

Sustainability Learning Review **2015**

Queen's University Belfast Social Economy Age Programme



The
ATLANTIC
Philanthropies

Introduction

The Atlantic Philanthropies Northern Ireland Age Programme developed a social economy programme as an integrated set of grants concerned with: strengthening the supply of capital finance to age-based social enterprises; building the skills set of the sector in investment readiness; developing non-monetised trading schemes via age-specific Time Banks; growing the number of older social entrepreneurs and enterprises; and using intermediary labour markets (ILMs) to bring older people back into the workplace.

Older people are often ‘commodified’, only valued when the market can make profit from providing services and facilities to those able and willing to pay. An increasing number of older people rely on the public sector, which itself is facing spending cuts, disinvestment and a push towards privatisation. The social economy aims to strengthen a third approach in which ethical practice, social values and the needs and priorities of older people shape service delivery.

The social economy operates and behaves like the private economy in that it involves the trading of goods and services for profit but it uses surpluses, not to reward investors, but for social benefit. These can then be reinvested to support the social mission of the organisation as well as to strengthen business performance.

The sector is also characterised by strong democratic ownership of enterprises in that control is not in the hands of individual shareholders but among a wider collective of member interests. Business formats therefore have different characteristics than limited liability companies in that risk is limited by guarantee, although the expansion of the social economy has seen the emergence of separate legal models such as Community Interest Companies (CICs).

The social economy age programme

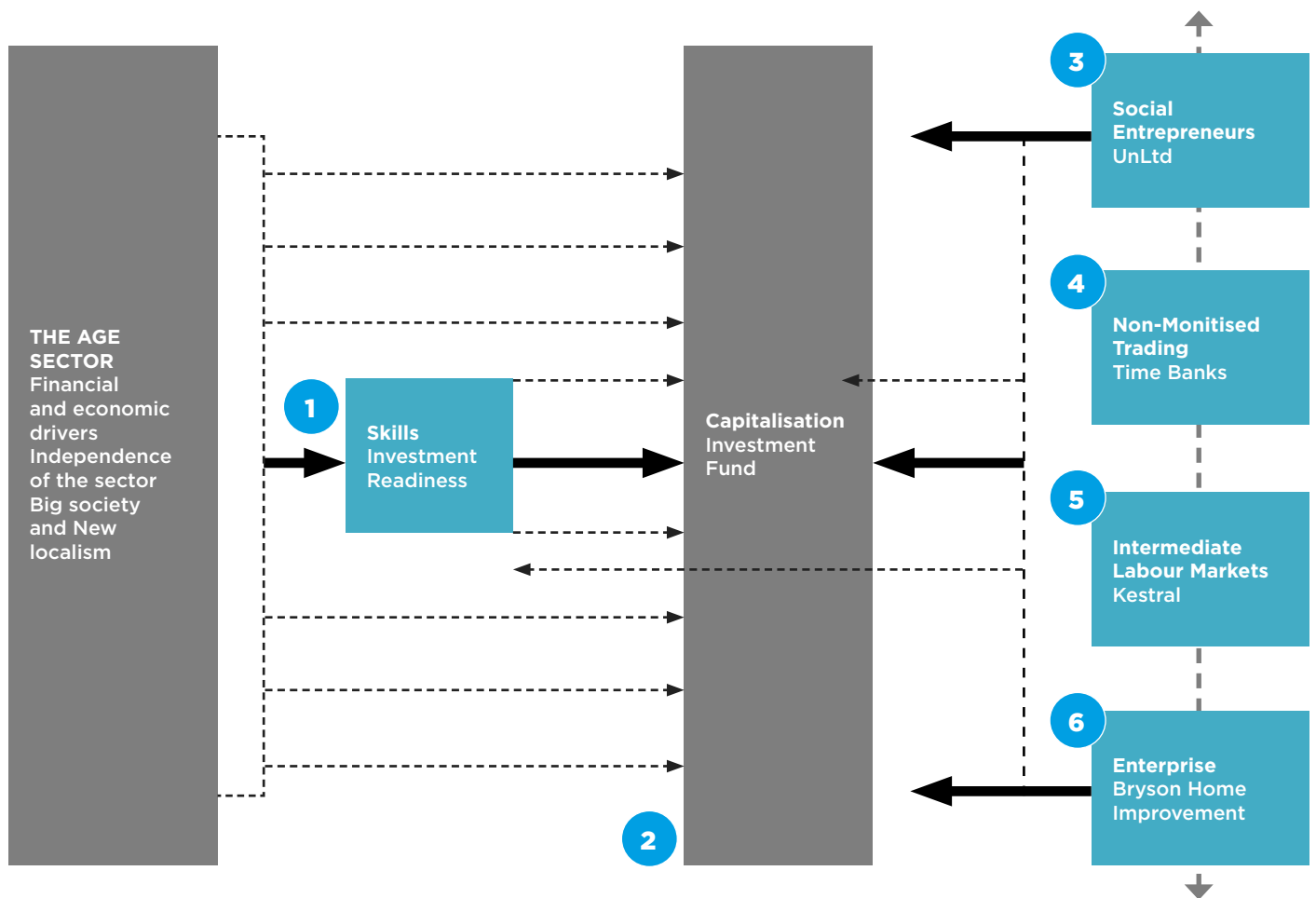
The diagram on page 3 summarises the overall design of the *Social Economy Age Programme* and how the six grants work together to create a more sustainable and capable sector. The programme aimed to build the skills of NGOs in social economics and is delivered primarily by the Ulster University Business School [1] and this is linked to a new capital fund to broaden the supply of social finance through a grant to Charity Bank [2].

The approach also recognised that there are older people across society with a wide range of skills and experience who have an interest in developing social enterprises, and the UK charity *UnLtd* were funded to deliver a social entrepreneur programme for older people [3]. This was supported by more experimental projects by Volunteer Now to create age-specific Time Banks [4], creating employment via ILMs with GEMS [5] and developing social enterprise models to deliver home improvements based on the expertise of the Bryson Charitable Group [6].

Key impacts and successes

Investment readiness grant

The aim of investment readiness grant was to develop a programme of training and technical assistance to build the financial capability of the age sector, increase NGO competence and knowledge and place them in a position to draw down loan finance. The Advanced Diploma in Sustainable Investment for the Third Sector was launched by the Ulster University to strengthen skills in business planning, financial sourcing and managing, understanding and mitigating risk and marketing strategies. The programme enables learning to be embedded in the practical challenges faced by individual organisations attempting to develop social enterprise models.



The key outputs included:

- 24 places per annum in an advanced, validated university-based educational programme
- 103 participants over life of the programme
- In-kind contribution of £420,000 in educational development by Ulster University
- 80 people per annum involved in social enterprise training and development
- 25 organisations supported in trading and social economics per year
- 30 additional workshops to support the financial literacy of the age sector

The grant was in some ways preparatory and designed to support age sector organisations to strengthen their lending rather than relying on a declining pool of grant aid. To increase the supply of social finance a further grant was made to Charity Bank, which is a Community

Development Finance Institution (CDFI) able to lend to voluntary groups and social enterprises. After nearly three years of intensive marketing, no new loans have been made to the age sector and the grant demonstrates the obstacles to developing a social economy, especially from a comparatively weak base.

Charity Bank point out that most of the demand is for small unsecured loans in areas such as new staff, running costs and working capital. Much of the interest is in care-related revenue services, but the bank wants asset security over the loan that a large number of NGOs (especially smaller community organisations) simply do not have.

More patient forms of social finance are needed that allow organisations to blend lending with grant aid; take repayment holidays; provide ongoing technical assistance; and which offer lower interest rates than commercial banks.

Kestrel

Kestrel (Knowledge, Experience, Skills, Training, Respect, Empowerment, Lifelong learning) aimed to increase the economic security of older workers aged 50+, promote age positive employment practices, challenge stereotypical perceptions and provide alternative supportive services to individuals approaching retirement.

Kestrel – Participant W

Participant W is aged 55 and worked for 30 years in the construction industry as a foreman. He was out of work two months when the Careers Service referred him to the Kestrel programme. He initially wanting help to put a CV together however in the initial assessment Kestrel staff was able to identify specific training needs and training opportunities that they could offer to both build confidence and enhance employability.

Participant W successfully completed a 17-week IT training programme and a security guard training course, through which he obtained his Security Industry Authority Award. Participant W also completed a CSR Course; the HARTE programme (which resulted him achieving certificates in health and safety; manual handling; conflict handling; food safety; and welcome host); a personal development programme called GOALS (Gaining Opportunities and Living Skills); and the Belfast Citizenship Education Programme (in which he gained two certificates in Good Relations and Civil Leadership, and Understanding Rights, Responsibilities and Citizenship).

Participant W was also supported to develop a professional CV which he has since used to apply for jobs. Ultimately he was successful in obtaining a full time permanent position with a large construction company as a security guard. Participant W said, “Without Kestrel’s help, I don’t know where I would have been. Kestrel kept me sane through a very difficult time of unemployment.”

The evaluation of the grant showed that by June 2012 a total of 246 people had registered with Kestrel since the project began in November 2009 (GEMS, 2012)¹. A total of 107 have completed formal training, 94 (or 38%) of participants have been placed into either full-time or part-time employment and 33 have become formal volunteers. The evaluators point out that by comparison, the government’s Steps to Work ILM achieved 28% into employment across Northern Ireland.

The exit survey showed that 78% rated their self-esteem as excellent or good and the figures for confidence and quality of life were 75% and 65% respectively. The analysis also showed that the programme achieved definable financial impacts including a reduction in welfare benefits of £1.1m, a new full-time waged income of £6.1m and a part-time wage of £0.9m over a projected five-year period.

UnLtd

The UnLtd project provides one-to-one mentoring for social entrepreneurs through a dedicated Development Manager over the course of the project, financial support at two levels and training, networking and best practice visits to develop skills. Participants can enter at any level but the concept is to staircase viable projects to the point where they form social business capable of delivering a service, product or facility for older people. Two awards are available and the evaluation² showed that:

- 96 Ignite Awards of up to £5,000 to individuals or small groups of up to three people with an idea that will have a social or community impact to help get it off the ground
- 4 Ignite Development Awards of up to £15,000 each to outstanding older social entrepreneurs to grow and replicate their ideas

1 GEMS (2012) Final Evaluation of the KESTREL Programme, Belfast, GEMS.

2 UnLtd (2012a) IgniteNI: 2nd Interim Evaluation Report, Bradford, UnLtd. UnLtd (2012b) Golden Opportunities, Bradford, UnLtd.

UnLtd – Participants X and Y

Participants X and Y were palliative care nurses with an interest in aromatherapy and homeopathic treatments for patients and careers in hospices. They entered Level I with the idea of limited charging care providers and hospices for the service. Their research and experience had shown that this had brought considerable benefits to both the carer and patient, especially as it involved skilling both to self-administer treatments.

However, one of the leading hospice charity's rejected the model and X and Y failed to negotiate access to patents and their families.

After discussing the options with the UnLtd development manager they changed the model to target people being cared at home with an initial cohort for 15 cancer patients. They used the UnLtd award to purchase materials and develop marketing materials and aim to professionalise their selling to access other charities and mainstream care providers.

UnLtd – Participant Z

Participant Z retired on ill-health from the NGO Action Mental Health but used

his expertise to establish a social economy café Daisy's Café in Ards hospital in North Down. The café was successful given the captive market and a degree of empathy with the ethos as it was staffed with people with various degrees of mental illness.

He extended this to Downpatrick and then to Bradford with the cafes, a traditionally difficult business for the social economy, providing financially successful. He entered the programme at Level II to establish four Community Interest Companies, which took the opportunity of health care restructuring and the reform of service delivery. The Northern Area Health Care Trust plans to out-source their four day centre centres, primarily as a cost saving measure.

Participant Z aims to develop each centre as a Community Interest Company in order to attract higher scale and even equity investment to grow the business and compete with private providers. This is an important illustration of how a social firm model might compete with private approaches bent on commodifying older people for profit and disregarding people and services not capable of returning a profit.

The analysis also showed that the UnLtd³ grant had the following broad profile:

- 36% of participants in the Ignite awards were over 60 years of age and 64% over 60 years of age
- 3,597 older people have benefited from the work of these projects;
- 40 social enterprises have been created
- 20 full-time equivalent jobs have been created.

3 UnLtd (2012a) IgniteNI: 2nd Interim Evaluation Report, Bradford, UnLtd. UnLtd (2012b) Golden Opportunities, Bradford, UnLtd.

Data from UnLtd⁴ allow for the social effects of the Ignite programme to be valued. For example, over a five-year period, there are significant effects in the turnover of social enterprises formed (£4 million), new wages (£2.3 million) and training support (£0.05 million).

The table on page 6 describes the number of projects by sector and shows the emphasis on health and social care, community arts, education and isolation.

4 UnLtd (2012a) IgniteNI: 2nd Interim Evaluation Report, Bradford, UnLtd. UnLtd (2012b) Golden Opportunities, Bradford, UnLtd.

Sector	No.	%
Health and social care	21	22
Community cohesion/peace building	8	8
Unemployment	4	4
Isolation of older people	14	15
Education	16	17
Social history	6	6
Sports	4	4
Environment	3	3
Community arts	18	19
Other	2	2
Total	96	100

Volunteer Now

Volunteer Now was supported to create new Time Banks for older people. It organises people or organisations in a system of exchange, whereby they are able to trade skills, resources and expertise through time. “For every hour participants ‘deposit’ in a Time Bank by giving practical help and support to others, they are able to ‘withdraw’ equivalent support in time when they themselves need something done. In each case the participant decides what they can offer. Everyone’s time is equal, so one hour of my time is equal to one hour of your time, irrespective of the skills we might trade”⁵

The grant has helped to create Time Banks where older people are the primary giver or receiver of local services including:

- Redburn and Loughview Community Forum (RLCF), which is a project in partnership with the Housing Executive (NIHE) North Down the Council and the RLCF who agreed an Operational Plan in June 2012. Currently, 200 residents are involved with 1,500 exchanges per year including gardening, transport, shopping, cooking and childminding services.
- Sliabh Dubh is a partnership programme with Fold Housing Association (Fold) based in Ballymurphy. It comprises Sliabh Dubh Manor which is designated for older people and a range of other units for families.
- Top of the Hill in Derry/Londonderry has developed strongly with Time Bank partners, Transition Foyle and Just Xchange Foyle who wish to extend the approach into a citywide network of self-support and coproduction.

In addition to the pilot Time Banks, Volunteer Now has made small grants available to five organisations that are committed to setting up a Time Bank. These organisations were identified through an open application process and 20 applications were initially received from across 15 local Council areas. Awareness sessions were held in Derry/Londonderry and Belfast and was promoted through Volunteer Now and other council networks. The four organisations are: Newry Carers; Newtownstewart Timetrade; First Steps Centre North Belfast; and Cloughmills Community Action Team. The first-year evaluation report⁶ found each organisation had:

- A well-developed community identity
- Clarity about the needs that a Time Bank would address
- A clear action plan and strong local ownership of the programme
- Clear ideas about the types of exchange that people in the community want
- Emerging clarity about how to develop their Time Banks but work is needed to move beyond conceptual ideas to practical action.

5 Time Banking UK (2011) *The Time of Our Lives: Using Time Banking for Neighbourhood Renewal and Community Capacity Building*. London, Time Banking UK.

6 PG Consultancy (2012) *First Year Evaluation of Volunteer Now Time Bank Initiative*, Belfast, Volunteer Now.

Bryson Energy Handyperson Pilot

The Bryson Energy Handyperson Pilot aimed to maintain the independence of older people at home whilst improving their quality of life, security and mobility. By carrying out basic improvements to their dwelling, the Bryson create a new social enterprise to enable older people to live in their homes longer. The programme delivered 549 separate improvements to 183 households across greater Belfast. The work included: fire safety, falls prevention, home security, improving heating and insulation, and gardening services.

Older people were satisfied with access to the service, its price and the quality of work and statutory organisations valued the way in which it supported the delivery of *care in the community* approaches.

A charging and eligibility structure was established with people aged over 60 and on qualifying welfare benefits receiving the subsidised rate of £15 for three hours' work; and a second category of over-60 and not on qualifying benefits receiving a rate of £30 for the first hour and up to a maximum of £50 for three hours' work.

The project generated a social return on investment of £1.00 to £1.34, mainly by creating savings to health and social care, reducing energy bills and keeping users out of institutional care. The Bryson Group is evaluating a number of business models, pricing structures and partnerships but feel that it will require a degree of grant subsidy to be viable, especially given the need to provide services to low income households.

Sustainability

The table on page 8 sets out the *Social Return On Investment [SROI]* modelled for the six grants and it shows that while the payback is comparatively modest, it is important. It was seen in the description of case studies that: people are taken off benefits; they move into waged work; some form new businesses that employ new people, strengthen turnover and provide services and products to create new income streams.

There are also specific examples of pilot initiatives being adopted by government and other funders. For example, the Kestrel approach has now been taken up by the Department of Employment and Learning, which launched (in January 2013) a new £6m employment initiative entitled *Step Ahead 50+* to support 1,100 unemployed people aged 50 or over into work. In 2015 the *Building Change Trust* developed proposals for a two-year Investment Readiness Programme, based on the Charity Bank model. Bryson are continuing to offer home improvement services linked to the warm home insulation schemes and are looking at how the project might be scaled as a viable business.

The Charity Bank capitalisation grant does, in real terms, generate additional resources for lending. Capital in the form of ordinary shares and capital is the foundation of the Bank and allows it to create *leverage*, so that in broad terms £1 of capital allows the Bank to raise £6 of deposits from customers.

The bank can then lend more money to charities and as these loans are repaid, new loans can be made and the fund becomes self-sustaining. So, £400,000 of core capital invested would provide the underpinning lending valued at £2.4m but as we have seen this has not produced a significant flow of new loans. Some lending has been for age related activities but there is limited evidence that a more skilled and knowledge age sector has drawn down successful debt.

Barriers and obstacles

There are clear limitations to a planned attempt to create an alternative economic paradigm in ageing:

- It has taken time to develop Time Banks and the sector often lacks the skills to become involved in more specialist areas of social finance. The cultures of grant dependency will be hard to shift but some organisations and projects, which should operate commercially, are squeezing out charitable activities that could not work without grant support.
- The conversion of skills, experimental models and especially social finance into sustainable projects has also been variable. Creating an alternative economic arena to supply services to older people will take time, resources and government support. Experimental projects have important demonstration value and some have been supported by other funders but building an ethically sound social enterprise model for the age sector will require patience, a degree of risk and an ability to learn when things don't go well.
- Government has been slow to build the infrastructure (preferential laws, finance and skills support) to enable the social economy to grow and the Northern Ireland Assembly has had to adopt austerity measures affecting public spending and welfare support.

Implications

However, the approach also highlights the value of extending support and being clear about the time it takes to effect sustainable change:

- Developing an economy for and by older people will require new cultures, skills, finance and organisational formats but by demonstrating what is possible, Atlantic's programme provides an important resource for the sector in Northern Ireland and

INVESTMENT READINESS Charity Bank	Social Return On Investment £1 AP Grant	£2.86:£1
	Payback Period in Years	1.8 Years
SOCIAL ENTREPRE-NEUR UnLtd	Social Return On Investment £1 AP Grant	£2.79:£1
	Payback Period in Years	1.8 Years
KESTREL Gems ILM	Social Return On Investment £1 AP Grant	£2.75:£1
	Payback Period in Years	1.8 Years
CAPITAL Charity Bank	Social Return On Investment £1 AP Grant	£3.58:£1
	Payback Period in Years	1.4 Years
TIME BANKS VNOW	Social Return On Investment £1 AP Grant	£2.81:£1
	Payback Period in Years	1.8 Years
ENTER-PRISE Bryson	Social Return On Investment £1 AP Grant	£1.34:£1
	Payback Period in Years	2.8 Years

beyond. But this is a long term project and the enabling environment in skills and social finance need to be resourced across the community and voluntary sector in Northern Ireland.

- The politics as well as the practicalities of the approach also need to be recognised. This is not about a semi-privatised state or cheap welfare but about creating and retaining wealth within the age (and related sectors) in ways that provide decent quality services for older people. The ethics of these practices need to be constantly recognised and evaluated.
- The age sector has some excellent social enterprise models but in order to build scale, quality and financial efficiency greater collaboration will be needed across the different organisations and sectors.
- The SROI model is an evaluation technique that could be used both to better understand sustainability and to make the case about impact, social value and the need for further funding, especially from government.