by deprivation in location (Application monitoring form (Approved: Pilot and Main Programme), N=357); English indices of multiple deprivation.

Legal forms for trading

Trading is often viewed as a more sustainable form of income, but there are restrictions around what and how much of it an organisation can do, depending on its legal form.

Trading as a registered charity

Charities registered with the Charity Commission for England and Wales can engage in some types of trading as long as it contributes

⁵² The English Indices of Multiple Deprivation (IMD) measure relative deprivation in areas in England. Seven domains of deprivation are included in the IMD: income, employment, education, health, crime, barriers to housing and services, and living environment.

⁵³ Ronicle, J., Wooldridge, R., Hickman, E. & J. Lillis (2021) Growth Fund Independent Evaluation. Update Report 2: Full Report. Delivered by: Access: The Foundation for Social Investment, ATQ Consultants, Ecorys. Funded by: Community Fund, Big Society Capital.

⁵⁴ Access – The Foundation for Social Investment (2021) Annual Report and Accounts 31 December 2021.

⁵⁵ Social Enterprise UK (2021) No Going Back: State of Social Enterprise Survey 2021. In 2023 SEUK noted that this represented a fall from 38% of social enterprises being based in the most deprived quintile in 2013.

directly to the furtherance of their charitable objects, or raising funds for the charity as long as trading does not involve significant risk to their assets.⁵⁶ Registered charities can be called 'social enterprises' if they earn more than 50% of their income from trading. In most cases, profit from this trading is exempt from corporation tax (or income tax for charitable trusts). Registered charities also have greater access to grant funding from foundations. An unincorporated charity, however, cannot enter into contracts (including employment contracts for the purposes of trading).⁵⁷ Changing legal form to an incorporated structure allows an entity to enter into contracts to deliver charitable services or commercial contracts, employ paid staff, own freehold or leasehold land or property.

Incorporated entities

Companies limited by guarantee (CLG) and Companies limited by shares (CLS) can both operate as social enterprises, but must reinvest their profits back into the business and operate in the best interests of the charitable purpose or communities it serves. CLGs have no shareholders, only 'members' who cannot profit personally from the company; while CLSs must state what will happen with profits, and put their social mission in their governing documents.⁵⁸

The Community Interest Company (CIC) is a structure specifically created for social enterprises in 2005. A CIC is a limited company, with additional special features, created for those who want to conduct business or other activity for community benefit and not purely for private advantage.⁵⁹ Since its creation, CIC registration has grown rapidly to more than 31,500 by January 2024.5 CICs may access some grant funding due to the community asset lock they operate under.⁶⁰

The Charitable Incorporated Organisation (CIO) was created in 2013 to provide charities with a new legal structure that combines the benefits of a company with those of a charity, while reducing some of the burdens. The main benefits are that the charity is able to enter into contracts, and to hold property in its own name, with limited liability for its members.⁶¹ Since its creation CIO registration has grown more rapidly than CIC numbers to 33,875 in June 2024.⁶² While the rate of new registrations as a CIO slowed considerably during the five years between 2019 and 2023 (from 23% to 10%), the total number continued to rise; while conversions from registered charity

⁵⁶ In this case setting up a trading subsidiary is advisable. (<https://www.gov.uk/government/publications/trustees-trading-and-tax-how-charities-may-lawfully-trade-cc35/trustees-trading-and-tax-how-charities-may-lawfully-trade>).

⁵⁷ <https://www.gov.uk/guidance/change-your-charity-structure>.

⁵⁸ <https://www.socialenterprise.org.uk/app/uploads/2022/07/Start-your-social-enterprise-guide-1.pdf>.

⁵⁹ <https://www.gov.uk/government/publications/community-interest-companies-business-activities>.

⁶⁰ Social Enterprise Knowledge Centre Insight (2024) Community Interest Company dissolution rates.

⁶¹ https://en.wikipedia.org/wiki/Charitable_incorporated_organisation#cite_note-3

⁶² <https://www.willans.co.uk/knowledge/trustees-of-charities-is-cio-status-for-you/>.

⁶² Data from Charity Commission for England and Wales responding to a Freedom of Information request submitted by Dr Cat Walker to 4 June 2024.

to CIO increased between 2020 and 2021 before falling over the next two years.⁶³

Co-operatives are the other most common form for social businesses, and are more participative and democratic in their ownership models. The two main forms of co-operative are the community benefit society (CBS or 'BenCom') and the more typical industrial and provident co-operative society (IPS). Co-operatives are regulated by the Financial Conduct Authority (FCA).⁶⁴

Appendix B

Sectoral Differences

The Enterprise Development Programme took a sector-based approach with six different sectors represented. In the Pilot phase, there were just two sectors, Youth and Homelessness, but in the Main phase Mental Health, Black and Minoritised Communities (BMC), Environment and Equality were added. There were some quantitative differences between sectors that contributed to organisations "going on different journeys" through EDP, as well as the more qualitative sectoral differences explored in Part 3, and these are explored below.

Geographic location

While organisations in each sector came from all over the country, urban/rural classifications varied by sector, with over two-thirds (72%) of applications from the BMC sector being based in urban areas with a major conurbation, compared to 29% of Environmental organisations, more of which were based in rural areas.

⁶³ <https://www.socialenterprise.org.uk/app/uploads/2022/07/Start-your-social-enterprise-guide-1.pdf>.

⁶⁴ <https://www.socialenterprise.org.uk/app/uploads/2022/07/Start-your-social-enterprise-guide-1.pdf>.

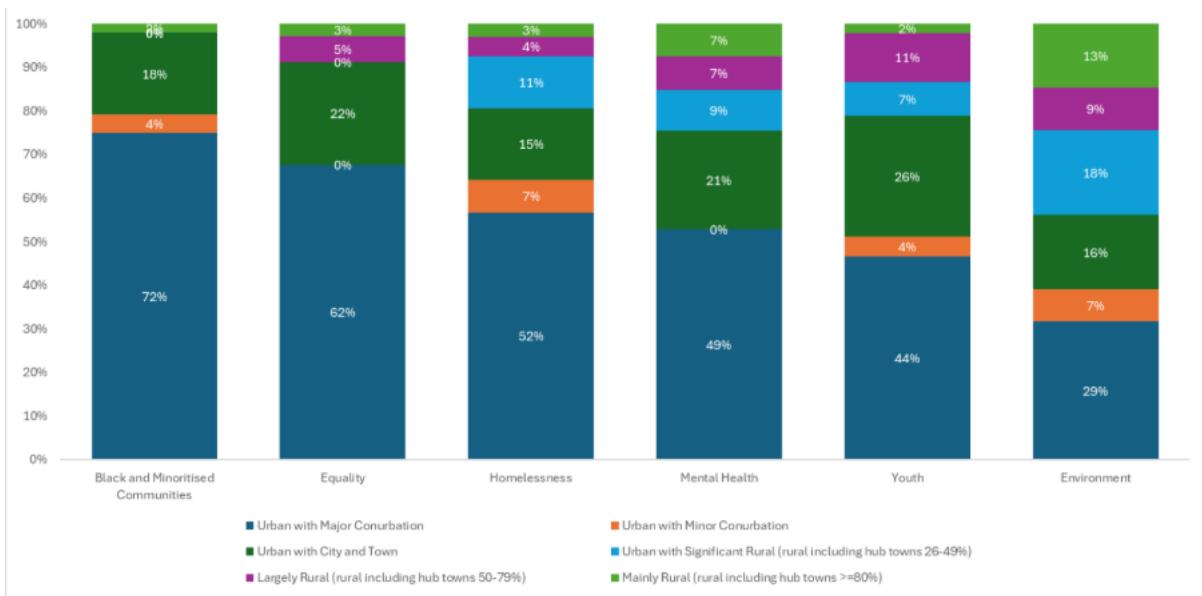


Figure 47 Proportion of organisations by sector based in areas with different rural/urban classifications taking part in the enterprise development programme by sector (Application monitoring form (Approved: Pilot and Main Programme), N=333); ONS Rural Urban Clas

Primary beneficiaries

While the primary beneficiaries of some sectors largely reflected in their sectoral focus, others were more diverse. The Environment and BMC sectors served a larger proportion of people living in poverty and/or experiencing financial exclusion, while both the Equality and BMC sectors served a larger proportion of Migrants, Refugees or Asylum seekers, and the Environment sector also addressed mental health needs. This picture demonstrates the multiple and complex needs of beneficiaries being addressed by organisations in these sectors.

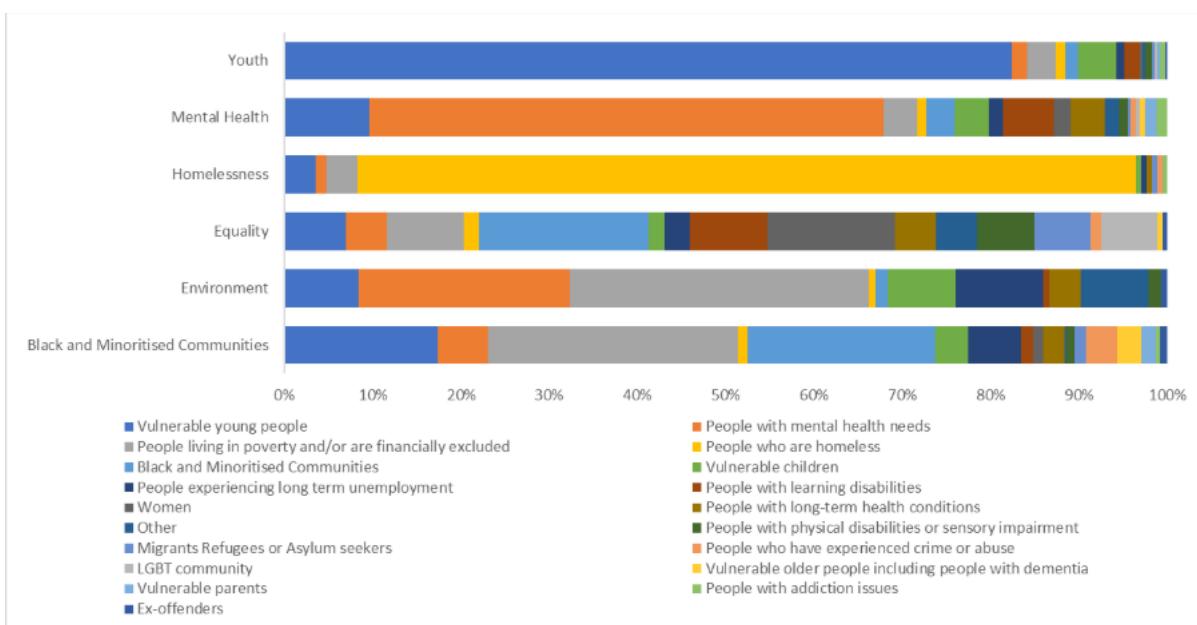


Figure 48 Proportion of organisations in each sector, by primary beneficiaries (Application monitoring form (Pilot and Main Programme), N=1510)

Diverse leadership

Diversity in leadership varied by sector, with the Equality sector, perhaps unsurprisingly, being most diverse over all four categories and the BMC sector having the greatest proportion of diverse leadership overall.

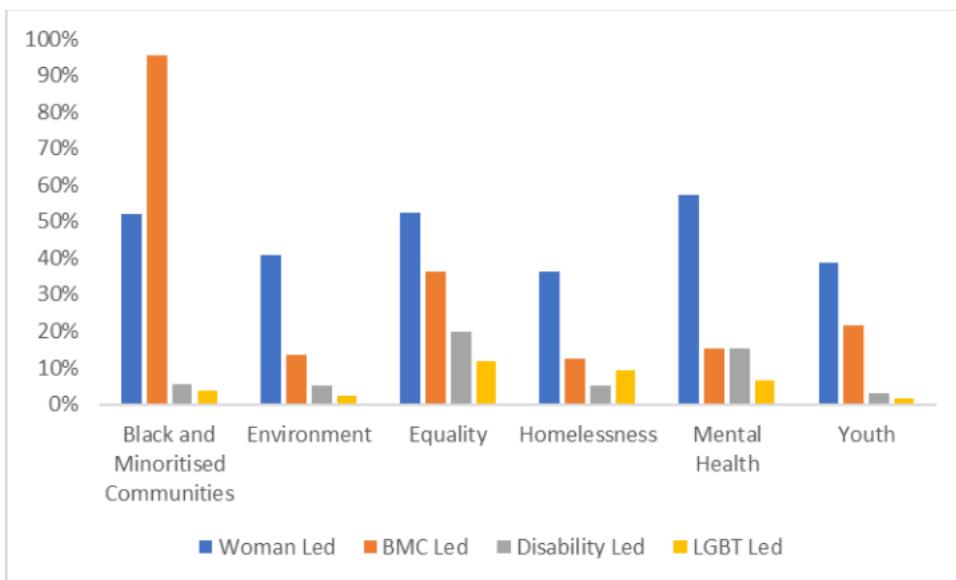


Figure 49 Proportion of organisations in each sector, by primary beneficiaries (Application monitoring form (Pilot and Main Programme), N=1510)

Applications and approvals

Over the whole programme (including Pilot and Main) the Youth sector was the largest by volume of organisations taking part in the programme. In the main phase of the programme, Mental Health was the largest sector.⁶⁵

The highest number of applications were received for the Youth sector, reflecting both the fact that this sector featured in both phases of the programme and successful marketing or the greater need for such programmes. The high number of applications from the BMC sector, and to a slightly lesser extent, the Mental Health sector, which only featured in the Main phase of the programme, suggests either better marketing and/or a greater need in these sectors.

⁶⁵ This is relevant when results reference the Main Programme only.

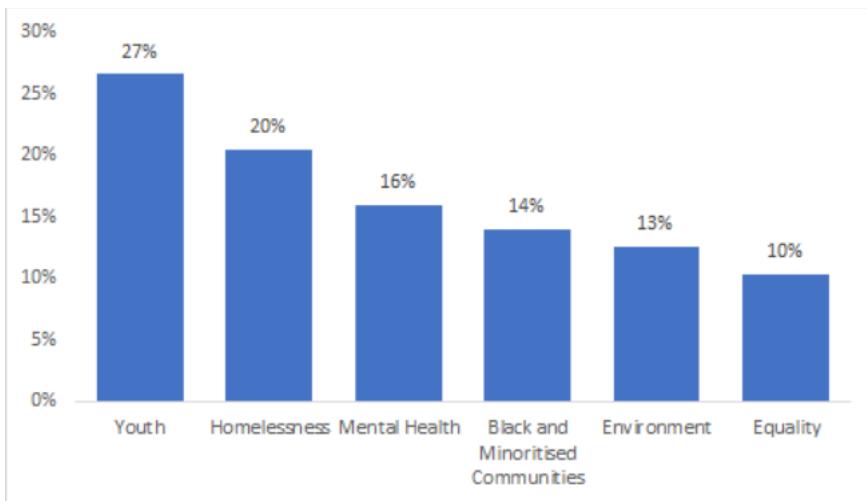


Figure 50 Proportion of organisations taking part in the enterprise development programme by sector (Application monitoring form (Approved for EDP: Pilot and Main Programme), N=357*) *see Methodology

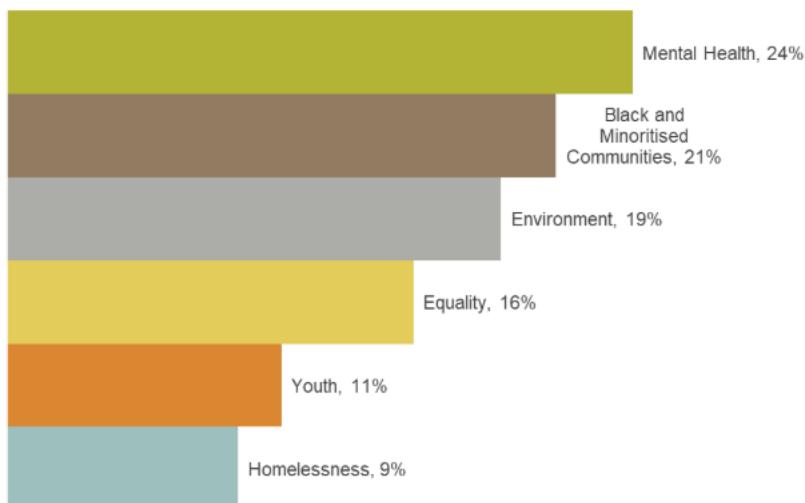


Figure 51 Proportion of organisations taking part in the Main phase of the Enterprise Development Programme by sector (Application monitoring form (Approved for EDP: Main Programme), N=230)

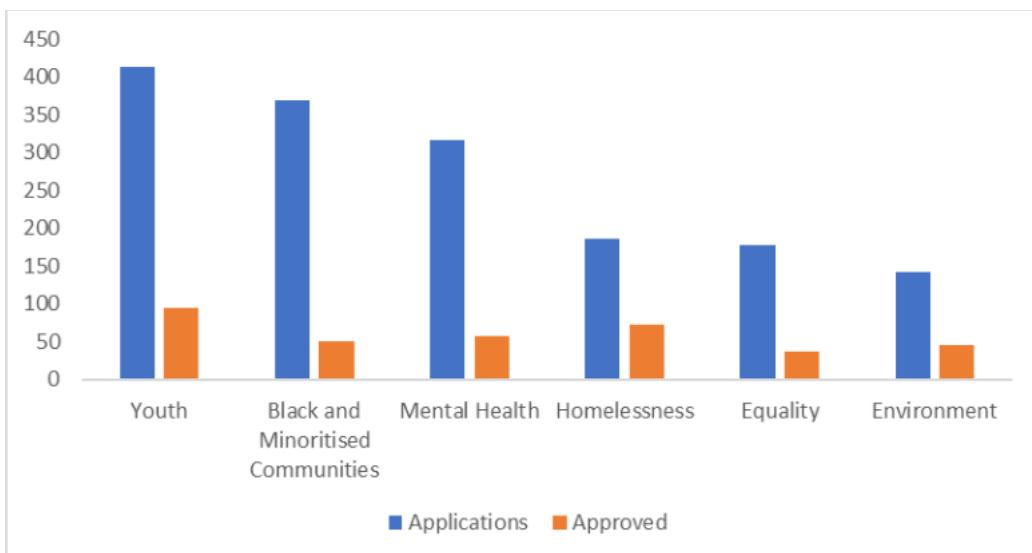


Figure 52 Number of applications and approvals by sector (Application monitoring form (Approved for EDP: Pilot and Main Programme), N=1611)

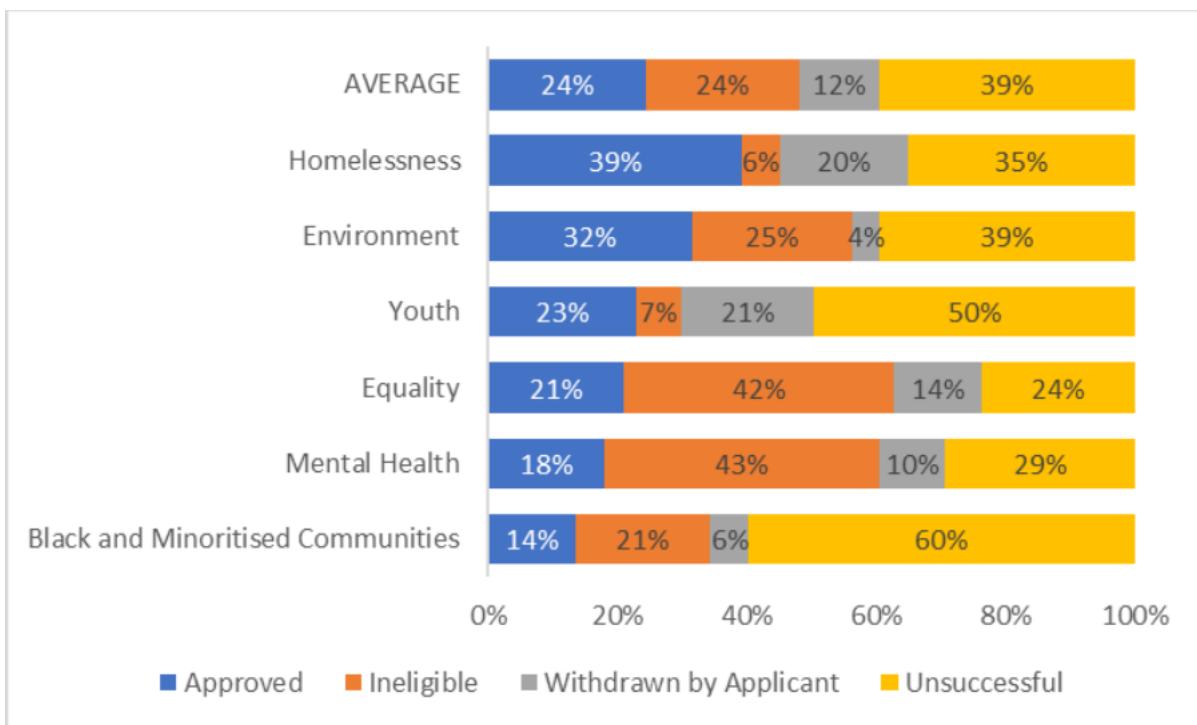


Figure 53 Proportion of organisations approved, deemed ineligible, withdrawn by applicant or otherwise unsuccessful, by sector (Application monitoring form (Approved for EDP: Pilot and Main Programme), N=1611), Percentages may not add to 100% due to rounding.

Grants awarded

The grant total awarded to each of the six sectors overall was similar (between 16% and 19%) with slightly more going to the Youth and Homelessness sectors, largely due to these sectors taking part in both the pilot and main phases of the programme. Over the whole programme (including Pilot and Main) the Youth sector was the largest by number of organisations taking part in the programme (Figure 54) and received the largest proportion of overall grant value (Figure 55).

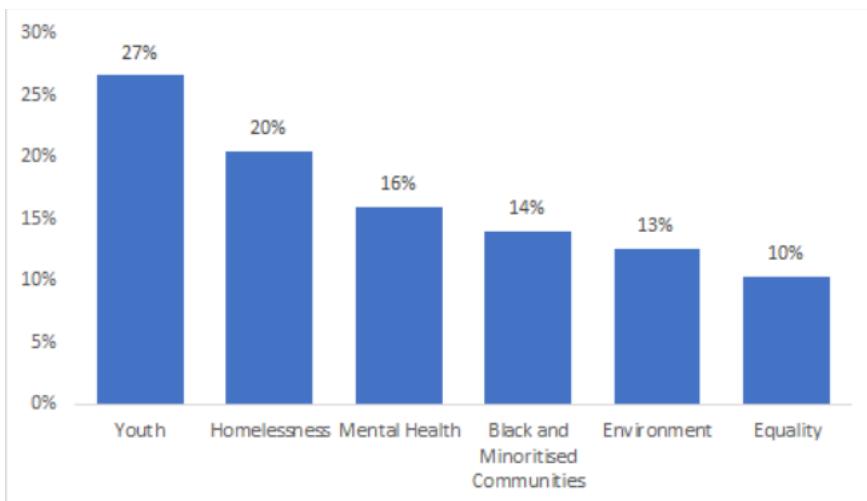


Figure 54 Proportion of organisations taking part in the enterprise development programme by sector (Application monitoring form (Approved for EDP: Pilot and Main Programme), N=357*) *see Methodology

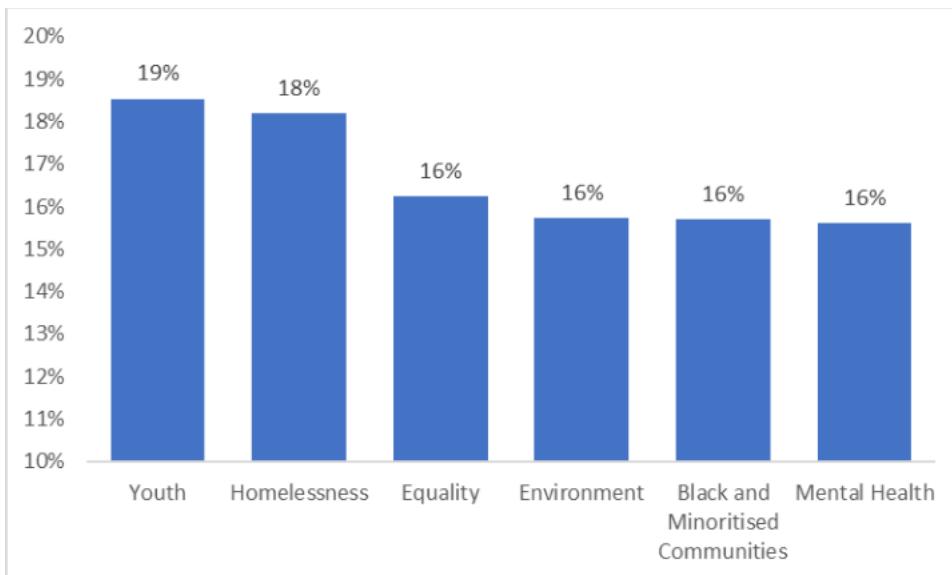


Figure 55 Distribution of total grants by sector (Application monitoring form (Approved for EDP: Pilot and Main Programme), N=404)

Sector leads were ultimately responsible for how funding was distributed, and each gave a different number of varying-sized grants to organisations in their sector.

Grants to Environmental and BMC organisations were larger, on average, and those in the Youth and Homelessness sectors were the smallest.

Sector	N Grants	Total Grants	Average Grant	Median Grant
Environment	51	£1,296,917	£25,430	£30,000
Black and Minoritised Communities	53	£1,293,134	£24,399	£25,000
Equality	61	£1,337,878	£21,932	£24,702
Homelessness	76	£1,500,338	£19,741	£10,000
Mental Health	69	£1,287,456	£18,659	£19,500
Youth	94	£1,528,067	£16,256	£9,225

Table 6 Total grants awarded per sector, with average and median (Application monitoring form (Approved for EDP: Pilot and Main Programme), N=404)

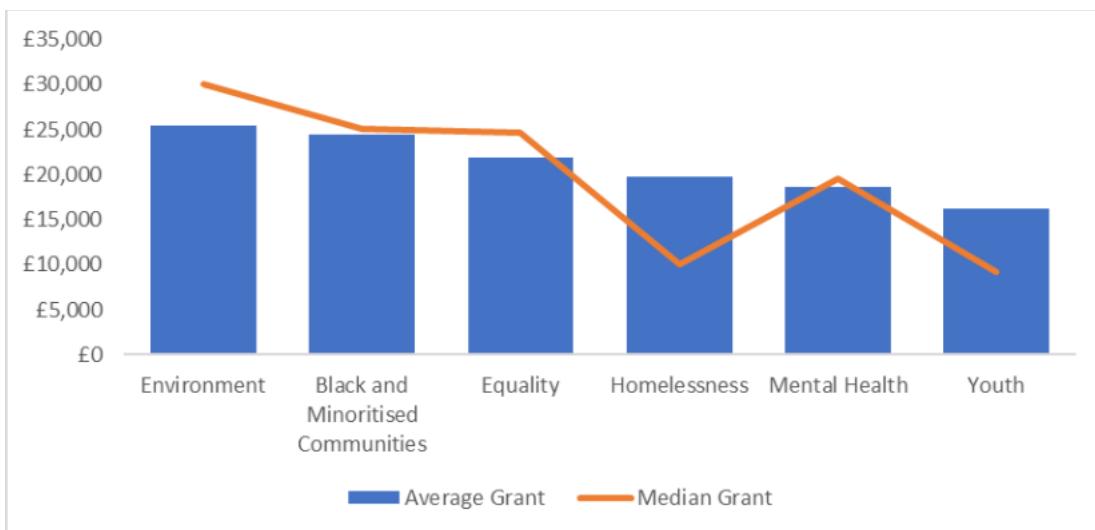


Figure 56 Average and median grants awarded by sector (Application monitoring form (Approved for EDP: Pilot and Main Programme), N=404)

Age of organisations (year of establishment)

Homelessness organisations were older and better-established than other EDP participants, with BMC and Environment organisations being the youngest (medians of 21 years versus 8.6 years).

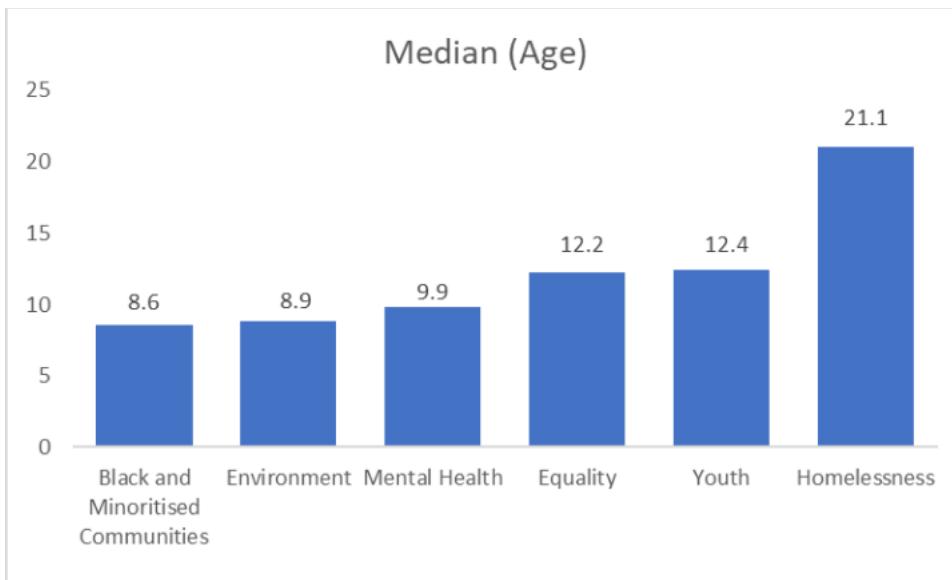


Figure 57 Proportion of organisations approved for EDP by year of establishment (Application monitoring form (Approved: Pilot and Main Programme), N=357)

Size of organisations

The incomplete monitoring data did not allow for a full analysis of organisation size by income, as there were only income details for organisations in three of the sectors. Data from the sample of 56 grantees used in the financial analysis indicates that there were quite large disparities in median income size (Table 2).⁶⁶

Using this data, we can see that BMC organisations may have been smaller on average than other EDP participants, while Homelessness and Youth sector organisations may have been larger on average.

Sectors	Median total income, 2019
Black and Minoritised Communities	£101,075.00
Environment	£178,501.00
Equality	£277,442.50
Mental Health	£278,920.00
Youth	£399,829.00
Homelessness	£430,695.50
Grand Total	£273,118.50

Table 7 Median total income by sector 2019 (Financial analysis, N=56)

⁶⁶ These numbers should be treated with some caution due to the small numbers in each sector. The equivalent values from the monitoring data were: BMC - £108,000, Environment - £209,000, Mental Health - £224,000.

The partial information available for employee numbers also suggests that the Homelessness and Youth sectors have more FTE staff and are therefore likely to be larger in size, while the Environment and BMC sectors have fewer FTE staff and more volunteers.

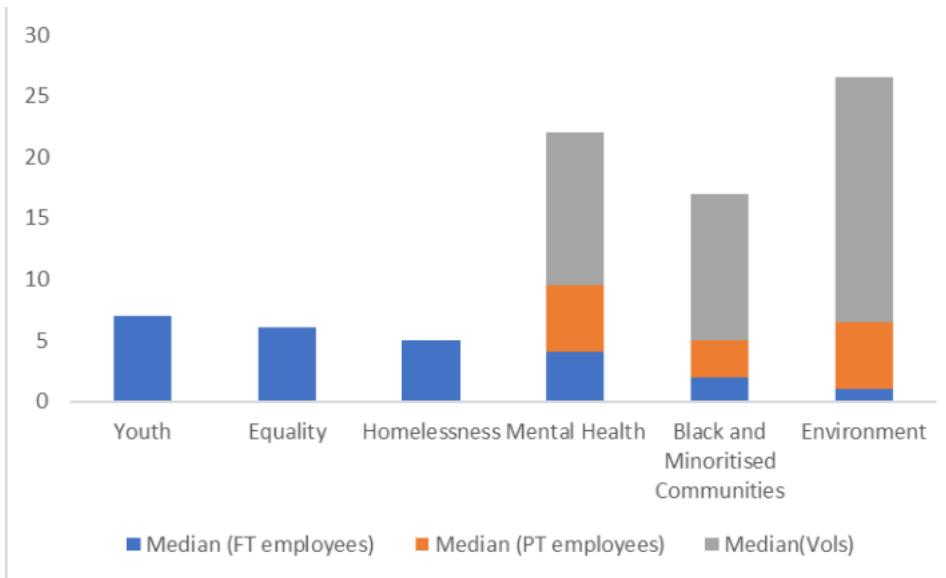


Figure 58 Median number of Full Time Equivalent (FTE) and Part-Time (PT) employees and volunteers per approved organisation, by sector (Application monitoring form (Approved: Pilot and Main Programme), N=357)

Legal form

Youth and Homelessness sectors have a greater proportion of organisations operating as CLGs, suggesting a greater degree of existing professionalisation around enterprise; the Environment sector has the fewest.

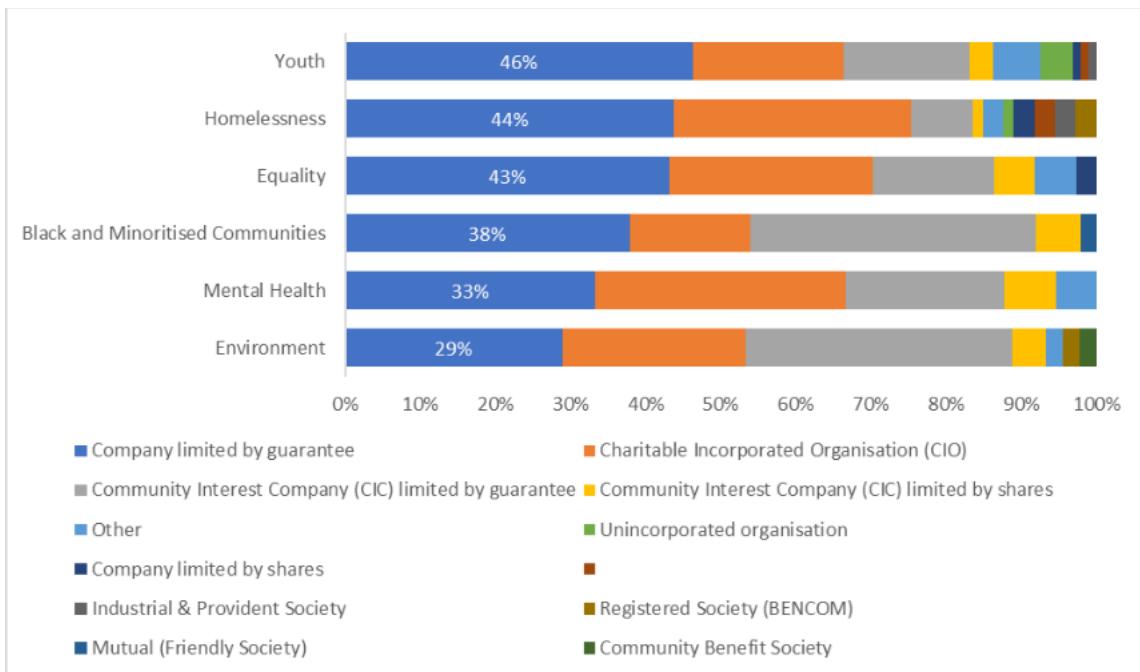


Figure 59 Proportion of organisations approved for EDP by legal form (Application monitoring form (Approved: Pilot and Main Programme), N=357)

Trading status

BMC organisations were most likely to be already trading at the point of application to the EDP, although just over half of these had been trading for less than three years. Mental Health organisations were the least likely.

Are you already trading? By sector

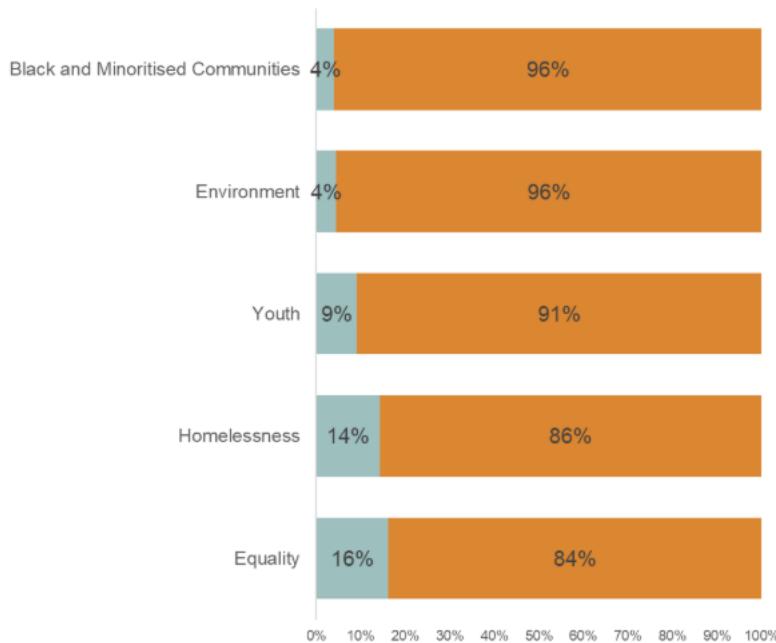


Figure 60 Proportion of organisations already trading at application to EDP by sector (Application monitoring form (Approved: Pilot and Main Programme), N=156)

Challenges faced

In terms of the specific challenges faced by EDP participants, while “people & systems” issues dominate overall, the BMC sector struggled most significantly with “Bringing money in” (43% rated this their primary challenge).

Within “people & systems” challenges, different sectors faced slightly different orders of issues, with BMC organisations facing the widest order of different issues, and Youth organisations facing the smallest number of different issues.

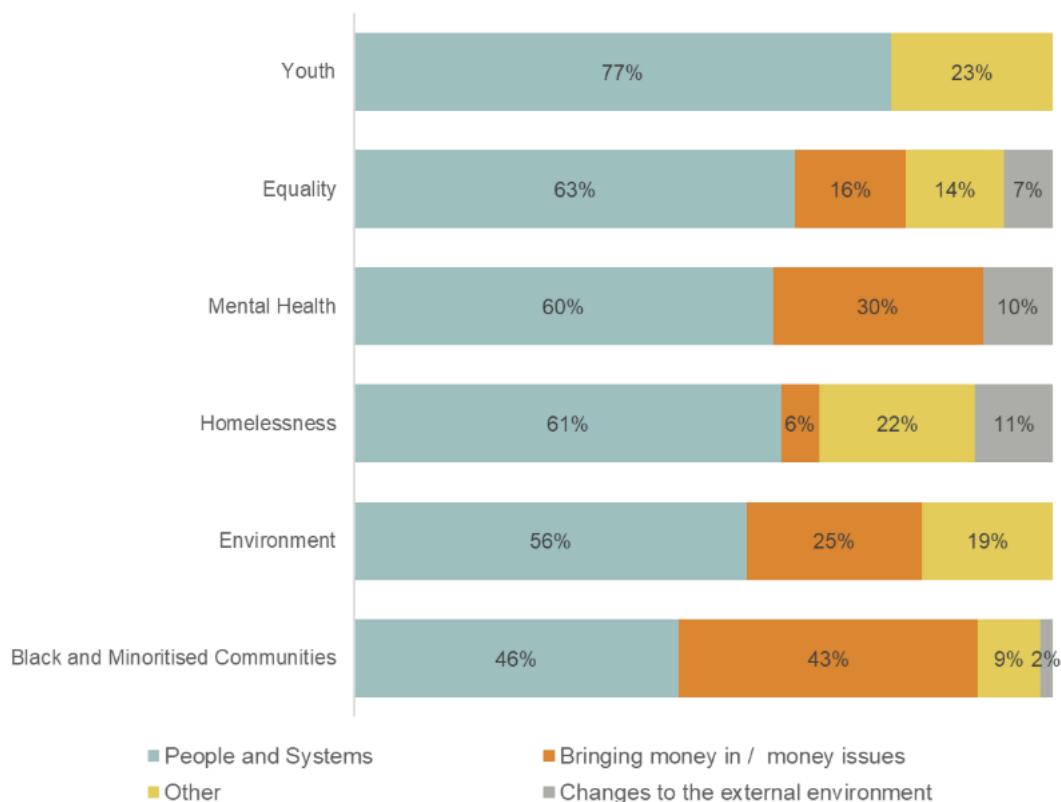


Figure 61 Issues faced within the “People and Systems” challenge by EDP participants in their enterprise journey, by sector (Application monitoring form (Approved: Pilot and Main Programme), N=202)

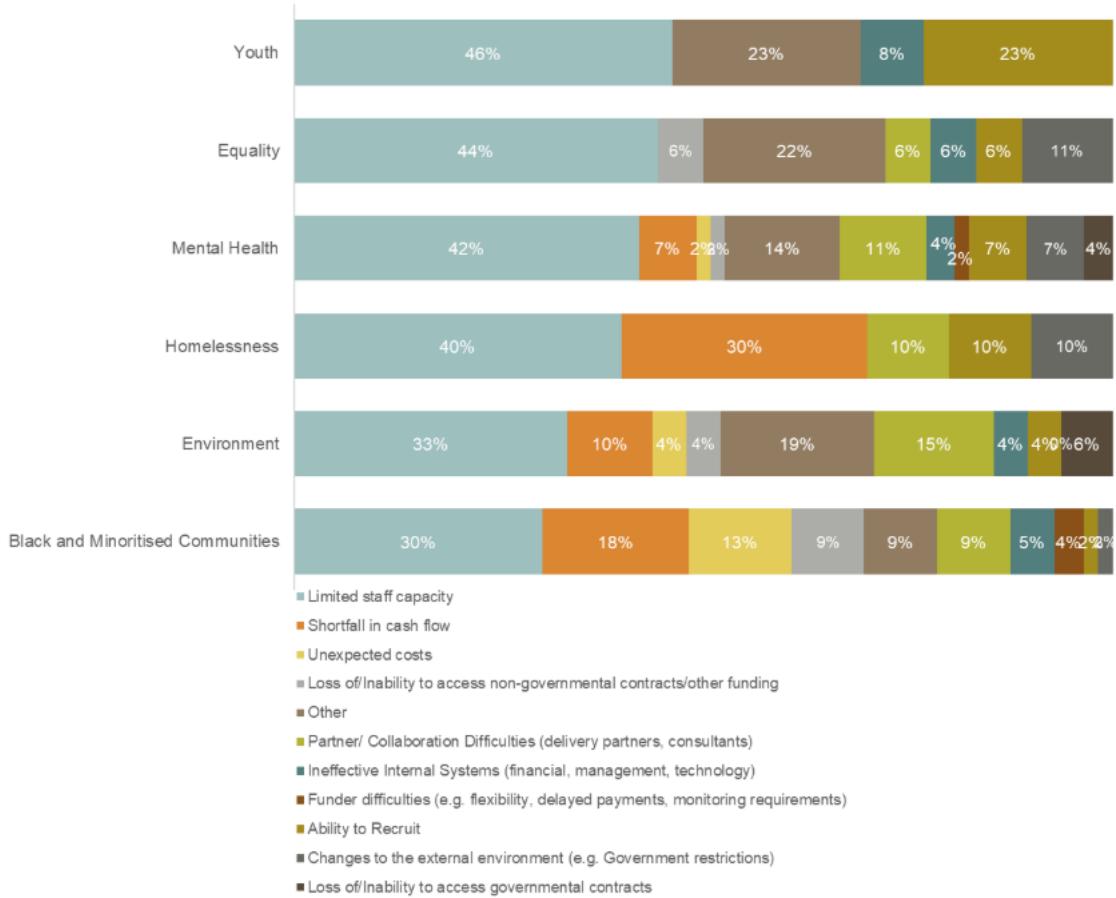


Figure 62 Issues faced within the “bringing money in” challenge by EDP participants in their enterprise journey, by sector (Application monitoring form (Approved: Pilot and Main Programme), N=202)

Growth during the Enterprise Development Programme

There were sector differences with regards to financial ‘success’⁶⁷:

- Homelessness organisations had the highest median total revenue income in 2023, growing their median total income by 13% in real terms, while Environment organisations had the lowest median income, but grew by 21% in real terms (Figure 17).
- The sectors with the highest median incomes were least reliant on earned income.
- Homelessness, Environment and Black and Minoritised Communities sectors all earned more than 50% of their total income from commercial and trading.

⁶⁷ This analysis is based on a sample of 56 EDP grantees, meaning that numbers in each sector were very small. Caution should be taken with these results which may not be representative.

- Mental Health, Equality, and Youth sectors all earned more than 50% of their total income from grants.

After the Enterprise Development Programme: Resilience

After taking part in the EDP, one quarter (25%) of Environmental organisations and one-fifth (20%) of Homelessness and BMC organisations felt “very resilient”, compared to just 6% of Equality organisations.

Similarly, all (100%) of Homelessness organisations felt better able to plan for and withstand future shocks after the programme, four-fifths (80%) “To a great extent” - compared with 24% of Equality organisations.

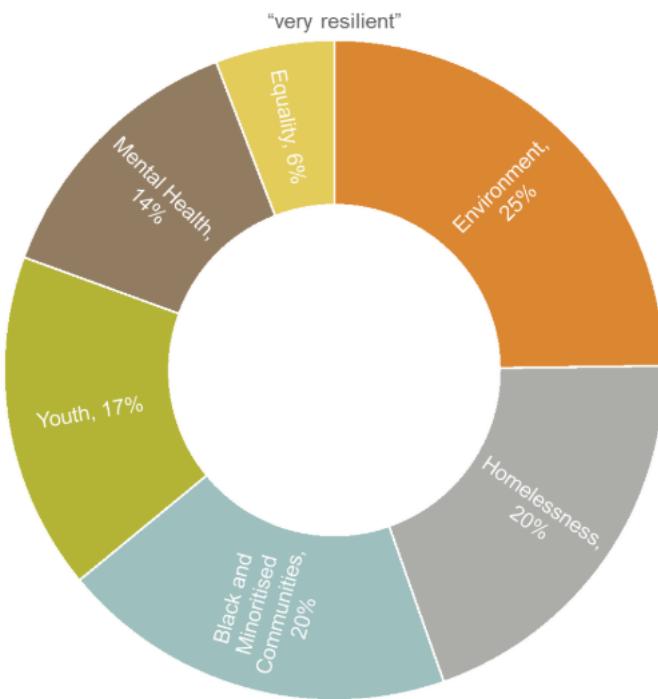


Figure 63 “How resilient do you feel as an organisation at the moment, having received the support through EDP?”, by sector (End of Grant monitoring form (Approved: Main Programme), N=180)

Do you think the support through EDP has enabled you to better plan for the future and withstand any future shocks?

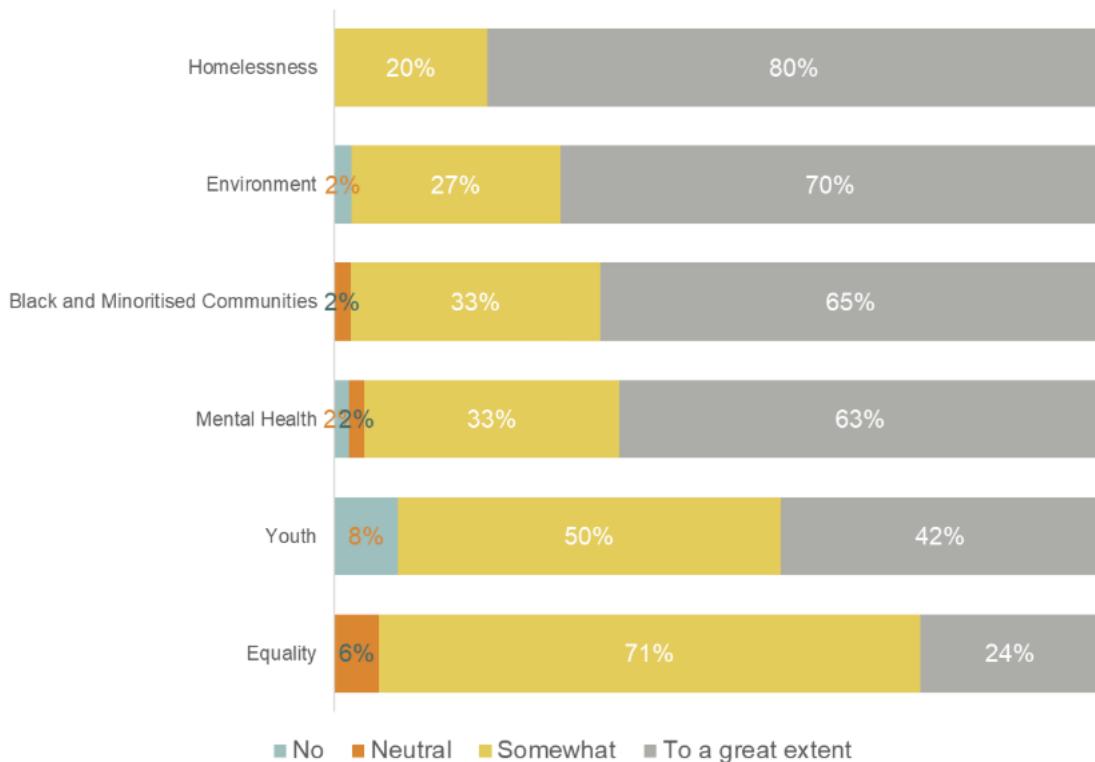


Figure 64 "Do you think the support through EDP has enabled you to better plan for the future and withstand any future shocks?", by sector (End of Grant monitoring form (Approved: Main Programme), N=180)

Funding required going forward

After completing the EDP, organisations were asked: "Will you be looking to raise further funding to help you continue your work?" While further grant funding was the predominant choice for most (particularly Youth and Equality organisations), BMC organisations were most likely to seek more contract income (49%), while Environmental organisations were most likely to be seeking repayable finance (28%).

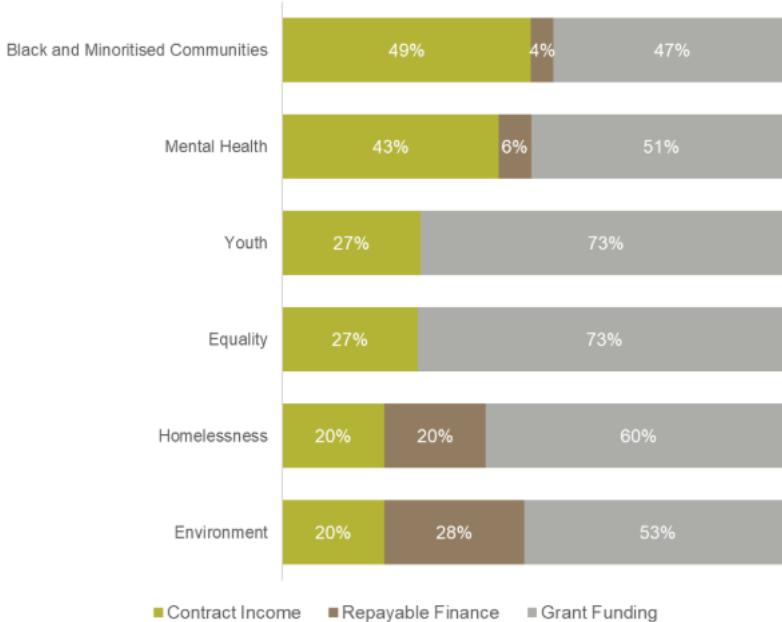


Figure 65 "Will you be looking to raise further funding to help you continue your work?", by sector (End of Grant monitoring form (Approved: Main Programme), N=168)

Concluding comments

The extent to which sector differences had an impact on an individual organisation's "success" in their EDP journey is very difficult to quantify (and needs to be considered alongside the qualitative differences explored in Part 3). While sector differences clearly were important in some areas, other factors such as the size and age of an organisation also played a crucial role in their journey towards greater enterprise.

A picture emerges of three groupings of sectors:

- Youth and Homelessness sectors, which tended to have larger and more well-established organisations, many of which were already operating as CLGs
- Environment and Black and Minoritised Communities sectors, which tended to have younger and smaller organisations, fewer of which were set up as CLGs
- Equality and Mental Health sectors, which were somewhere in the middle

It should be noted that organisations in the Environmental and BMC sectors received larger grants on average, while Youth and Homelessness organisations received smaller grants, suggesting that, to some extent, EDP targeted those organisations with the greatest need. This appears to have been a successful tactic, in tandem with

other support, in boosting the average growth for Environment organisations by 21% in real terms.

Similarly, after taking part in the EDP, one quarter (25%) of Environmental organisations and one-fifth (20%) of Homelessness and BMC organisations felt “very resilient” (compared to just 6% of Equality organisations) testament to the work done with these sectors experiencing more challenging circumstances for enterprise development.

Appendix C

Change made following the pilot phase⁶⁸

Several key changes were implemented following the Pilot phase of the Enterprise Development Programme (EDP). These modifications were based on reflections from partners, evaluation findings, and participant feedback. TI, who evaluated the Pilot programme, shared their reflections on what worked well and what might be improved for the Main programme.⁶⁹ Put simply, the review found tensions between the ambition and practicality of the programme, between funding innovation or stability, and whether the programme should be more flexible or structured in approach.

For grantees, their outcomes improved in the Main phase compared to Pilot phase, although the enterprise development stage at which they applied was noticeably different. Organisations applying to the Main phase of the programme were far more likely to be already trading, which likely influenced the feedback.

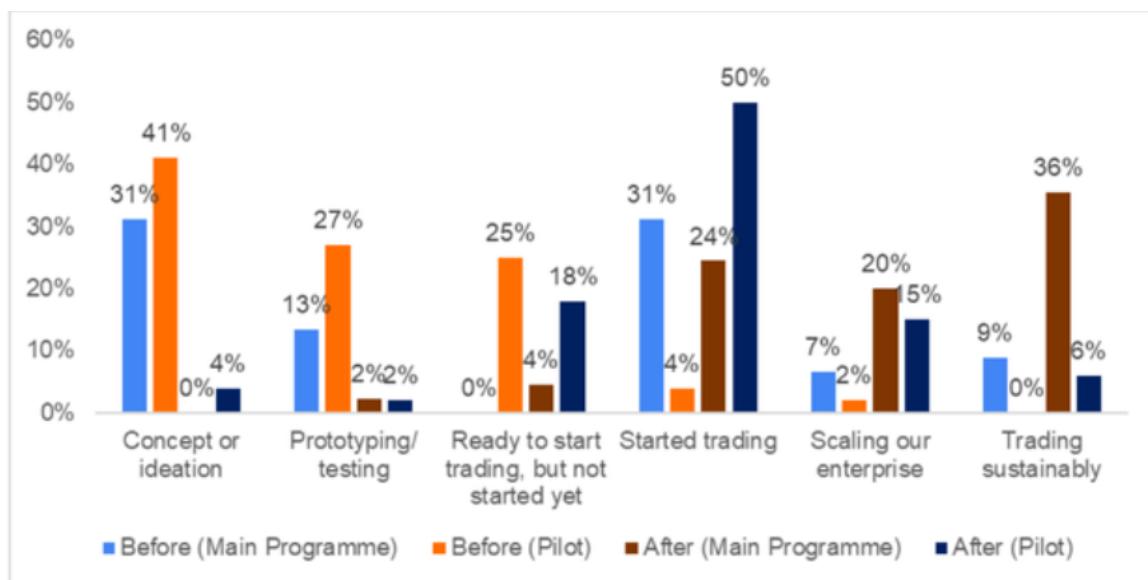


Figure 66 Stage of enterprise development before and after EDP (Pilot compared with Main phase) (Pilot survey (N=48); Post-Programme Survey, Main Programme (N=45))

⁶⁸ An the evaluation of the EDP pilot programme can be accessed at [<https://access-socialinvestment.org.uk/wp-content/uploads/2020/12/EDP-interim-report-Dec-2020-final.pdf>]

⁶⁹ We undertook a rapid review of minutes ('Agenda Item 6') taken from meetings in June 2019.

Better and more consistent decision-making

Most of the changes made revolved around the decision-making process for who should receive funding, and for what kinds of projects. One of the most significant findings was that the decision-making process had, over time, become increasingly restrictive. The panel's preference for selecting the "best" 15-17 organisations meant that a high percentage of applicants were rejected. However, the reasons for rejection were not always clear-cut and, in some cases, seemed to be based on informal rules rather than a well-defined strategy. For example, the concept of "step-change" originally referred to supporting existing enterprises that were genuinely innovating or diversifying. Yet, as the programme evolved, this term was applied more broadly, sometimes used as a shorthand for 'additionality' or even 'significance of income or impact'. This created inconsistencies in decision-making, with TI suggesting that some promising enterprises - particularly those pursuing incremental rather than transformational growth - might have been unfairly rejected.

Also, the panel sometimes hesitated to fund organisations that already had financial reserves, questioning why these were not being used to increase trading capability. However, this did not always account for the internal constraints and barriers that organisations might be facing, such as board reluctance to use their financial reserves to fund a new enterprise. TI reflected that there was the need to clarify what the programme was trying to encourage: was it about supporting organisations that truly need funding to take the next step, or was it about backing the most ambitious, high-impact ideas?

The review also highlighted inconsistencies in how funding decisions were made, particularly around the final grant amounts awarded. In earlier panels, decisions seemed to be influenced by a desire to preserve capital for future applicants rather than being based on a clear rationale for why a particular amount was appropriate. This lack of clarity led to concerns about fairness and transparency in the allocation of funds.

During the Pilot, EDMs were influential in funding decisions. However, their recommendations, which were frequently more positive than the panel's, were not always followed. This raised questions about whether they understood the criteria differently or whether their closer engagement with applicants gave them a more nuanced perspective. The discrepancy between EDMs and the panel suggested that better alignment was needed in how funding priorities were communicated and applied. As a result, it was decided that EDMs would make the final choice.

Changing the Funding Offer

The Pilot programme also prompted a re-evaluation of whether having two separate grant types (feasibility and development) was the best approach, or whether a single, more flexible application process with varying levels of funding would be more effective. Ultimately, the decision was taken to have a single offer of a development grant, with the full twelve months of learning support.

Another question was whether offering full grants (i.e., with no repayable portion) was counterintuitive for a programme designed to promote enterprise and financial sustainability. Relatedly, there was an emerging view that support mechanisms such as 'match funding' could be better integrated into the grant offer. These discussions reflected a broader tension: how to balance financial support with helping organisations to transition toward self-sufficiency.

One area where the programme had taken a more structured approach was in the use of tapered funding—for example, funding a marketing post at 100% for the first six months and 50% for the next six months. This was seen as a positive way to encourage organisations to think about long-term sustainability, as it required them to plan for future revenue generation. However, there was limited evidence to confirm whether this approach had actually led to greater financial resilience.

Some grantees benefited from this approach in the Main programme, with one telling us:

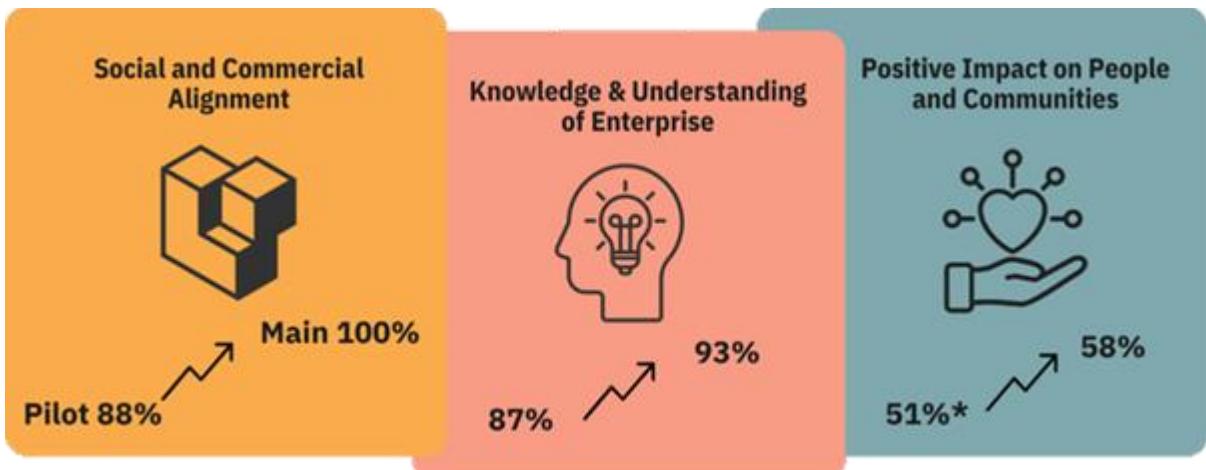


We started the period with one staff member. We were able to appoint two more staff from contractors who were funded temporarily through the EDP grant [...] It enabled me to start building a team, going from being a single person [...] to employing people for the future."

Hope for the Community CIC

Differences for Grantees: A comparison of survey data between Pilot and Main

We surveyed participants in 2024, as many were completing – or had completed – their time on the EDP. Repeating questions asked in the survey for the Pilot phase evaluation, we were able to compare outcomes. Overall, we found that outcomes had improved for the Main phase, as detailed below.



More grantees in the Main phase experienced improvements in their:

- Ability to create an appropriate 'fit' with their trading activity and their intended social impact improved, with 100% saying it had in the Main, compared to 88% for the Pilot
- Knowledge and understanding around trading and enterprise, with 93% compared to 87%
- Ability to make a positive impact on people and communities.

*While there was no difference between the Pilot and Main on grantees' overall improvement here, the Main programme did help more to make a 'significant improvement' (58% compared to 51%).

Improvements made to grantees' ambition to trade and/or diversify their income did not change, although the Main phase saw no negative changes, unlike the Pilot phase (2% reported that their ambition had worsened—although this finding should be considered in the context of 2019 and the emerging COVID-19 pandemic).

When comparing the enterprise development stage that survey respondents were at when they applied, we can see that considerably more that applied to the Pilot were at the 'concept or ideation stage' (41% vs 31%) or prototype/ testing stage (27% vs 13%) than for the Main programme.⁷⁰ 31% of applicants to the Main programme had already started trading, compared to 4% of Pilot grantees. At the end of their time on the programme, 56% of those surveyed were trading sustainably or scaling their enterprise, compared to only 24% of those on the Pilot programme. These results are likely due to the phasing out of the feasibility grants, whose reporting requirements and expectation of participation were less onerous and likely attracted many more organisations who were curious about – but not committed to – setting up an enterprise.

⁷⁰ It should be noted that these are the survey findings, whose low response rates for the surveys (N=45 for the Main, and N=48 for the Pilot) mean that these findings are not representative, and are used for illustration only.

When asked what would have happened to their enterprise idea without EDP, more grantees from the Main programme said that the project would not have happened at all (29% compared to 12% on the Pilot programme). This is a somewhat surprising finding, as we would assume that those who received feasibility grants would not have pursued an enterprise – or viability testing – without it. It might be, however, that the type of grantee simply shifted towards those who were already trading and so had less ‘need’ to develop their idea.

Appendix D

Analysis of Co-funding

This analysis aimed to ascertain the number and size of investments in EDP grantees co-funded by other investors. Grant funding was seen as a key component of EDP participants' overall income, acknowledging, as the Enterprise Grants Taskforce highlighted, that "most social impact organisations will be sustainable somewhere between 100% grant dependency and full commercial viability."

In the context of EDP grantees' grant income increasing by 90% over the five years (2019-2023), this analysis was felt to be crucial in understanding the income diversity for organisations developing their enterprises. However, with a small sample of twenty, the findings can only be considered indicative

Grant funding of EDP participants in 2023

Three-quarters (76%) of EDP participants' grant funding came from three sources:

- Independent philanthropic grant-making trusts and foundations (27%)
- Statutory sources (central, local or international government) (25%)
- The NHS (or local health bodies) (24%)⁷¹

⁷¹ Although only four organisations received such funding, it formed a large proportion of the whole.

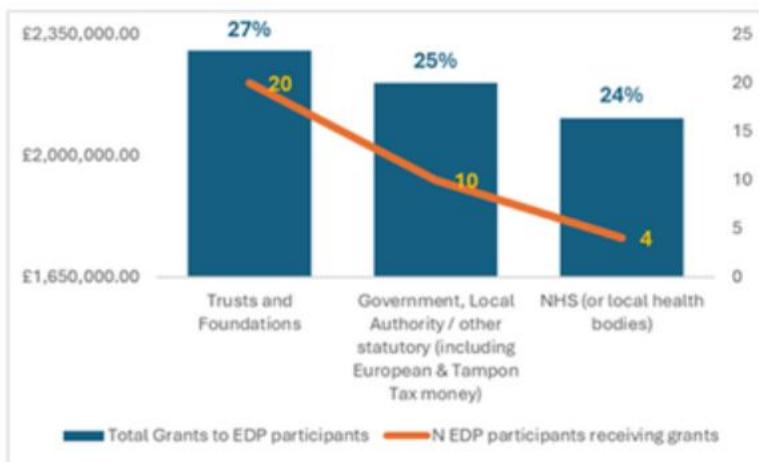


Figure 67 Primary sources of grant income to EDP participants, 2023 (Proportion (%) of total grants and Number (N) of EDP participants receiving grants) (Co-funding analysis, N=20)

EDP participants also received grants from a wide variety of other sources (Figures 68 and 69). Of note are the 6.5% from National Lotteries (including Heritage), 3.5% from other charities, 1.5% from the Enterprise Development Programme, 1.5% from other social enterprises and 1.4% from corporates.

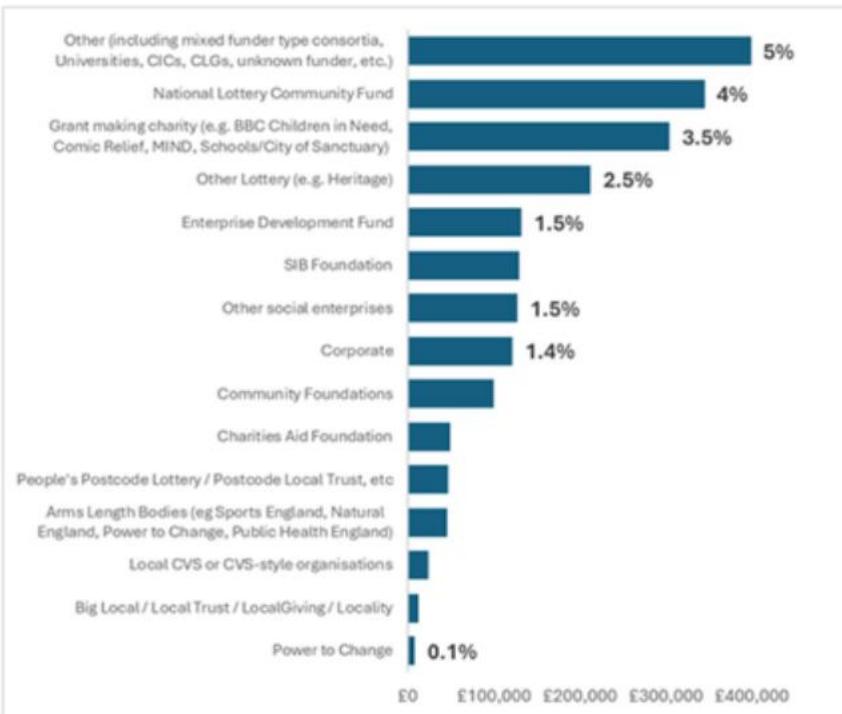


Figure 68 Other sources of grant income to EDP participants, 2023 (Proportion (%) of total grants) (Co-funding analysis, N=20)

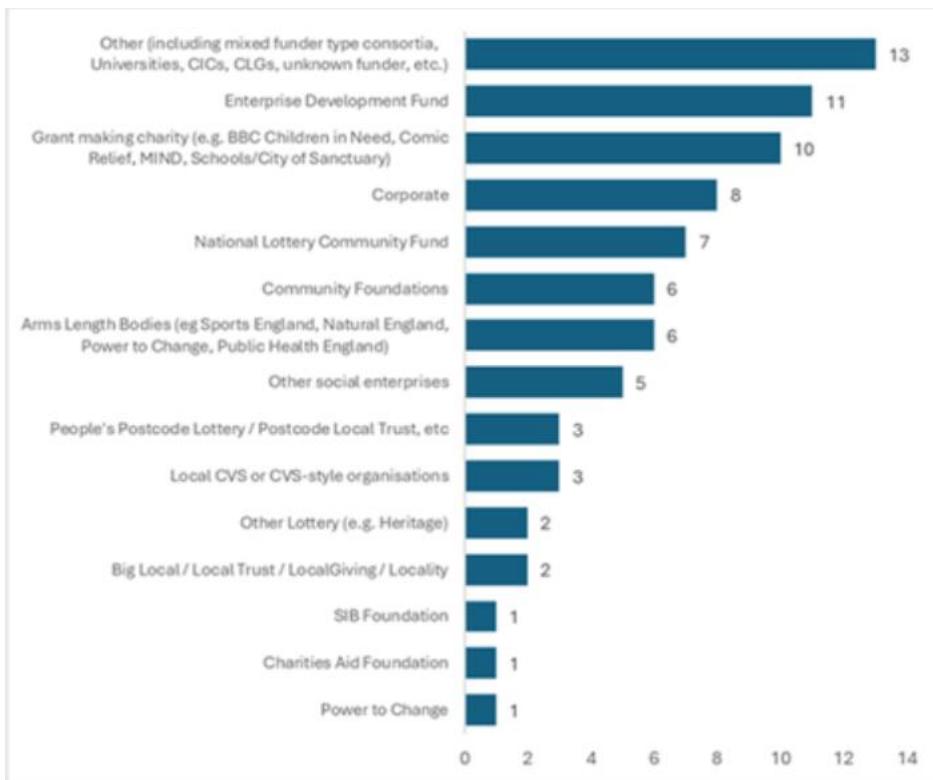


Figure 69 Other sources of grant income to EDP participants, 2023 (N EDP participants receiving grants from this source) (Co-funding analysis, N=20)

Independent philanthropic trusts and foundations

64 independent philanthropic grant-making trusts and foundations⁷² gave a total of 78 grants to the sample of 20 EDP participants. Although a wide variety of trusts and foundations gave grants, giving was top-heavy with a small number of trusts giving the bulk of the total value of grants. The top four funders provided over half (53%) of all funding from this source, while the top ten provided three-quarters (75%).

The majority of trusts gave smaller amounts. Outside the top ten funders, the median grant was £5,000. Most trusts (55, 86%) gave only one grant to the sample of EDP participants.

	Total Grants to EDP Participants	N Grants
The Cellar Trust	£462,540.00	1
Henry Smith Charity	£320,000.00	4
City Bridge Trust	£231,776.00	2
Trust For London	£211,536.00	4
Paul Hamlyn Foundation	£170,000.00	2
Joseph Rowntree Trust	£95,146.00	2
Lloyds Bank Foundation for England & Wales	£62,212.00	2
Barrow Cadbury Trust	£58,350.00	1
Garfield Weston Foundation	£55,000.00	3
Esmee Fairbairn	£54,000.00	1

Table 8 Top ten independent philanthropic trust and foundation grant funders of EDP participants, 2023 (£, N) (Co-funding analysis, N=20)

Spread of grants by organisation

While three EDP participants received zero grants from independent philanthropic trusts and foundations, two received two-fifths (42%) of the total value for the whole sample.

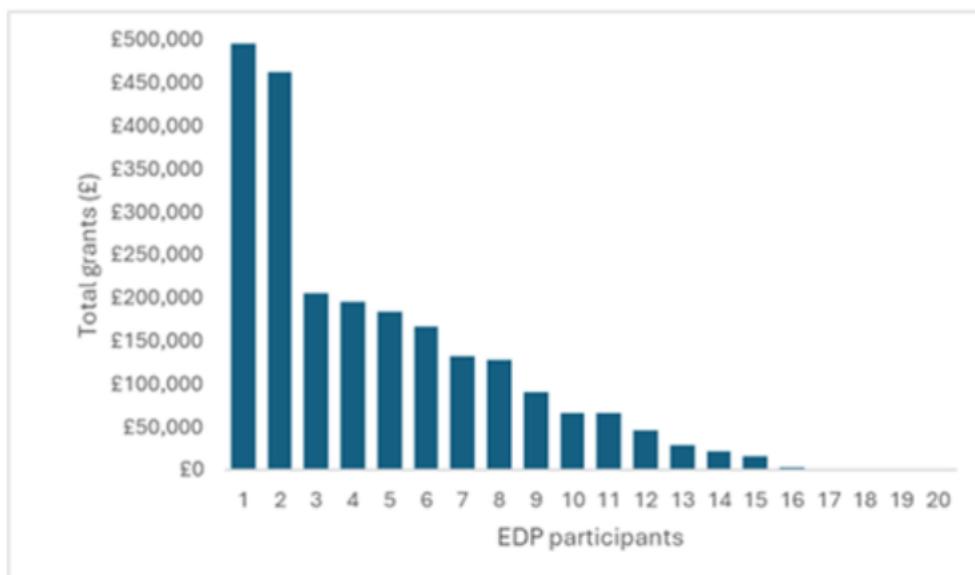


Figure 70 Total value of grants per EDP participant, 2023 (£) (Co-funding analysis, N=20)

The same skew can be seen in the number of grants received. While three EDP participants received zero grants from independent philanthropic trusts and foundations, three received 39 grants between them (50% of all grants of this type).

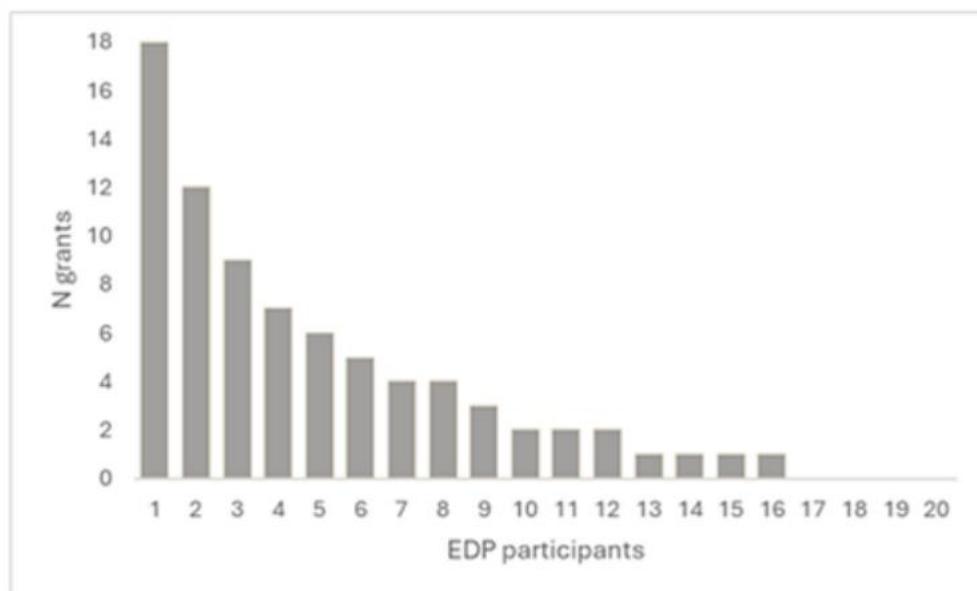


Figure 71 Number of grants per EDP participant, 2023 (N) (Co-funding analysis, N=20)

Concluding comments

EDP participants were able to access a wide variety of grant funding. However, some were more successful than others. In addition, the fact so many trusts gave only one grant to the sample demonstrates both the diversity of funding available to this type of organisation and the hard work of fundraisers in finding that one willing funder that would give them a grant.

The increase in grant funding to EDP participants over the five years suggests that Access' investment via the EDP helped to attract new funding and/or support organisations in accessing a greater diversity of grant funding, including those organisations that might have struggled to attract philanthropic funding otherwise.

As explored in part 2 of this report, we believe that it is crucial for funders to recognise that securing grants remains a key strategy for many organisations as part of the income mix, and that the increased professionalisation of grantee organisations through the EDP likely plays a significant role in their ability to secure grant funding.

Appendix E

Methods

Counterfactual analysis

After much discussion of suitable samples, a counterfactual sample was constructed from organisations that applied to the EDP but were unsuccessful. These were matched to EDP participants on the basis of Sector, Size, Age and Geography. Additional financial data from *MyCake* was added and an analysis of financial growth undertaken.

While the results showed that the EDP participants sample grew more than the counterfactual sample overall, growth in trading income was more limited. After rigorous examination of the data it was determined that one unforeseen factor was skewing the results: stage of development in year one.

It turned out that 70% of the counterfactual organisations were further along in their trading journey—a key reason for their non-selection by EDP.

This underlined the inherent challenges of creating a counterfactual for programmes such as EDP, where participants were selected based on a sectoral focus combined with their need for support in developing enterprise, where most were at an early stage of development, aligning with the programme's aims.

Unfortunately, this fundamental difference in the stage of development undermined the reliability of direct comparisons between the two groups. The counterfactual organisations' more advanced position provided them with advantages in increasing trading income, making it an unsuitable benchmark for evaluating the impact of the EDP.

This experience has provided valuable lessons on both the importance of the stage of development of organisations on their enterprise growth during and after programmes such as EDP, and on the complexities of counterfactual selection in similar programmes, and we will take these insights forward in future evaluations.

Given these issues, we have chosen to exclude the counterfactual analysis from the final report.