

THE SCHOOL FOR SOCIAL ENTREPRENEURS 1997–2011 IMPACT EVALUATION REPORT

Summary of New Philanthropy Capital's Impact Evaluation

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FOREWORD BY GREG CLARK MP



Full report available at
www.sse.org.uk



**“SSE HAS
CHANGED
MY LIFE; A
FANTASTIC
PROGRAMME.”**

▲ JANE JIWA, CORNWALL SSE FELLOW

FOREWORD

BY GREG CLARK



What makes strong, happy, prosperous societies? You can separate most politicians into two broad schools of thought. One group thinks that the key to making people's lives

better lies in the central state concentrating power – in direction, inspection and targets from Whitehall.

The other group thinks that the most ingenious ideas, and the most brilliant solutions to social problems, come not from central government, but from people themselves. To them, the best means of strengthening society is not for government to try and provide all the solutions itself – it is to help people achieve their own ambitions.

Today, I am part of a government committed to a transfer of power from central government to local communities, councils and individuals. We want to help people get things done: the parents keen to do their bit for their children's school, the would-be volunteers who only need a little encouragement, and the social entrepreneurs with bright ideas and big ambitions for the places where they live. Social enterprise goes to the heart of our vision for a Big Society. It is the essence of localism in practice – people taking action and taking control.

Over the coming years, we will be opening the door for social enterprises to play an ever greater role in national life, in their local communities, and in the delivery and design of public services. New rights will make it easier for social entrepreneurs to bid to provide

local services, and to take over old pubs and community halls. Support will help charities, social enterprises and voluntary groups make the most of these new opportunities. And a dedicated team of Whitehall civil servants will be busting the barriers that stand in the way of people who want to get things done in their neighbourhood.

I have great respect, then, for the work of the School for Social Entrepreneurs. For more than a decade, the School has been training people with bright ideas for improving local life to put their vision into practice. This report's findings will come as no surprise to anyone familiar with the School, but they are no less impressive for that. They show the evidence of the difference that the school's graduates make – creating jobs, galvanising volunteers, and touching hundreds of thousands of lives. They suggest that graduates' firms are more sustainable than traditional companies. And they describe the "ripple effect" – how the ideas put forward by social entrepreneurs can inspire others around them, change attitudes and influence government policy.

It is an incredible collective achievement. I look forward to seeing the ripples widen and multiply in the years to come.

A handwritten signature in blue ink that reads "Greg Clark". The signature is fluid and cursive, with the first letters of "Greg" and "Clark" being larger and more prominent.

Greg Clark MP, Minister for Decentralisation, Department of Communities and Local Government

CONTENTS

1 INTRODUCTION	03
Background	03
Structure	03
2 APPROACH	04
Case studies	04
Survey	05
Analysis: extrapolation, attribution, outliers and social value	06
3 WHO COMES TO SSE?	07
4 IS SSE MEETING THE NEEDS OF ITS STUDENTS?	08
5 HOW DO FELLOWS AND THEIR ORGANISATIONS PROGRESS?	09
6 WHAT IMPACT DO FELLOWS HAVE ON THEIR COMMUNITY AND SOCIETY?	10
7 HOW COULD THE SSE IMPROVE ITS PACKAGE OF SUPPORT?	11
8 CONCLUSION	13
The impact of Fellows and their organisations	13
The role of SSE	13
Lessons about social entrepreneurship	14
Future areas for research	15

This is a summary of an evaluation of the work of the School for Social Entrepreneurs (SSE) by New Philanthropy Capital (NPC). The full report is published online and is available via the SSE website at www.sse.org.uk

Background

SSE exists to help social entrepreneurs to develop sustainable solutions to social problems through an intensive year-long programme of support and a network of its graduates (Fellows). It was started 13 years ago as a single school; today it is a franchise delivering 16 programmes across eleven locations in the UK and Australia. Its ultimate aim is that Fellows will go on to address inequality and social exclusion. There were 536 Fellows when this evaluation work was conducted, and there are now over 600 as of May 2011.

This evaluation was commissioned to understand the impact of the SSE on its Fellows and to explore in greater depth than previously the outcomes that Fellows are achieving for their organisations and for their communities.

In 2006, nef (the New Economics Foundation) undertook an evaluation that provided a

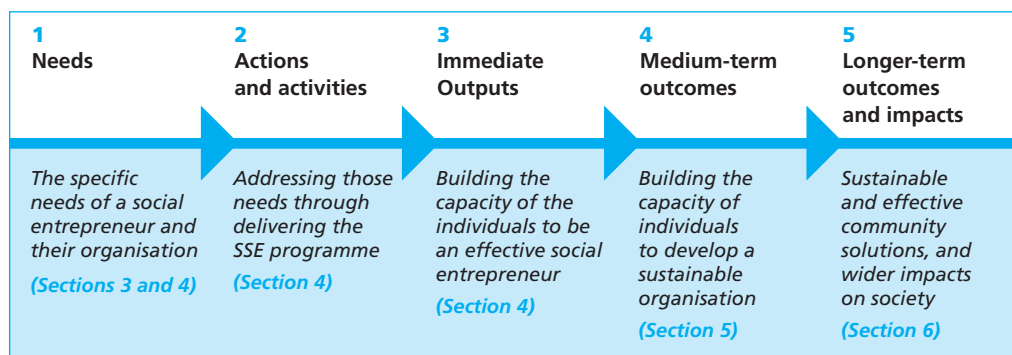
significant amount of evidence about how the SSE model works to improve students' ability to be an effective social entrepreneur. The aim of this evaluation was to build on nef's work by looking in more detail at the survival and growth of organisations set up by Fellows, and to provide more quantitative data on the impact of organisations set up by Fellows.

The interviews and survey performed as part of this evaluation also asked Fellows how big a role they felt that their SSE course played in the development of their organisations. NPC is then able to say more than previous evaluations about both how much change is happening in Fellows, their organisations and communities they serve, and how much of this is due to the SSE.

Structure

We use the five-part 'theory of change' developed by nef (see below) for the SSE to structure this report. Our findings are presented in this way so that the reader is taken on the same journey as a social entrepreneur. We hope this will make it easier to understand how precisely SSE has an impact, and how it continues to have impact beyond the end of the course.

FIGURE 1 Theory of change diagram

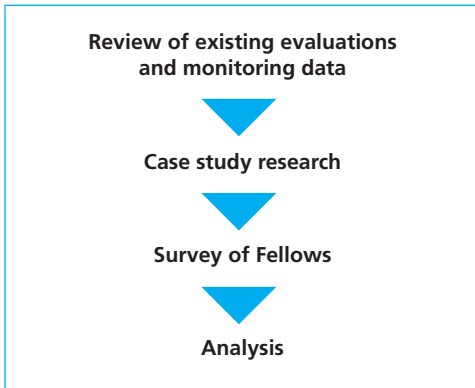


2 APPROACH

The evaluation was carried out in four stages:

- **Review of existing evaluations and SSE data** to ensure we built on and complemented rather than duplicated existing evidence
- **Interviews with six SSE Fellows** to help us map the full range of potential impacts that the SSE has on the Fellow, their organisation and community
- **A survey of Fellows** to gather quantitative data on this impact
- **Analysis of the survey and interview data** to establish the scale of impact of the SSE and the value that its Fellows create for society

FIGURE 2 Methodology



Case studies

NPC conducted six case studies to inform the design of the survey and provide concrete examples of how the SSE achieves its aims. NPC selected six SSE Fellows working in a range of fields and locations, from a spread of years (from the first cohort to cohorts from the last couple of years). The aim was to help us understand how SSE Fellows can develop after the course, and the impact the SSE can have on Fellows in the short, medium and long-terms.

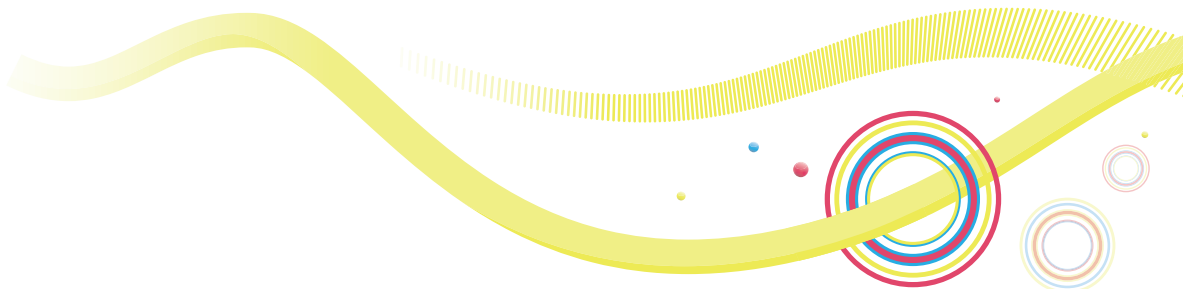
We started by reviewing existing material written about the Fellow, and then interviewed the Fellow and a colleague/peer of the Fellow. The findings were written up into three to four page case studies. The full case studies and interview schedule are available as part of the full report online. The six case studies were:

- **Steve Garrett** (SSE National, Graduated 1998) *Managing Director of RCMA social enterprise Ltd and the Riverside market garden*. Steve started Riverside Farmers’ Market during the SSE course. He has been instrumental in making it one of the largest farmers’ markets in Wales, and in organising several spin-off activities to encourage people in Riverside to support sustainable local food production.
- **Frankie Hodge** (SSE Fife, Graduated 2003) *Operations Director of Recycle Fife, an alternative waste management company based in Fife, Scotland*. Since graduating, Frankie has seen his idea of an alternative waste management company grow into a fully fledged social enterprise that employs 38 people and has a £560,000 annual turnover. It provides Fife residents with environmentally friendly waste management services.
- **Jane Jiwa** (SSE Cornwall, Graduated 2009) *Director of Smart Savings, a social enterprise that provides ethical financial services, specialising in claims management and personal finance training*. Jane came to the SSE to develop the idea she had for an ethical financial services company. Now the company – a Community Interest Company – is up and running and is attracting more and more customers every week.

- **Rahma Maye** (SSE London, Graduated 2005) *Nursing graduate, currently looking for a job as a nurse.* Rahma went on the SSE course to help her develop her informal project providing advice and support to the Somali community in East London. For personal reasons, she decided to go on to study for a degree in nursing, and graduated in early 2010. She feels the SSE was crucial to helping her achieve this.
- **Tokunbo Ajasa Oluwa** (SSE London, Graduated 2008) *Managing Director of Catch 22, a social enterprise and training academy that provides experience and work opportunities to aspiring young journalists.* Tokunbo's idea was to set up a training academy for aspiring young journalists who lacked the network or financial backing to get exposure to, and work experience in, the media industry. Tokunbo set up the organisation, Catch 22, a week before he enrolled on the course. This year Catch 22 will support 48 and its trainees are getting work experience placements with publications like The Daily Mirror and The Economist.
- **Jackie Sear** (SSE National, Graduated 2002) *Chief Executive of E.A.S.E, a community empowerment group based in Ealing, London.* Jackie joined the school with the idea of setting up a community empowerment organisation to combat the social problems of her local estate. She registered her charity E.A.S.E, while still on the course. Today, it employs 23 people and works with 400 residents.

Survey

The survey was drawn up following a thematic analysis of the case studies. The survey contained 66 questions: 11 of these were open ended while the remainder were closed. There were 160 survey entries, giving an overall response rate of 30%. Seven respondents, however, were removed from the sample due to completing less than half of the questions, giving a **final response rate of completed entries of 28%**.



Analysis: extrapolation, attribution, outliers and social value

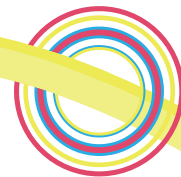
In order to get a sense of the impact of all SSE Fellows, NPC **extrapolated** numbers from those who answered the survey to all Fellows. This means using data from the 28% of fellows who responded to the survey, and generalising it to the 72% of fellows who did not respond. However, we don't know how successful the 'non-respondents' are compared to respondents. To make our extrapolation figures conservative as possible, we assumed that non-respondents' organisations were half as likely to survive than those of survey respondents.

NPC wanted to understand how much of the community benefit created by SSE Fellows' organisations is solely due to the Fellows and how much is due to the SSE course. To do this, NPC estimated **attribution** – the amount of community benefit that is the result of the SSE course. We asked survey respondents to what extent their organisations' growth and existence was due to the SSE. We then placed conservative estimates on what those statements mean. For instance, we attributed 50% of outcomes to the SSE when fellows said that their 'organisation would not be in existence' without the SSE.

When analysing the results, there were a small number of **outliers** – organisations that grew much faster or were much larger than the average. We removed outliers for all calculations looking at and using averages so that they don't skew the results.

Finally, NPC estimated the **social value** created by SSE and its Fellows in financial terms. It is important to understand an economic analysis will never be a perfect representation of all the possible impacts of the SSE and its organisations. However, it does allow readers to understand the type of value SSE creates for society and provide them with an informed estimate of the scale of this value.

A detailed explanation of our approach in each of these areas can be found in the full report. At all times we use the most cautious and conservative figures to inform our estimates, and robust rationales for choosing economic proxies.



Key findings:

- 70% of Fellows answering the survey work in the 20% most deprived areas in the UK.
- SSE Fellows have a range of educational, ethnic and employment backgrounds and range from their twenties to their sixties:
 - over two-thirds are educated to degree level; a quarter to A-Level or below
 - just under a third are self-employed, and 13% unemployed, prior to the course
 - there is a broadly equal gender split
- The lack of course fees are crucial to ensuring the course is accessible to people of all backgrounds.

Overall, the SSE is broadly successful at making its programme accessible to people from all backgrounds, particularly those from deprived communities, but more work could be done to attract non-graduates.

Recommendation 1

SSE should explore more ways of attracting less educated candidates

“WHEN I WENT TO SSE, IT WAS LIKE I WOKE UP, AND BECAME MYSELF AGAIN.”

▲ RAHMA MAYE, LONDON SSE FELLOW

4 IS SSE MEETING THE NEEDS OF ITS STUDENTS?

Key findings:

- 93% of Fellows said the course had made them more effective social entrepreneurs.
- 73% of Fellows say they use what they learnt on the SSE course regularly or very regularly.
- Overall, students are satisfied with all elements of the course, all except group study sessions being rated as useful or very useful. As nef found in 2006, mentoring was scored lower than other elements of the course. This supports the SSE's subsequent decision to make mentoring optional and needs-based.
- The SSE's programme and supportive learning environment is very effective at building student's confidence, motivation and credibility.
- The SSE is broadly effective at meeting students' needs for business skills. However, training in money management could be improved.
- Fellows have found the contacts they made on the course helpful since graduating. However, most would have liked more support beyond the end of the course.

The package of support SSE provides meets the core needs of most students well. A significant proportion of Fellows still require additional support, in spite of the fact the SSE has made changes to its programme to better support Fellows.

Recommendation 2

SSE should explore ways of improving the way it supports students to gain money management skills

Recommendation 3

SSE should explore ways of providing Fellows with support on impact measurement after the end of the course

Recommendation 4

SSE should consider whether to extend the support it provides to Fellows to address particular skill gaps

“THE SSE PROGRAMME GAVE ME AN ATTITUDE OF CONFIDENCE, OF CAN-DO.”

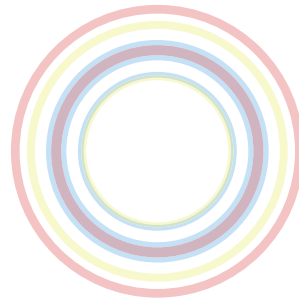
▲ STEVE GARRETT, SSE FELLOW

5 HOW DO FELLOWS AND THEIR ORGANISATIONS PROGRESS?

Key findings:

- The five year survival rate of Fellows' organisations is 20% higher than that for UK businesses.
- Fellows' organisations seem to experience rapid growth in turnover, but the trajectory of this growth can be sporadic.
- Commercial activity is the most common source of funding, followed by grants from trusts and foundations.
- On average, each organisation set up by a Fellow recruits two full-time and three part-time workers after graduation. The total value of jobs created by SSE Fellows is estimated to be £13m per year.
- Fellows leverage in a huge amount of value into their organisations from volunteers. Volunteering represents on average a value 31% of turnover to the average organisation.
- 98% of Fellows who set up an organisation are still involved in it in some way.
- 90% of Fellows attribute their growth since graduation to the SSE

The SSE plays a crucial role in helping the majority of students set up an organisation and is effective at building their capacity to create sustainable organisations.



“SSE ENABLED ME TO SET UP THE ORGANISATION THAT IS BASICALLY MY LIFE.”

▲ JACKIE SEAR, SSE FELLOW

6 WHAT IMPACT DO FELLOWS HAVE ON THEIR COMMUNITY AND SOCIETY?

Key findings:

- We estimate that organisations set up by SSE Fellows are currently reaching a total of 882,250 beneficiaries each year.
- Fellows are delivering a variety of outcomes for a huge range of beneficiaries – from children and young people to older people, from those with disabilities to refugees.
- Fellows are developing innovative ways of addressing social problems
- NPC estimates that Fellows' organisations delivered at least £12m worth of social value in the last year and predicts that this will grow by 30% next year.
- Almost all Fellows say they have inspired someone in their community.
- Nine in ten Fellows say they have had a wider impact beyond their community, ranging from raising awareness about an issue to influencing government policy.

NPC's overall view is that the SSE appears to be achieving its aim of addressing inequalities and social disadvantage, and that many Fellows are addressing key social problems in the UK's most deprived communities.



“OUR CATCH 22 TRAINEES ARE BREAKING THROUGH THE GLASS CEILING AND MAKING THE MEDIA INDUSTRY MORE DIVERSE; AND INSPIRING THEIR PEERS.”

▲ TOKUNBO AJASA-OLUWA, LONDON SSE FELLOW

7 HOW COULD THE SSE IMPROVE ITS PACKAGE OF SUPPORT?

Our findings suggest that the SSE's overall model of support is generally well suited to social entrepreneurs' needs and effective at helping them and their organisation develop. However, we feel the overall package of support could still be improved.

Recommendation 1

SSE could possibly explore new ways of attracting candidates without degrees

Though Fellows surveyed came from a mixture of educational backgrounds, the majority of Fellows have a higher education degree. This would be one way of supporting more people from disadvantaged or socially excluded groups to deliver solutions to problems in their community.

Recommendation 1

SSE should explore new ways of improving its supports for students seeking to gain money management skills

We recognise that this may be difficult given the diversity of funding models used by students' organisations. We therefore recommend creating opportunities for those with similar funding models to discuss their particular challenges in break-out groups; for instance, by dividing the group into those running trading social enterprises and those running charities. Good money management is critical for any organisation, but it is even more important in the sort of challenging economic climate the UK faces today.

Recommendation 3

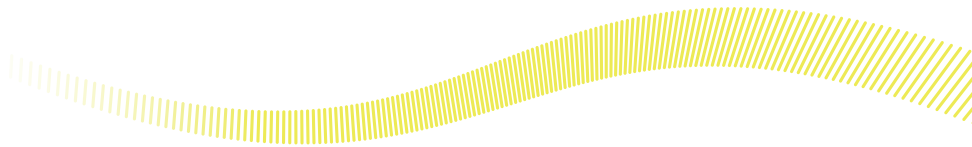
SSE should explore ways of providing Fellows with support on impact measurement after the end of the course

Impact measurement is one area where Fellows clearly require further support after graduation. This could potentially be achieved in a variety of ways including: better signposting of training/seminars through the newsletter; providing students with a measurement tool/guide; delivering SSE's own course on measurement/paying for specialist organisations to deliver this. Demonstrating impact is particularly crucial today as public sector and third sector funders demand more, and better quality, evidence of the impact organisations are having with their money.

Recommendation 4

SSE should consider whether to extend the support it provides to Fellows to address particular skill gaps

Since 2006, the SSE has extended the support it provides to Fellows. This is clearly a positive step, but we suggest that more could be done to address Fellows' ongoing learning needs. In practice, this could mean a variety of things, from signposting Fellows to sources of support to providing short courses on specific themes to ensuring tutors contact students on a regular basis after graduation. Our findings suggest that financial management and impact measurement should be priority areas for this sort of support.





**FOR EVERY £1 SSE
FELLOWS GENERATE
IN INCOME, THEY
ATTRACT 31p OF
VOLUNTEER TIME.**

This section draws together the evidence presented throughout the report to consider how well SSE is meeting its aims. It also considers what the evidence can tell us about social entrepreneurship more generally, and suggests future avenues for research.

The impact of Fellows and their organisations

SSE Fellows are growing their organisations

The organisations set up by Fellows seem to be particularly resilient. They are 20% more likely to survive for five years than the average UK business. Beyond just survival, organisations have grown at a healthy rate, creating jobs and volunteering opportunities:

- **Fellows created an estimated £13m in staff salaries in the last year alone.** Fellows' organisations tend to expand their workforce after graduation, on average, they have taken on one full-time and two part-time members of staff.
- **Fellows levered in on average of £19,767 in volunteer time per year, which is 31% of the turnover of an average organisation.** Each Fellow recruits on average 11 volunteers, who work on average six hours per week.

The success of these organisations is almost certainly down to the commitment of the Fellows who run them. 98% of survey respondents said that they are involved in some way, and more often than not they are leading the organisations they set up.

SSE Fellows are creating value for society

Fellows' reported working across a wide spectrum of social problems and were often using media and culture to tackle traditional social problems such as unemployment and crime. Overall, we estimate that last year

**SSE FELLOWS
CREATED AN
ESTIMATED £13M
IN STAFF SALARIES
IN THE LAST
YEAR ALONE.**

Fellows' organisations were reaching nearly 900,000 beneficiaries – more than the population of Liverpool.

Helping these people has value, and NPC has attempted to present this in financial terms. By placing financial proxies for increased employment, better mental health and lower crime on some of the outcomes, **NPC estimates that SSE Fellows created value for society of the order of £12m last year.** This is expected to grow by 30% next year, even without the addition of new Fellows. In addition, this value is being created where it is really needed: **70% of SSE Fellows who responded to the survey are working in the 20% most deprived areas in the UK.**

The impact for society does not stop there. Social entrepreneurs can have a 'ripple effect' that goes beyond their own organisations. **Almost all SSE Fellows said that they have inspired someone in their community.** Around a fifth of Fellows had inspired someone to volunteer, tackle or think about a problem, set up an organisation, or even to progress into education, training or employment.

Nine in ten Fellows felt their organisation or project has had a wider impact beyond

their own community; this included raising awareness, changing attitudes, changing practice in the public or private sector and influencing government policy.

The role of SSE

The SSE course contributes to the development of Fellows and their organisations

The course was effective and useful for the vast majority of Fellows. **93% of Fellows said the course had made them more effective social entrepreneurs.** The SSE's programme and supportive learning environment is very effective at building student's confidence, motivation and credibility. The SSE is also broadly effective at meeting students' needs for business skills. Fellows have found the contacts they made on the course helpful since graduating, though most would have liked more support beyond the end of the course.

Many Fellows attribute large parts of their success to the SSE

SSE plays a crucial role in helping the majority of students set up an organisation. **90% of Fellows attribute at least some of their growth since graduation to the SSE.** The precise nature of the impact on individual Fellows can vary from being a refining process to radically changing the Fellow's approach.

Using Fellows' estimates of how much of their success they can attribute to the SSE, we estimate that the following can be attributed to the SSE:

- £2m worth of jobs;
- £1.5m worth of volunteering;
- £3m in value to society.

90% OF FELLOWS ATTRIBUTE AT LEAST SOME OF THEIR GROWTH SINCE GRADUATION TO THE SSE.

Is the SSE value for money?

So based on the achievements of Fellows and the contribution that the SSE has made to this success, can we say that the SSE represents value for money? If we divide just the benefits attributed to the SSE *in the last year* by the number of Fellows then we get:

- £3,500 worth of jobs per Fellow;
- £2,800 worth of volunteering per Fellow;
- £5,000 in value to society per Fellow.

Compared to these figures, the estimated average cost per student this year of the London branch of £8,368¹ looks like extremely good value. The cost is paid back in the first year alone while the total value will continue to grow and grow. **The value to society alone is expected to grow by 30% in the coming year.** This is in addition to the value of jobs and volunteers created by Fellows.

1 This is based on the amount budgeted by the SSE for each student for the London School in 2010/11; though we see £8,368 as a useful benchmark for making cost benefit analyses, it is almost certainly higher than the average cost of an SSE student across all schools and years.

Lessons about social entrepreneurship

In addition to lessons for the SSE, this evaluation also threw up some interesting points about social entrepreneurship in general. While these findings obviously relate only to SSE Fellows, they might be of interest to anyone interested in social entrepreneurship:

- **Fellows reported that their organisations tended to grow sporadically rather than on a smooth trajectory.** Nine in ten Fellows' organisations grow, and on average they grow rapidly in percentage terms, but slowly in absolute terms. Some do develop quickly following graduation, but this is the exception rather than the rule. More often, they grow sporadically, going through periods of slow growth and then speeding up. Qualitative evidence suggests that a variety of different factors – personal, organisational and contextual – influence this pattern.
- **The funding of Fellows' organisations seemed to be a healthy mix.** Over half of Fellows rely on a mixture of funding sources; this diversified funding model is likely to make them less vulnerable to changes in the level of one source of income. The most popular source of funding was commercial, which should provide them with a buffer against public sector funding cuts.
- Despite covering a wide range of areas, our findings show that **most Fellows are very much still addressing core social problems**, such as unemployment and social exclusion. A single organisation often delivers a range of social, economic and even environmental outcomes.

Future areas for research

This evaluation is a first attempt at trying to understand the impact that SSE, its Fellows and their organisations are having on deprivation and social exclusion. It provides a rough outline of what is being achieved but much of it is estimation and, in the case of social value, assumption and conjecture. The SSE is hoping to increase the amount of support it provides to its Fellows around impact measurement. Once this is firmly embedded, NPC believes that there is an exciting opportunity to look at Fellows' impact based on their own data.

NPC would also recommend following a limited number of Fellows from the time that they graduate over a number of years. This is a time of huge adjustment for anyone attempting to achieve social change; public funding is being cut while the Big Society agenda would appear to work in entrepreneurs' favour. Having data on how the same organisations have changed during this period would provide invaluable information to sit alongside the 'snapshots' provided by the evaluation survey.



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We would also like to thank the SSE Fellows who took part in case study interviews.

And all the other Fellows from all schools and programmes who completed the evaluation questionnaire, and contributed to the process.

Thanks to all at NPC who helped inform and prepare this report.

Sincere thanks also to Greg Clark MP for the foreword to this evaluation. The full version of this report can be downloaded from the SSE website at www.sse.org.uk

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**“WITHOUT THE
SSE, I WOULD
NEVER HAVE HAD
THE KNOWLEDGE
OR SKILLS TO
TAKE MY IDEA
FURTHER.”**

▲ FRANKIE HODGE, FIFE SSE FELLOW

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