



# Cambridgeshire & Peterborough Impact: The Business Growth Programme for the Third Sector – Concept Paper

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Executive Director Sign-off	David Moore pp Richard Kenny, 23/07/2024

## Key Project Information

Project/Programme Name	Cambridgeshire & Peterborough Impact		
Submitting Organisation	Allia Ltd		
CPCA Directorate	Economy and Growth		
CPCA Service	Business Support		
Primary Strategic Objective	Achieving good growth		
Accountable Owner	Steve Clarke, SRO Local Growth Fund, Market Insight and Evaluation		
Delivery Responsibility	Allia Ltd with Social Enterprise East of England, Cambridge CVS, Hunts Forum, Peterborough CVS and Cambs ACRE		
Location of Project	Across Cambridgeshire and Peterborough		
Funding Type	Partner Led - CPCA funded	Included in the MTFP?	No

## Brief Description Project/Programme purpose: (single line only)

The business mentoring, coaching and supporting growth programme for the social enterprise, charity and third sector across the CPCA area, combining economic and social impacts.

## Detailed Description of the Project/Programme purpose: (be as full and descriptive as you can)

*Detailed description of the purpose of the project or programme*

*What are you trying to achieve*

*e.g. The problem that requires solving, the opportunity that can be capitalised on, a regulatory mandated change etc*

- **Problem:** The social enterprise ecosystem is disjointed and doesn't facilitate full development and sustainability of social and third sector enterprise. Therefore, the potential for sustainable solutions to local social and environmental problems through trade and community wealth building is not being realised.
- **Need:** To create a pioneering **shared ambition**
  - CPCA want to see: Inclusive growth that embraces diversity and with employment for all, innovative business solutions, progress to net zero, mechanisms to actively deliver the '3 Cs'.
  - Project partners want to see: A systems approach that provides a framework and continuum of support enabling individual social entrepreneurs and organisations of all sizes to be supported across growth stages, building on individual and collective partner expertise.
  - These meet in a shared ambition of a thriving innovative third sector using social enterprise to create both economic benefits and social/environmental impact.

- **Solution:** A social enterprise ecosystem tied together under the SEEE strategy with a consortium of trusted organisations serving the varied support needs of diverse stakeholders/beneficiaries including enterprising charities growing a trading activity through the range of social enterprises to social impact businesses. The existing pilot that has been undertaken has demonstrated this is a very effective way to support this sector and area of the economy which informs and frames this new project concept as a new project to start and scale up support from the pilot programme. This new project will draw continuity off the pilot, from a day to day management point of view but this new project concept will be managed, monitored and evaluated in its own right, particularly as the Pilot was funded via other programmes and this will be a new project that takes the learning from the Pilot.
  
- **What does the variety of support look like?**
  - SEEE – Strategic/PM – leading on SE strategy for CPCA, therefore well placed to focus on ecosystem development and services.
  - CVSS/Cambs ACRE – Foundational with differing tailored engagement – building pipeline of charities and community organisations who are ambitious to use enterprise to grow income, service delivery and resilience; specialist group work.
  - Allia – Cohort based startup and growth programmes – programme delivery, 1 to 1 coaching, mentor allocation, alumni community building.
  - These partners facilitate a No Wrong Doors system to the impact entrepreneur ecosystem and business support in the CPCA.
  
- **Summary of delivery:**
  - Support formats vary depending on the ambition and stage of the impact organisation (beneficiary). Beneficiaries across the CPCA area have disparate needs best addressed by the resident partner.
  - Stepping stone and longer support track for third sector organisations needing time to make progress
  - Themes: food clusters, circular economy, health and wellbeing (sub themes eg. sports ventures, social isolation, community transport)
  - Place-based: focus on selected rural areas, high streets, social enterprise hubs
  - Track for high growth potential social ventures
  - Synergy with Social Impact Investment Fund delivery (grants and loans for third sector)
  - 2.5 years Sep 24 to Mar 27
  - Formats include: core programmes, 1 to 1 coaching, thematic group coaching, mentors, specialist upskilling workshops, flexible online learning, networking and engagement events, alumni community.
  
- **KPIs** (indicative – to be finalised in contract)
  - 375 organisations complete intensive training. Made up of:
    - 200 organisations complete start and growth programmes
    - 175 directly supported ventures on a geographical basis (Fenland, Peterborough, E Cambs, Hunts, S Cambs but not duplicating any existing support in Cambridge City) plus SEEE and ACRE ie. approx. 25 per district/support organisation.
  - Across the 375, approximate split: 125 new social enterprises created; 125 existing social enterprises grow or survive; 125 charity/community organisations grow or survive
  - Specific KPIs mapped across all these: founders/leaders with increased skill set and confidence; employment increase/safeguarding, new products/services developed, investment readiness and funds raised; social/environmental impact achieved.
  
- **Benefits** (outcomes – to be finalised in contract):
  - Ecosystem outcomes including metrics: examples
    - An increase in the number of registered SEs – 10% above current baseline (CICs/all legal forms)
    - An increase in the turnover of SEs – 10% above baseline of organisations pre and post support period
    - An increase in the number of people employed within the movement – jobs created in new and growing organisations
    - Increased GVA – calculated from employment and turnover increase

- Increase in the number of charities diversifying income generation to include trading – 50% of those completing support
- Clear referral pathways – creation of shared online resource, and cross-referral protocol involving all partners plus Growth Hub
- Focussed support for new CPCA-funded Social Enterprise Hubs
- Geographical equity – Fenland / E Cambs equal numbers of organisations supported
- Measurable progress on thematic challenges – number of new initiatives on food, circular economy etc
- Increase in business mentors/volunteers – from estimated current baseline
- Increase in opportunities for SEs to convene – to double
- Establishment of a social procurement policy for SEs by anchor institutions – eg. County Council
- Increased social value in business and public sector supply chains
- Establishment of sustainable social enterprise investment platform – building on CPCA Social Impact Investment Fund
- Reaccreditation of Cambridgeshire’s status as a Social Enterprise Place
- Roll out of impact measurement toolkit – 50% of participants to adopt
- Sustainable alumni community for ongoing professional and peer support

**Annex: Summary of pilot outputs and outcomes** below from the first part of pilot up to 31 March 2024 (see separate report for full details and images) which are being added to the revised full pilot period that completes end of August 2024.

- Start Your Social Enterprise: 30 organisations (plus additional 10 in Cambridge City funded separately)
- Grow Your Social Enterprise: 40 organisations (plus 15 Cambridge City)
- Over 100 x 1:1 coaching sessions
- 56 x onboarding/diagnostic calls
- Businesses reported that they have adopted 22 new technologies into their businesses (majority ChatGPT, business management software)
- 11 new products have been launched
- Very positive feedback from completed cohorts (available in separate report)
- Events we have attended/run in collaboration with consortium partners, and wider ecosystem partners:
  - Demystifying social enterprise and community owned business - ACRE
  - Natwest/ BIPC Women in Business Events
  - 2 public marketplace showcases organised by SEEE in Cambourne and Huntingdon
  - Unlocking the potential of social enterprise- run by Hunts Forum
  - Food cluster events organised by CCVS and Cambridge Sustainable Food
  - Tech Tea - drop in IT/Digital skills clinic
  - Community day with BIPC and FSB drop in clinics

- **Key challenges and learnings** so far: pilot has worked in laying the foundation and identifying pain points that beneficiaries and partners are eager to navigate. Finding ways to ensure consistent offer across geography, size of beneficiary and tailored types of support.
- **Key opportunities:** Shared systems, content, and events. Cross referral, consolidated data and learning framework. Creation of joined up system with cross pollination. Chances to continue to identify and test innovative approaches to community wealth building

*Timelines*

<i>Proposed Start Date</i>	<i>Expected Duration of Project</i>	<i>Details of factors driving start and duration (why proposed start and end date have been chosen)</i>
1 Sep 2024	To 31 Mar 2027 (2 years 7 months)	<ul style="list-style-type: none"> <li>• Continuity from current extended pilot programme which ends 31 Aug 2024</li> <li>• Operation until end of financial year 2026/7 gives confidence to consortium partners to invest across 2 full financial years in</li> </ul>

capacity for deep and extensive sectoral and client engagement, leading to ecosystem change

**Impact of not proceeding**

Loss of continuity from current programme  
 Loss of staff from key organisations  
 Third sector organisations and social impact ventures revert to receiving patchy support  
 Joined up work between consortium partners is weakened`  
 Opportunity for ecosystem improvements and the efficiencies and effectiveness of that approach lost

**Financials (Estimates)**

Current Estimate for Total Cost of project/ programme	Funding structure and CPCA Contribution	Estimated cost for creation of business case
£996,000	<p><i>What is the funding structure for the total project budget and how much in the CPCA contribution to this - <u>what is the impact of CPCA not contributing?</u></i></p> <p>Contract from CPCA for outcomes. CPCA is sole funder. Programme could not proceed without this contribution</p>	<p>No funding required on the assumption that Allia and the Consortium will cover the costs of developing the Business Case.  <del>No funding required unless excessively detailed content required</del></p>

Cap ex?	No	Rev Ex	Yes	Combination of Rev & Cap Ex?	No

**Assumptions or risks that could increase or decrease the total cost**

*Describe any assumptions made when estimating costs and any risks that could increase or decrease the estimate in the future*

**Assumptions:**

- Consortium partners remain the same
- Salaries remain broadly in line with current levels
- This programme will enable 125 new social enterprises to be created. If we assume these will typically be small and micro-organisations when they start, employing 2 people and a displacement factor of 75%, a conservative estimate is 60 new jobs with those people employed for an average of 15 months during the programme period.
- Jobs have been monetised based on the median weekly earnings in the East of England (£702 per week).
- Given a median average turnover of £100,000, an average increase of 20% in turnover for 250 organisations for an average of 15 months is £6.25m.

**Risks:**

- Excessive inflation fluctuations
- Partner delivery problem requiring additional expenditure

**Benefits (Benefits must be measurable)**

Type	Description	Assumptions or risks that could increase or decrease the total benefits

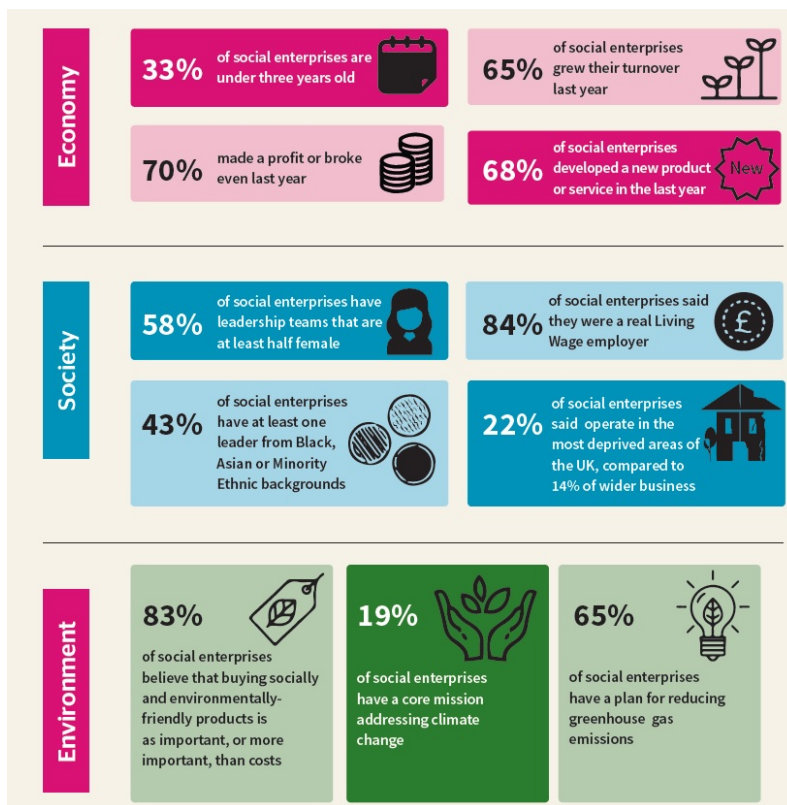
<p>Financial benefits</p>	<p><i>Describe the key measurable financial benefits linked to this project/programme</i></p> <ul style="list-style-type: none"> <li>• An increase in the number of registered Social Enterprises – 10% above current baseline (CICs/all legal forms)</li> <li>• An increase in the turnover of SEs – 10% above baseline of organisations pre and post support period</li> <li>• An increase in the number of people employed within the movement – jobs created in new and growing organisations</li> <li>• Increased GVA – calculated from employment and turnover increase</li> </ul> <p>125 New social enterprises created          125 Existing social enterprises grow or survive          125 Charity/community organisations grow trading or survive          60 Jobs created (£2,737,800) through new and growing enterprises          60 Jobs safeguarded (£2,737,800) through support of organisations in financial stress          80 New products introduced to organisation (productivity)          60 New products introduced to market          Indirect and induced jobs created in supply chains and wider economy (TBC)          Increased Turnover (£6,250,000)          External Investment attracted (£2,000,000)          Annual reinvestment in Social benefits created through operating profits (£280,000)          Social return on investment (@ 2x £1,992,000)          Increase in GVA (TBC)</p>	<p><i>Describe any Assumptions made when estimating benefits and any risks that could increase or decrease the estimate in the future</i></p> <p>These figures are based on the results being produced from the pilot delivery Sep 2023 – Aug 2024.</p> <p>We are confident that similar levels can be achieved on a sustainable basis over the full programme period, whilst allowing for a steadier pace of delivery and potential reduction in new beneficiaries once the majority of eligible existing organisations have participated.</p> <p>The 60 jobs will accrue over the period of the proposal (2.5 years) against an average of 15 months employment:</p> <ul style="list-style-type: none"> <li>• <math>60 \times £702 \times 52 \times 15/12 = £2,737,800</math></li> </ul> <p>That equates to £36,504pa per job (based on the ONS average of £702 a week for people employed in the east of England).</p> <p>SEUK estimates there are 131,000 social enterprises in the UK, with a collective turnover of £78 billion and a workforce of 2.3 million. Therefore, on average, each enterprise is employing 17 – 18 people. SEUK also reports that the Median turnover of a social enterprise is £100,000. From the £78bn turnover, £1bn profit was reinvested into their social missions, that is approximately 1.28%. The UK had 168,893 registered charities in March 2023. The total income of registered charities in 2022/23 was £88 billion employing 925,000 people.</p> <p>'No Going Back: State of Social Enterprise Report 2021' reveals that a record-breaking 12,000 social enterprises were created in the previous year. The Charity Commission received 9,008 applications to register a charity in 2023/24, 54% of which were successful.</p>
<p>Non-financial benefits</p>	<p><i>Describe the key measurable non-financial benefits linked to this project/programme</i></p> <p>Creation of effective social impact business support ecosystem          Increased collaboration between support organisations and with beneficiaries          Clear business support offer for third sector          Increased social impacts of organisations in area</p>	<p><i>Describe any Assumptions made when estimating benefits and any risks that could increase or decrease the estimate in the future</i></p> <p>These are all starting to happen under the new strategy developed by Social Enterprise East of England which informs the development of the current pilot and this longer-term plan. All benefits are contingent on ongoing successful collaboration and delivery but are achievable.</p>

Increased geographical equity of support across underserved districts

Reaccreditation of Cambridgeshire's status as a Social Enterprise Place

- Clear referral pathways – creation of shared online resource, and cross-referral protocol involving all partners plus Growth Hub
- Focussed support for new CPCA-funded Social Enterprise Hubs
- Geographical equity – Fenland / E Cambs equal numbers of organisations supported
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Fig.1 – Non-Financial Benefits



### Risk, Assumptions, Issues and Dependencies (RAID)

<p><b>Known Risks</b></p>	<p><i>Describe any known risks to delivering this project/programme's scope, timeframes etc</i></p> <p>Operational:</p> <ul style="list-style-type: none"> <li>- Need for rapid setup – mitigated by building on existing successful pilot</li> <li>- Resource adequacy – mitigated by transition from pilot, with benefit of learning</li> <li>- Key staff sickness or departure – mitigated by good HR practices</li> </ul> <p>Cultural:</p> <ul style="list-style-type: none"> <li>- Consortium made up of very different organisations with different types of beneficiaries – mitigated by commitment to collaborative working and establishing clear terms of reference</li> </ul> <p>Financial</p> <ul style="list-style-type: none"> <li>- Unforeseen costs of delivery – mitigated by reconfiguring workload among partners and seeking more economical solutions</li> <li>- Excessive inflation fluctuations</li> <li>- Partner delivery problem requiring additional expenditure</li> </ul> <p>Reputational</p> <ul style="list-style-type: none"> <li>- Potential or actual participants may not regard programme as relevant – mitigated by effective marketing promoting the benefits, and confidence in early outcomes that this is a valued proposition</li> </ul> <p>Cambridge CVS and Hunts Forum have announced that they are considering a merger and confirmation about which entity should be in the consortium has to be confirmed before business case finalised. The organisations have been working closely together under the Support Cambridgeshire brand for many years so it is not expected this merger to have major impact.</p>
<p><b>Known Assumptions</b></p>	<p><i>Describe any assumptions that have been made to date related to the delivery of this project/programme's scope, timeframes etc</i></p> <p>We are assuming that we can broadly maintain the scope and pace of delivery from the current pilot into the longer term programme. We will make some adjustments to ensure a sustainable rate of delivery so that recruitment and delivery teams are not overwhelmed and can concentrate on high quality delivery focussed on the best interests of each beneficiary organisation.</p>

Known Issues	<i>Describe any known issues to delivering this project/programme's scope timeframes etc</i>					
Known External Dependencies	<i>Describe any known external dependencies to delivering this project/programme's scope, timeframes etc</i> There is no other funding or additional partner dependency					
Known internal Dependencies (tick which shared service is required)	<i>Comms</i>	<i>Procurement</i>	<i>Legal</i>	<i>Finance</i>	<i>HR</i>	<i>Policy &amp; Insight</i>
	[x]	[✓]	[✓]	[✓]	[x]	[x]