



West Northamptonshire Council

Northampton Town's Fund Business Case

Skills and Social Enterprise Development Fund

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Sign Off:

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1 Executive summary

1.1 Introduction and background to Towns Fund

In December 2020, Northampton submitted Northampton's Town Investment Plan to Government and was successful in being awarded £25million.

The submission was overseen by the Northampton Forward Board. Northampton Forward is an informal partnership with the primary role of coordinating and driving forwards the integrated regeneration and growth within Northampton, including Northampton Town Centre. The Board consists of West Northamptonshire Council, South East Midlands Local Enterprise Partnership, The University of Northampton, Private Sector Representatives, Northamptonshire Police, Northamptonshire Chamber of Commerce, Royal and Derngate, Community Representatives, Northampton Town Centre Business Improvement District and other partner organizations as needed.

The projects submitted as part of the Town Investment Plan have a total ask of £25 million. The final list of projects are as follows:

- Town Centre Public Realm
- 41- 45 Abington Street
- 35 -39 Abington Street
- Marefair Heritage Gateway
- Four Waterside
- 24 Guildhall Road Art Centre
- 78 Derngate Extension: The Charles Rennie Mackintosh Museum
- Emporium Way
- St Peters and the Old Black Lion
- Skills and Social Enterprise Fund

The Town Investment Plan sets out an ambitious plan which will deliver:

- 15,600 sqm of new and refurbished commercial floorspace.
- 24,900 sqm of new public spaces.
- 2,300 sqm of new or expanded cultural and heritage venue, including new space for skills facilities; and
- Remediation and enabling works for key sites in the town centre to create new public spaces, new mixed-use urban quarters, and commercial facilities.

The ten-year vision will strengthen Northampton's position at the centre of the Oxford-Cambridge Arc by providing modern spaces for creative businesses to capitalise on the town's manufacturing and entrepreneurial passion.

It will also:

- Build on the rich heritage and cultural offers to rejuvenate the town centre so it once again represents the aspirations of its residents.
- Create high-quality housing, digital infrastructure and open spaces, enabling communities to grow and flourish to meet economic, health and wellbeing, and environmental challenge; and
- Improve access to skills and training while promoting first-rate higher and further education opportunities.

The Project:

The project is seeking total investment of £500,000, with all funding being sought from the Towns Fund

The Northampton Skills and Social Enterprise initiative has been created to drive the continued growth of social enterprises business in the town which as a result will create both economic benefits and those social benefits within wider community support.

The proposal covers two elements, firstly the establishment of a Social Enterprise hub which would be the recognisable centre of the sector, the second being the establishment of a grants programme for the sector.

The project will establish within a town centre location a social enterprise growth hub to provide promotion and collaborative opportunities for social entrepreneurs, the hub will be resourced by a combination of voluntary participation of the existing social enterprise town Board and associated focus groups as well as paid resource, whose role it will be to promote access to funding and facilities which will grow individual social enterprises as well as the overall local economy and also to create and maintain collaborative relationships between social enterprise and other key local organisations such as West Northamptonshire Council, SEMLEP, Chamber of Commerce, other private sector funders, The University of Northampton and additionally local hub groups specialising in IT, food and sustainability initiatives.

Principally, the Hub will manage the grant process including (alongside WNC) the reporting and continuation of relationships with grant receiving organisations post grant allocation to ensure that targets set at submission are recorded to allow full and accurate reporting of the outcomes relating to the Towns Fund investment.

The project will also provide grants to social enterprises which will support their establishment and growth. The grants will specifically build organisational capacity, support the re-use of town centre retail and office premises, support access to business and marketing skills training for social entrepreneurs, IT and other specialised equipment required for business growth or development of new offers and funding for promotional and marketing engagement activities.

2 STRATEGIC CASE

This strategic case sets out the rationale for the investment in this project, as set out previously in the Town Investment Plan, including the following:

- Evidence of need
- Key policy context
- Overall vision and objectives including those specific to the project
- Option for investment and how it was identified
- How option will help achieve objectives
- Key stakeholder groups and business partners
- Proposed investment
- Outcomes and impacts

2.1 Introduction

This strategic case sets out why investment in the development of social enterprise will create jobs, support new business ventures, provide opportunities, and offer work to people often excluded from the labour market. It sets out why investment in social enterprise development is good for the local economy, to sustain and develop new businesses, and support entrepreneurs and individuals as well as the wider community of Northampton, and West Northamptonshire.

2.2 Case for Change

Northampton has been designated a 'social enterprise town' by the national development body for social enterprise, SEUK, and as a result a development social enterprise company, West Northants Social Enterprise Towns, or WNSET, has been created to promote and sustain social enterprise.

WNSET is a partnership of social enterprises based in West Northamptonshire and formally involves the University of Northampton as part of its board.

Social enterprise offers an alternative, non-profit driven model of business development. In the 'building back' process from covid, social enterprise is uniquely placed to offer creative solutions that will make a real difference to communities like Northampton. SEUK have said: "*social enterprises continue to deliver pioneering business solutions while increasing social and environmental justice. Social enterprises have proved uniquely positioned to be both relatively resilient to the crisis – and able to swiftly adjust their business models, in particular to respond to societal need. This could be due to the fundamental nature of their business models, which have provided more stable foundations in the form of social capital and embedded community engagement.*"

Social enterprises offer the right degree of innovation and imagination that post covid Britain needs, not just more of the same kind of business – see

<https://www.socialenterprise.org.uk/policy-and-research-reports/bounce-back-britain/>

Development of a thriving social enterprise sector locally will have multiple impacts:

Tackling unemployment: Northampton is a town with considerable needs, both before covid and after. In relation to employment and employability there are far too many people who are economically inactive and lack skills and capability to get anything more than the simplest

unskilled roles. Social enterprise provides employment opportunities for people in these categories who struggle to find other work without the support a social enterprise style business often supplies. There is clear potential to reduce unemployment and improve skills and employability through investment on social enterprises.

Tackling significant local issues: Secondly social enterprises often tackle some of the most challenging needs in our society, as the quote, and research from SEUK shows, and which illustrate how well suited social enterprise is to rebuilding society post covid – see <https://www.socialenterprise.org.uk/policy-and-research-reports/rebuilding-business-for-society/> .

During covid social enterprises, including in Northampton, were at the forefront of delivering practical support and opportunities to those most affected, through food aid and much more. Creating and supporting a network of dynamic social enterprises tackling issues like homelessness, addiction, autism, mental health and disability challenges through economic solutions and work opportunities, will make a significant impact on these problems in our community. Their spatial presence on the street shown in street homelessness, anti-social behaviour, street drinking etc is a barrier to economic improvement in Northampton, but social enterprises meeting those needs will increase the attractiveness of the town centre for all businesses and customers.

Improving the resilience of new businesses and reduced failure: Research has shown that Northampton has a high rate of startup of new small businesses but also a high rate of failure. This sits against a monoculture employment sector within the town of warehousing and logistics that is not for everyone. There is creativity here aplenty, but the town itself lacks economic and social power to make these a success, with a low income base unable to access the more artisan, niche or creative outputs that local entrepreneurs are looking to develop. At the same time, Northampton sits within a wider hinterland of wealth that needs to be drawn back into Northampton to spend their income.

Diversifying and improving the economic offer in Northampton: Old, chain based mainstream shopping opportunities have failed Northampton. Social enterprise status offers a way of supporting new businesses and providing them with a unique market offer. Creating new and diverse products and services (including a major focus on those related to food) aligned to the taste and interests of those with disposable income beyond Northampton town itself is a keyway of improving inward local spend to create local economic prosperity. Social enterprises will make and sell products and services that are new, innovative, and attractive to new buyers from a wider area.

Improve the opportunities for investment for SE businesses: Traditional loans and grants from corporate givers tend not to support social businesses, whereas the proposed grant fund we will offer will target this type of business as they emerge and become a success by achieving a local market.

Whilst social enterprise is a vibrant sector capable of addressing the complex needs the UK and Northampton, post covid, the sector urgently needs strong start up and maintenance funding for it to survive, as SEUK have argued: <https://www.socialenterprise.org.uk/wp-content/uploads/2021/04/SEUK-Year-of-COVID-report-v3.pdf>

Enhance other Towns Fund projects: There is synergy with other town centre developments that will provide some opportunities for social enterprises – eg Market Square development, Old Black Lion – with new products and delivery offers.

Improving the social impact of business: More generally, this project aligns with a wider movement within business to engage with customer and buyer preferences about the social

impact of business. Social enterprises can demonstrate the highest level of social impact from their activities from within the business sector, something the modern consumer is seeking more and more. A YouGov survey in July 2020 showed 85% of consumers would prefer to buy from businesses that had a strong record for good conduct.

Diversifying business: we have an explicit aim to encourage the development of more SEs led and run by people from disadvantage and minority communities, and led by women, and who are likely to employ people from those groups, who in turn may find accessing the labour market challenging. Such SEs may address some of the specific challenges facing both groups in business.

2.3 Policy Alignment

National policy recognises that despite several years of national economic growth the major benefits have accrued in cities and towns have fared less well. The Towns Fund is designed to rebalance the economy promoting growth in towns particularly within specific regional growth plans. The funding is to increase economic growth with a focus on regeneration, improved transport, better broadband connectivity, skills, and culture.

The Town Investment Plan (TIP) objectives, linked closely to Government’s Oxford-Cambridge Arc priorities and aims, map neatly against the aims of this project. The principles are:

- A vibrant heart to the town centre.
- Building on outstanding cultural and heritage assets.
- Inclusive economic growth; and
- Enhancing the town’s green spaces and adopting low-carbon principles

This scheme will address these issues as follows:

TIP Objective	TIP Objective Addressed
Town Centre Regeneration	<p>The project will create a new office based in the town centre where training will also be carried out and where employees located. Grants will support the creation of town centre-based businesses.</p> <p>Social enterprises may be providers in new developments created through the Towns Fund.</p>
Addressing Deprivation and Inequalities	By employing people from all backgrounds and developing products tackling these issues, the scheme directly and strongly tackles these issues; the focus on minority groups and women will explicitly tackle this.
Investment in Cultural and Leisure Uses	Projects to be funded will be creative and arts based, others will focus on food issues and artisan suppliers.
Clean Growth	Projects to be funded will be designed to focus on achieving green outcomes and addressing climate change impacts.

The project also aligns with the priorities in the West Northamptonshire Council Corporate Plan, to achieve a green and clean environment and wellbeing, thriving towns and economic development. The project also aligns with the strategic objectives of the Town Centre Masterplan:

Town Centre Masterplan Objective:	TCMP Objective Addressed
Transforming the Heart	The investment will provide more attractive retail and social place, offering greater diversity and range of products leading to increased footfall and dwell time. The investment will provide improved commercial space offering boosting business growth in the Town Centre.
Smaller and Stronger Retail Core	The investment will increase spend on social enterprise businesses within the Town Centre leading to a larger and more sustainable business rates income stream.
Creating a Residential Community	Through the investment, there will be increased tourist and visitor numbers, the investment will also seek to reduce negative factors such as anti social behavior and street drinking.
Clean Growth	Projects to be funded will be designed to focus on achieving green outcomes and addressing climate change impacts.

The project has its own strategic objectives which the preferred option was tested against, these are:

Strategic Objectives	Description
Increase the social enterprise sector in Northampton	To make West Northants a centre of excellence in the number/proportion of social enterprises operating, their financial success, successful progression from start up to profitability and their contribution to the local economy. To see more social enterprises relocate or start up in West Northants because of the funding and support available
To make a positive difference to health and wellbeing in Northampton	To demonstrate local effectiveness with regard to the topics they exist to support – autism, homelessness, mental health, dementia, whatever it is – as achieved through their employment practice or products or services they trade
Create employment opportunities in Northampton	To increase the numbers of people working in social enterprise, through job creation at the numbers cited
To raise awareness of social enterprises locally and regionally	To see the social enterprise business model reflected in general public perceptions or awareness of the effectiveness of the town fund in developing the local economy and town centre environment

	To see greater public awareness locally of SE as a contributor to local problems and challenges
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The project aligns closely with the emerging anti-poverty strategy being developed by West Northants Council by creating employment opportunities and projects tackling issues of poverty through work.

This project also aligns with the South East Midlands Local Enterprise Partnership (SEMLEP) Local Industrial Strategy, co-produced with Government, shaping economic policy to support clean growth to create attractive, well-designed places where people will want to live and work today and that meet the needs of generations to come.

The project also aligns to work being done under the West Northants Sustainable Food Place (WNSFP) programme to promote good food, educate about good food, and to improve food retail and production, as well as addressing food poverty

The funding will enable the WNSET company to meet the expectations of SEUK's designation of Northampton as a place where social enterprise is developed and promoted and is in line with our primary purposes set out in our company objectives

The investment also aims to meet the objectives of WSNET, which are:

- An expanded and more diverse social enterprise sector which achieves at least 30% growth in turnover and increased staffing during the project lifetime
- An increase against baseline of SEs led or run by women and minority members
- A sector, including individuals within it, which shows increased knowledge, social capital and competence as a result of support given and posts created
- Achieve measurable reductions in incidence or negative impact on the issues tackled by the social enterprises we are funding
- Secure increased positive perceptions amongst the local population and opinion formers as to the value and impact of social enterprises

2.4 Vision and Objectives

The vision of WNSET is for Northampton to be one of the top five places in the UK for social enterprises: a place where there is significant investment in the sector and where social enterprise output forms a significant and vibrant part of the economic landscape.

By becoming registered as a social enterprise place, WNSET have made a vital first step towards achieving that aim, but in line with the vision, it is essential that WSNET continue to support and develop the sector with grants, loans, coaching and training, which this funding will enable. In the other towns or cities with a significant SE presence, like Liverpool and Plymouth, there is already such an infrastructure over nearly a decade, and it has been instrumental in supercharging the sector. In Plymouth there are now more than 200 social enterprises working in a huge range of sectors including in education, health, arts, environment, food, finance, housing, business support, sport, social care and many more. These businesses employ around 9,000 people and bring in an income of over £580 million.

The objectives of this investment mirror the success of other areas. This funding will enable and empower a social enterprise sector in Northampton. The investment will deliver the following outputs:

- Creation of specific role within WNSET to lead the project, with admin support, 1.4 FTE equivalent in total
- Provide practical support to at least 80 social enterprises over 3 years
- Make grant funding available to at least 20 enterprises
- Provide training to at least 20 social enterprises
- Map and create growth in the turnover of social enterprise businesses against the baseline of at least 30% in 3 years, and where traded income formed the majority of their turnover
- Increase the diversity of social enterprises in the sector, including those led and run by women and people from ethnic minorities, and which tackle the key issues facing our town with economic solutions to those issues
- Support those enterprises funded to achieve measurable gains against the issues they propose to tackle
- Using the funds as leverage to attract match funding from other investors
- Increase awareness of the impact of social enterprises, as an economic force and in terms of its impact on key local issues
- Obtain separate research funding to evaluate our success
- Supporting 51 individuals to improve their mental health
- Providing 37 individuals with support to secure NVQ Level 2 qualifications and 23 individuals to secure NVQ Level 3 qualifications.
- Provide programmes to support 8 people with a history of drug misuse to move closer to employment.
- Provide programmes to support 21 people with a history of alcohol misuse move closer to employment.
- Support 10 ex-offenders to develop skills and confidence to move closer to employment.
- Provide accommodation and guidance to 8 homeless people to help move them into accommodation.
- Support 14 job seekers allowance claimants to move into paid employment.

Part of the vision is to use the funding from the fund to act as leverage for other funders, to swell the funding pot, as has been successfully done in Plymouth.

Social enterprises can span tiny one person micro-projects through to large organisations employing hundreds or indeed thousands of people. Similarly they take in organisations whose primary focus is not economic but quasi charitable through to companies that look, feel and operate like private corporations. Whilst this project will not exclude the former from support, the focus is very much on 'trading' social enterprises, where their growth and stability that we seek to engender is one where they trade good and services, creating independent, sustainable economic value, rather than to be grant dependent.

Work to Date

The West Northamptonshire Social Enterprise Town has been operating since early 2019 and has the vision to be the centre of excellence in social enterprise, to be a voice for the growth of West Northamptonshire's vibrant, existing social enterprise sector and an advocate of the positive social, economic, environmental, and cultural impact it makes.

Activity to date has included:

- Network building – to develop networks of support between social enterprises, businesses, and the local community in West Northamptonshire and to use that collaboration to achieve positive change for the sector and community.
- Business development – to create trading relationships between organisations from different social enterprise sectors as well as private and public businesses.
- Awareness raising and development – supporting the scale and growth of the existing social enterprise economy in West Northamptonshire and provide opportunities for incubator social enterprises to develop sustainability.
- Creating employment and opportunities – organising events to encourage, inform and support skills development for entrepreneurs, students and others to seek and create employment within social enterprises and to promote voluntary work experience and paid employment opportunities.

The additional Towns Fund investment will enable:

- Networking building – to further the develop out the contacts register and database to over 300 social enterprises in the town.
- Events – to put on at least 20 events each year (currently there are no formal events run by WNSET) to encourage collaboration and partnership.
- Grants – deliver over 20 grants to social enterprises in the town.
- Resourcing – enable WNSET to employ staff to support the initiative and project.

2.5 The Proposed Investment

Do Nothing Scenario

In the **do-nothing** scenario, WNSET would effectively not run any extended programme of practical support for the sector; support would simply exist of maintaining a register of local social enterprises and signposting towards external resources.

Do Minimum Scenario

In the **do minimum** scenario, WNSET will do the above, but add on networking services, signpost to other external funding and offer limited advice to emergent companies. There is likely to be small scale growth of the local SE sector at scale with limited impact, although individual organization, with their own funding, WSNET will continue to make sub-sectoral and specific impact for their own businesses.

Options Considered

As a sectoral development project, the objectives and vision closely follow the model of other areas as cited under the influence of the multi-area network facilitated by SEUK. Every comparable area is or has developed a programme similar to this project that has been proven to

give the best likelihood of positive sectoral growth. Each comparable programme has drawn from localised and national research as to the needs of the sector and individual entrepreneurs.

The only variables are related to the emphases within the various elements. A concentration on direct grants to business as the core of the project is crucial, as this is a sector that needs initial and early years funding, yet capacity building through grants for training delivery also rank high, given the relative inexperience of some sector participants; lastly coaching and mentoring, which again this project will commission through grants (which in turn develop a local sector training capacity) and sales, is important for the same reasons.

All options were considered by the WNSET board and consulted on through the network of local SEs, repeating similar consultations in other comparable areas that are strongly likely to predict equal efficacy in Northampton.

The project does not set out an aim that will explicitly create new markets for SEs locally, an aim adopted by some comparable areas (e.g. Plymouth). Work will enable SEs to build their competence to enter and trade within the local economy and will promote in more general terms the contribution of the sector, but the limits to the funding does not allow to create marketing opportunities nor places to sell for SEs. Some of that will be created by other projects within the TIP and are covered by interdependencies below.

Description of the Project

WNSET, as the locally accredited development company for social enterprise, will

- Create the project management capacity that will administer the programme, with appropriate skills and competencies
- Design a support programme for applicant SEs with a blended mix of coaching, training, grants and loans applicable to their specific circumstance
- Launch a grants application process inviting proposals from SEs for both start up and early year growth grants to develop their business, making at least 30 grants over the term of the award
- Grant fund the provision of coaching and training from within the local SE sector to offer this to other SEs
- Monitor closely use of funds and development and performance against our strategic aims.
- Leverage additional and complementary funds to enable offer of loans from other funders to achieve the same aims
- Actively promote our sector by all media and communications
- Actively seek research into sectoral development and outcomes from academic partners

Inputs:

- Design and quality and outcome monitoring of programme by WNSET team
- Support and advice from SEUK and other national partners and comparable areas
- £500k in grant funding from the Towns Fund
- Support from WNC economic development teams and contractors

Schemes Critical Success Factors:

In order for the scheme to be successful and deliver the stipulated outputs, it relies on the following factors:

- Towns Fund grant is approved by Northampton Forward, West Northamptonshire Cabinet and the Government. Without this grant, the projects cease to exist as there is no other sources of funding.
- The West Northamptonshire Social Enterprise Town (WNSET) continue to champion this scheme, without this external support the scheme will not have the momentum and resource it requires to be successful.
- The Social Enterprise sector in Northampton continues to grow and remain resilient, without an active sector the scheme will not be able to deliver grants to those intended.
- Working collaboratively – the scheme will require many different partners to work together in partnership i.e. the Council, the WNSET, private sector businesses, skills providers and the social enterprise sector.

Market Failure

Social enterprises already do make a valuable contribution to the local economy, and have the potential to do more, both in terms of output and employment. In addition, they deliver benefits to the overall “wealth” of the town’s economy through a range of social and environmental objectives.

Social Enterprises are businesses who objectives are primarily social change, rather than profit – with objectives such as job creation, supporting vulnerable people, improving health and well-being, promoting education and literacy, and protecting the environment. There are a number of reasons to make the justification for public sector intervention in this project, this scheme actively looks to support businesses in the social enterprise sector for activities such as training and provide grants to start ups and scale ups. The market failure in this case is that the state is no longer able to deliver, with policy changes and reduced funding for sectors such as health and social care as well as the private sector not being interested due to the minimal return on investment for them or they don’t know how to provide services in this market. Social enterprises look to focus on small-scale solutions to specific local problems, contrasted with government and big companies that look for generic solutions to widespread problems.

The specific market failure in this case is that the private sector is not providing the support or allowing the room for the social enterprise sector to grow and be self-sustaining. The private sector do not see a return on investment by investing and supporting this sector. This provides the rationale for public sector intervention.

2.6 Theory of Change

By providing a range of individually designed programme elements, each based on proven, established methodologies, structured to fit the development needs of individual SEs, the predictive capacity of the programme to achieve the desired impact is maximised. This is an individualised, not a single mode support programme, with each element designed and offered with discretion against identified need.

There is an assumption that there is a direct measurable outcome from functional inputs (training, mentoring, funding, loans) supplied at volume and with monitoring of quality against

standards and best practice, to appropriate beneficiaries, based on positive evaluations of similar projects in comparable areas and other sectoral development programmes.

Put as an equation this is:

Inputs x quality oversight x programme competence x selected/assessed beneficiaries = measurable outcomes at appropriate level

2.7 Protected and Minority Groups

The project will explicitly seek to expand the number of women and members of ethnic minority communities leading or running SEs locally.

The project will prioritise places in coaching, mentoring and training programmes for the same groups and actively target them through advertising, communications and outreach.

The project will monitor the employment make up of funded SEs to check the positive impact on employment of women and ethnic minority communities, and amongst those with labour market challenges, such as barriers to employability, lived experience of the issue being targeted, history of economic inactivity, and increased employability.

2.8 Risks, Constraints, and Interdependencies

Risk or Constraint	Mitigation
The potential oversubscription of funding	Seek to leverage match funding from other sources, put a strict criteria in place for grants
A lack of suitable social enterprises with the capacity and resilience to make funding and training work for them and hence stall in development	The development work with the sector being undertaken aims to resolve this through coaching and mentoring to get social enterprises up to readiness for their own grant funding
Staffing capacity and competence recruited within WNSET to manage the scheme	There will be careful staff selection and management by experienced social enterprise practitioners
Failure to secure additional funding to complement the Towns Fund grant	Utilise networks with the SEUK network, build on existing funding sector knowledge linkages
Failure to secure research funding	Continue close engagement with University of Northampton

There are various interdependencies:

- The economic situation of the town as a whole and the success or otherwise of other businesses funded by this programme and the wider success of the TIP
- Creation of markets for SE products and services through other economic development and new trading settings, such as the market square
- The willingness of other lenders and funders to match fund
- Other funding from bodies such as SEMLEP
- Other funding streams targeted at similar issues, not delivered through SEs

2.9 Stakeholders

Letters of support can be found in Appendix 2.

Stakeholder	Role, Viewpoint, Interest	Engagement to Date
The Social Enterprise Sector Locally	Beneficiaries of the work and outputs, highly interested and keen to see delivery.	Extensive, through WNSET advisory board, directors group and monthly networking events.
The University of Northampton	Board members, highly involved, keen to research as funding allows.	Through board involvement, across multiple departments and research leads.
General Public	Desire to see new products and services come to market.	Continuous.
West Northants Council	Clear and strong interest at multiple levels, economic and social. Included in Town Investment Plan as priority project.	Continuous.
SEMLEP	Clear interest in economic potential to grow economy and create jobs, especially for those economically inactive.	Continuous.
SEUK	Keen to see the social enterprise town prosper and achieve positive results.	Extensive and Continuous.
Local VCSE Organisations	Keen to see project delivered and explore partnership working.	Continuous.
Other National SE Bodies	Keen to see development of sector locally.	Continuous.

2.10 Consultation

The development of the Town Investment Plan was guided by community and stakeholder consultation. The TIP builds on the initial consultation work undertaken to inform the development of the Town Centre Masterplan which seeks to address many of the challenges outlined in the TIP. The consultation exercise for the Masterplan informed the early development of the project longlist.

Online Consultation

Online consultations on the potential TIP proposals were held in September 2020 to determine the community's priorities for investment, gain feedback and opinions on a range of proposed investment areas and determine the challenges / opportunities for the town.

Approximately 434 individuals replied to the questionnaire creating a total of 1,495 pieces of project level feedback. The responses were evenly split between males and females. 18% of respondents were aged under 35 and 15% were over-65.

Overall, the majority of responses were positive about how beneficial the projects would be to improve the town centre. The main challenges highlighted were a lack of quality goods offered in the town centre, poor appearance of the town centre and competition with other areas. The main opportunities were bringing disused buildings / public space back into use and improving the public realm. The initial survey was followed by more detailed questioning of a web community across three days.

This builds on over two years of consultation completed on the ground and through all media channels. The online consultation completed for the Town Centre Masterplan in 2019 informed the development of the longlist of projects developed for this tip.

Key local priorities identified at that stage include the restoration and upkeep of historic buildings, improving the quality of retail, the quality of public realm and greenspace in enhancing the town centre, pedestrianization in the town centre, and the potential to accommodate new homes.

Consultation Workshops

A series of consultation workshops were completed in October 2020 focusing on urban regeneration; deprivation and inequality; and business, enterprise and skills. Approximately 150 stakeholders were approached to take part in the workshops. Workshops were attended by key stakeholders in Northampton including local businesses, social enterprises (Northampton Social Enterprise Town), Community Town Safety Teams, Northampton Digital, Northampton Arts and University of Northampton.

Engagement with private sector bodies aided understanding of growth barriers and helped to ensure the plan remains responsive in uncertain times.

Engagement with public sector and community organisations highlighted how social enterprises can be incorporated into projects.

The consultations produced a number of themes for the Town Investment Plan including re-energising cultural and historic assets, diversifying the housing offer to match the needs of the community, make the town centre feel safer and upgrade / improve management of key public spaces.

The Town Investment Plan consultation findings can be found in Appendix 3.

Stakeholder Engagement Plan

A Stakeholder Engagement Plan has been developed to accompany Northampton's Town Investment Plan. This document sets out our commitment to develop ongoing relationships with key stakeholders to ensure implementation of the Town Investment Plan remains responsive to the overarching needs of the town.

The Stakeholder Engagement Plan can be found in Appendix 4.

3. Economic Case

This section sets out the economic case to the Skills and Social Enterprise Fund and outlines the impact of the proposed investment and the benefits that will arise through delivery.

Northampton has deprivation-related issues (28th percentile of most deprived areas in the UK), with specific social issues related to education and skills training, housing, and child poverty (top 20% for deprivation in these areas). Northampton is also significantly above the national average for alcohol-related hospitalisation (over 50% higher than the national average). The town is considered to offer high growth potential for social enterprises due to the social needs present.

Research carried out for the town's application to join Social Enterprise UK and becoming recognised as a 'Social Enterprise Town' identified over 200 social enterprises operating in Northampton, with 74 CICs and a further 179 charities who secure at least 50% of their income from trading. The most common sector of operation is in the offering of support services to disadvantaged groups. The second most common service offered is education, which ranges from coaching and wellbeing courses to pre-employment support. The town also has a transport social enterprise that delivers bus services and community transport. A range of other services are carried out by the towns' SEs, including heritage protection, business support, youth work, media services and homeless shelters.

The Social Enterprise community has a strong partnership. This partnership identified and supports the proposal to set up a Skills and Social Enterprise Fund within the Town Fund programme. Support from the Towns Fund will facilitate the delivery of the following outputs.

- Creation of specific role within WNSET to lead the project, with admin support, 1.4 FTE equivalent in total
- Provide practical support to at least 80 social enterprises over 3 years
- Make grant funding available to at least 20 enterprises
- Provide training to at least 20 social enterprises
- Map and create growth in the turnover of social enterprise businesses against the baseline of at least 30% in 3 years, and where traded income formed the majority of their turnover
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- Using the funds as leverage to attract match funding from other investors
- Increase awareness of the impact of social enterprises, as an economic force and in terms of its impact on key local issues
- Obtain separate research funding to evaluate our success
- Supporting 51 individuals to improve their mental health
- Providing 37 individuals with support to secure NVQ Level 2 qualifications and 23 individuals to secure NVQ Level 3 qualifications.
- Provide programmes to support 8 people with a history of drug misuse to move closer to employment.
- Provide programmes to support 21 people with a history of alcohol misuse move closer to employment.
- Support 10 ex-offenders to develop skills and confidence to move closer to employment.

- Provide accommodation and guidance to 8 homeless people to help move them into accommodation.
- Support 14 job seekers allowance claimants to move into paid employment.

3.1 Introduction

The project is seeking total investment of £500,000, with all funding being sought from the Towns Fund

The Northampton Skills and Social Enterprise initiative has been created to drive the continued growth of social enterprises business in the town which as a result will create both economic benefits and those social benefits within wider community support.

The proposal covers two elements, firstly the establishment of a Social Enterprise hub which would be the recognisable centre of the sector, the second being the establishment of a grants programme for the sector.

The project will establish within a town centre location a social enterprise growth hub to provide promotion and collaborative opportunities for social entrepreneurs, the hub will be resourced by a combination of voluntary participation of the existing social enterprise town Board and associated focus groups as well as paid resource, whose role it will be to promote access to funding and facilities which will grow individual social enterprises as well as the overall local economy and also to create and maintain collaborative relationships between social enterprise and other key local organisations such as West Northamptonshire Council, SEMLEP, Chamber of Commerce, other private sector funders, The University of Northampton and additionally local hub groups specialising in IT, food and sustainability initiatives.

Principally, the Hub will manage the grant process including (alongside WNC) the reporting and continuation of relationships with grant receiving organisations post grant allocation to ensure that targets set at submission are recorded to allow full and accurate reporting of the outcomes relating to the Towns Fund investment.

The project will also provide grants to social enterprises which will support their establishment and growth. The grants will specifically build organisational capacity, support the re-use of town centre retail and office premises, support access to business and marketing skills training for social entrepreneurs, IT and other specialised equipment required for business growth or development of new offers and funding for promotional and marketing engagement activities. The project will deliver a number of community benefits which will support the re-positioning of the Town Centre, these include:

- Supporting 51 individuals to improve their mental health
- Providing 37 individuals with support to secure NVQ Level 2 qualifications and 23 individuals to secure NVQ Level 3 qualifications.
- Provide programmes to support 8 people with a history of drug misuse to move closer to employment.
- Provide programmes to support 21 people with a history of alcohol misuse move closer to employment.
- Support 10 ex-offenders to develop skills and confidence to move closer to employment.

- Provide accommodation and guidance to 8 homeless people to help move them into accommodation.
- Support 14 job seekers allowance claimants to move into paid employment.

3.2 Approach to the Economic Case

The Economic Case has been developed using the latest guidance set out in the Green Book and using advice set out in Towns Fund documents. The economic model used to generate outcomes and outputs are based on recognised national benchmarks. These include:

In developing the project, a number of assumptions and forecasts. Individual components of deadweight, displacement, leakage and multiplier effects have been reviewed to revisit assumptions about additionality. These have then been taken into the revised CBA calculations and Business Case. These sensitivities have been identified below.

Time period considered: The Green Book States “costs and benefits should be calculated over the lifetime of the intervention or asset.” For the project a time horizon of 5 years of operation has been identified.

Timing of spend: For all scenarios a planned timing of spend was used, relying on the assumption of the project being supported in 2021. The project will commence on the funding has been secured.

Discounted rate: a standard **discount rate** of 3.5% per annum has been applied in calculating future benefits arising from the investment.

A range of sensitivity tests have been applied to the modelling, this includes the following:

Deadweight: The Green Book published by HM Treasury in 2020, states that deadweight refers to: ‘allowing for outcomes that would have taken place without the intervention under consideration. Deadweight is identified when the total outcome of an option for intervention is compared with business as usual. As the proposed project is new activity, we suggest the impact of the reference case (Do Nothing) is zero. A number of the intervention outputs, particularly the proposed grant programme may potentially have an impact on existing services and facilities within Northampton Town centre. Calculations for the Preferred case have therefore estimated deadweight loss of 10%.

Displacement: the HM Treasury Green Book states that displacement arises when the benefits of an intervention in terms of increased output or employment are offset by a reduction in output or employment elsewhere. The establishment of the grant scheme could result in employees moving from existing roles in the Town Centre to new ones created in the Social Enterprise sector following grant support. The economic case has therefore assumed displacement at 25%.

Inflation and Indexation risk: Values set out in the economic case are expressed in real prices relating to the first year of the projects operation.

Leakage: Leakage measures the number or proportion of outputs (occurring under the reference case and the intervention options) that benefit those outside of the intervention's target area. This could have positive and negative effects on other areas;

The project forecasts that there is a chance of leakage due to the potential competition that social enterprises may have with other private providers within Northampton Town Centre. There is limited private provision for the types of services the grant scheme will support, in recent years provision has moved from the public sector to the community sector as tightening local authority budgets have encouraged the rise of new delivery models, including Social Enterprises. As a result of this limited direct competition a factor of 25% has been applied within the economic impact modelling.

Substitution: In line with standard approaches to substitution, benchmarks suggest this is a negligible issue for this type of development.

Multiplier Effect: Measures economic impact (jobs, expenditure or income) of an intervention is multiplied because of knock-on effects within the local economy.

- Reference Case: As far as the reference case is concerned, the multiplier effect has been set to zero;
- Preferred Case (Option 3: the establishment of the Social Enterprise Hub and Grant scheme). The Multiplier Effect has been forecast to take effect once investment has been made, which in turn will encourage new investment into the Town Centre. Improvements delivered through the Preferred Option will be a further signal of Northampton's strength as a 'Social Enterprise Town', which will help with both economic and social outputs that will support both the Town Centre and Northampton residents benefiting from the project. A multiplier of 0.1 has been utilised based on the Green Book's Place Based Employment Multipliers reference at the "Low Value" for non-tradable sector. This reflects the project's impact on incomes.

These factors have now been applied to the various options under consideration and the CBAs been updated accordingly. The scheme will also help safeguard jobs within current operators in the Town Centre, these will be addressed appropriately.

These factors have now been applied to the various options under consideration and the CBAs been updated accordingly. The scheme will also help safeguard jobs within current operators in the Town Centre, these will be addressed appropriately.

Optimism bias: the Green Book guidance has been used to identify a suitable level of optimism bias. The Green Book states that standard building projects are those which involve the construction of buildings not requiring special design considerations i.e. most accommodation projects e.g. offices, living accommodation, general hospitals, prisons, and airport terminal buildings.

Optimism bias has therefore been calculated at the standard rate of 24%. This has subsequently been applied to the model.

3.3 Options Appraised

The West Northamptonshire Social Enterprise Towns partnership and West Northamptonshire

Council have been developing discussing options to support the Social Enterprise Towns status and build the organisational resilience and help develop new operations to address gaps in the towns provision of support to its communities. These discussions have led the project to be included as a revenue-based project within the Town Deal programme. Through these discussions three options which will support the development of the Social Enterprise Sector have been identified. These are Do Nothing – with no Towns Funds allocated, develop a Social Enterprise Hub and, establish both a Social Enterprise Hub and a grant scheme to assist with capacity building across the sector. These options have been considered and appraised by the partnership and the Council with the outcomes are presented below.

i) Longlist of options appraised

A range of potential solutions to the opportunities and challenges have been set out in the Strategic Case, these were identified during the option generation process. Initial options included a variety of elements that will help support both existing social enterprises and those seeking to establish new operations within the sector. The options include:

Option 1 - Do Nothing

No provision of funds via the Towns Fund.

Detail	Impact
The Northampton Social Enterprise Towns group will continue to connect and support incubator and other social enterprises within the limits of the time and resources available i.e. through the use of time given voluntarily by the 6 directors. This time is however extremely limited as all have full-time roles within their organisations which limits opportunities.	The growth of social enterprise in the town will continue albeit at a slower rate, connections will continue to be made but access to funding for incubator social enterprises and those wishing to grow continues to be incredibly challenging which poses barriers to the growth of the social enterprise economy.

Option 2 – No Grant Scheme

Use the Towns Fund to create and maintain a dedicated social enterprise hub.

Detail	Impact
<p>Utilise £500,000 to establish and resource a hub with permanent associated meeting and conference facilities, manned with full time resources (estimated 4) a mixture of leadership/project management, marketing, administrative support.</p> <p>The increased staff would investigate and bid for funding/loans etc from social investors to support the growth of social enterprise in the town centre.</p>	<p>The hub fully funded through the Towns Fund would provide flexible facilities for networking, training, presentations etc which would be accessible free by registered social enterprises and prospective entrepreneurs to enable collaborative relationship building as well as business support through the full-time staff employed by the project. This Option would deliver:</p> <ul style="list-style-type: none"> • Offices to house 4 resources; • Meeting room x 2 <p>Conference suite which would seat 20 seated or 50 cinema style for events.</p>

Option 3 – Hub and Grant Scheme

Use the Towns Funding to develop two strands of activity, including establishing a smaller hub and a grant programme to support the capacity of the social enterprise sector.

Detail	Impact
Funding will be split £100,000 to create and support the hub for 4 years and £400,000 to be provided as individual grants to at least 20 incubator or growth-ready social enterprises to enable increase in business, creation of jobs etc.	By providing both a collaborative hub to support better engagement, communication and support of social enterprises and grant funding the intent is to specifically target growth opportunities with businesses locally which will have direct impact to town centre jobs, premises and the local economy. The additional benefits to that growth is greater community engagement and support provided through the commercial success of those social enterprise businesses.

ii. Options Shortlisting

Options have been considered by the West Northamptonshire Social Enterprise Partnership and West Northamptonshire Council, a simple matrix has been used to summarise and present evidence on options in a clear and consistent format. This matrix utilises a red/amber/green (RAG) scoring system for each of the assessment areas, which facilitates the assessment and comparison of scheme options. A scoring range was developed to establish the influence and effect each option would have on key core issues, which included Strategic Fit, Benefits optimisation, Achievability and Affordability. Using these criteria, the various options and resulting scores are illustrated below:

Option	Strategic fit	Benefits Optimis	Potential achievability	Potential Affordability	Total	Impact on Northampton and its Social Enterprise sector
Option 1 - Do Nothing	0	0	5.0	5.0	10.0	This option does not support the Social Enterprise sector beyond current activities
Option 2 – Use all the funds to create a maintain a dedicated social	3.0	2.0	5.0	5.0	15.0	This option would ensure that existing Social Enterprises are supported and have access to professional support.

enterprise hub						
Option 3 – Create a hub and a grants programme to organisations	5.0	5.0	5.0	5.0	20.0	This option will ensure that the Social Enterprise sector is effectively supported and organisations will be able to build capacity and support Northampton's communities

ii. Options Appraisal – Short List

The purpose of the business case is to establish an intervention option that supports the Social Enterprise sector within West Northamptonshire. The sector is currently providing valuable support to the West Northamptonshire's most vulnerable residents.

Stakeholders have progressed discussions on the options and have agreed that the final preferred option should assist the sector to make build its capacity, assisting existing enterprises and help those seeking to establish new social enterprise. Towns Fund will also support the wider objective of building West Northamptonshire's profile as one of the UK's pre-eminent 'Social Enterprise Town'.

The Reference Case is Option 1 – Do Nothing

Without support from the Towns Fund the project would not proceed. The sector would continue to progress using its limited capacity to help drive forward. West Northamptonshire is home to over 200 Social Enterprises. The network represents a strong partnership with a strong spirit of collaboration. However, without support from the Towns Fund focus will continue to be on working together, rather than building capacity and growing the range of services that can be offered to communities and residents which will be possible through support from the Towns Fund.

Option 2: Use all the funds to create a maintain a dedicated social enterprise hub

This option would involve the establishment of a Social Enterprise Hub as a dedicated resource. The hub will provide a resource for the wider sector with permanent associated meeting and conference facilities, manned with full time resources (estimated 4) a mixture of leadership/project management, marketing, administrative support.

The increased staff would investigate and bid for funding/loans etc from social investors to support the growth of social enterprise in the town centre.

Option 2 is deliverable and affordable. However, it would not achieve the objectives which local stakeholders have for the sector.

Option 3: Create the Social Enterprise hub and a programme of grants to individual organisations

This option focuses on delivering the Social Enterprise Hub and a supporting grants programme. The programme would provide grants to social enterprises. Grants will help social enterprises to re-use of town centre retail and office premises, support access to business and marketing skills training, provide support for purchasing IT and other specialised equipment required for business

growth or development of new offers and funding for promotional and marketing engagement activities. The funding would also be used for the creation of business plans to help support the stability and growth of individual social enterprises

iv. The Preferred Case

Having developed the project stakeholders quickly discounted Option 1, recognising the value of the Social Enterprise sector. Option 1 was discounted due to the limited impact it would have on both Northampton Town Centre and the sector. Option 1 is our reference case, it was discounted as 'doing nothing' is recognised as it will not help build the capacity of the sector which supports a number of West Northampton's most vulnerable communities.

Option 2 was also discounted, as based on stakeholders experience it would not provide sufficient support to both existing and embryonic social enterprises. The option would provide a high-quality hub which would support the sector with additional expertise and make additional space available to local organisations. Stakeholders believe that the hub is a very important element of the optimal solution, however as a standalone feature, it is not considered of significant value on its own.

Option 3 would see the delivery of the hub supported by a grant programme which would assist at least 20 social enterprises. Each grant would help build the capacity of the sector in Northampton Town Centre. Greater presence of the sector within Northampton Town Centre will improve the commercial standing of the social enterprises and increase the footfall of the wider town centre. When reviewing the overall benefits and merits of each of the options, Option 3 was recognised as the optimal package to help the Social Enterprise sector and the Town Centre.

Unintended Consequences

The project has been appraised for any beneficial or adverse collateral effects and unintended consequences. Our analysis revealed that the project will not have any negative effect on individual groups within Northampton, indeed investment will make the Old Black Lion more accessible to all of Town's communities.

3.4 Appraisal Modelling Assumptions

The following assumptions have been made in the modelling;

Benefits Criteria:

The benefits criteria were developed using a range of criteria, the core benefits were calculated using accepted national benchmarks, triangulated wherever possible with secondary data, to provide additional robustness.

- **GVA benefits:** GVA benefits have been modelled over a 5 year period. This has been used to offset the public costs to give a net fiscal cost/benefit over a 5-year period. Benefits have been modelled on £9,500 per job. The figure has been reached through using data available from Social Enterprise UK based upon their work in producing the State of Social Enterprise "No Going Back Report 2021"
<https://www.socialenterprise.org.uk/state-of-social-enterprise-reports/no-going-back-state-of-social-enterprise-survey-2021/>. The figure represents the nature of the work in the Social Enterprise Sector which has high levels of part time and flexible work. The model has adopted a Full Time Equivalent of £19,000, and calculated GVA on the Part Time

figure of £9,500 which is more appropriate for the roles which will be created through the project.

- **Build Costs:** No build costs have been assumed in this project. £100k has been identified for the establishment of the Social Enterprise Hub, through rented serviced office accommodation.
- **Purchaser's Costs:** No Purchasers cost have been included within the project.
- **Contingency costs:** No Contingency costs have been identified within the project.
- **Professional Fees:** there are no professional fees associated with the project.
- **Equipment and Materials:** costs for the project are included within the Hub activity and in elements of the grants provided to third party recipients within the sector.
- **Indirect Jobs created and safeguarded:** Indirect jobs have not been included in the model. The project has identified 10 jobs which will be safeguarded through the grant programme. These jobs will be based within social enterprises which are operating with time-limited projects which could be extended with support from the Towns Deal. Additionally with increased pressure on budgets due to COVID-19 a number of jobs will also be protected with grant support which would ordinarily be lost as social enterprise re-adjust their budgets.
- **Monetised benefits:** all benefits have been monetised and that there are no additional benefits included within the economic appraisal.
- **Disbenefits:** there are no disbenefits foreseen as a result of investing in the project. The project focuses on improving the performance of the Social Enterprise sector which has an important role in supporting Northampton's most vulnerable communities.
- **Equality impact:** the project and the overall approach of the project is to serve the wider community irrespective of age, disability or ethnicity. Therefore the project will not be favouring or negatively impacting one community over all others.
- **Profit:** No developers profit has been assumed.

Social Value assumptions

The principal impact of a stronger social enterprise sector will be to provide valuable support services to West Northamptonshire residents. Accordingly, a number of social value benefits have been modelled using a range of sources, underpinned by the Greater Manchester Unit Cost Database.

Modelling has been applied to following areas where supported Social Enterprises will be delivering support and services.

- Mental health disorder support

- NVQ Level 2 Qualification - annual fiscal and economic benefits
- NVQ Level 3 Qualification - annual fiscal and economic benefits
- Reduction in the number of people with drug misuse
- Reduction in the number of people with alcohol misuse
- Programme support to ex-offenders to return to work
- Homelessness advice and support - cost of a homelessness prevention or housing options scheme that leads to successful prevention of homelessness
- "Job Seeker's Allowance Fiscal and economic benefit from a workless claimant entering work"

3.5 Economic Appraisal Report

In preparing the Economic Appraisal a Cost Benefits Analysis of Option 3 has been developed and are broken down into the individual project elements which form the wide project. Appendix 5 details the economic modelling related to Option 3.

3.6 Preferred Option – Benefits

In preparing the Economic Appraisal a Cost Benefits Analysis of Option 3 has been developed and are broken down into the individual project elements which form the wider project.

i) **Employment Impact**

Delivery of Option 3, the Preferred case will generate net present benefits of **£194,940** (with multiplier added) and supports 20 new jobs and safeguard a further 10 jobs over a 5-year period from as set out in Appendix 5. New jobs will be based on a range of employment, including part time, flexible hours, retail hours and full time, in each case salaries will be co-invested by both existing social enterprise funds and the proposed grant scheme. With the grant scheme being invaluable to providing scope to employ more people.

ii) **Social Value**

A key element of the Skills and Social Enterprise project is the support that will be provided to the local community. The project will have a number of positive outcomes that will directly support West Northamptonshire's most vulnerable community. The project will have a growing impact on skills qualifications, mental health support and signposting and on crime levels. Crime levels will be impacted through the occupation of current empty and reducing anti-social behaviour and criminal activity in the Town Centre.

Through modelling the 5-year GVA forecasts social value has been identified as contributing £590,280 to Northampton Town Centre, as shown in Appendix 5.

Option 2: Use all the funds to create and maintain a dedicated social enterprise hub.

Option 2 has been developed to assess the impact against those of the preferred case. The sole implementation of the hub has been modelled and generates a BCR of **0.38**. This option delivers significantly less jobs outputs (4 in total) and reduced sales benefits and social value. While this option is viable, over a 5-year period a total net present benefits of **£177,245** would be generated within the Town Centre, this compares to the Preferred Option delivering net present benefits of **£709,741**

Appendix 6 sets out the detailed modelling for Option 2.

Sensitivity Test Analysis

In order to undertake sensitivity analysis, we switched certain key values and tested certain 'what if' scenarios by altering the values of the 'uncertain' costs and benefits to observe the effect on the overall ranking of options.

This included testing different economic impacts; shortening the timescales and exploring the impact of cost increases.

- Reducing the analysis period to 3 years reduces the BCR to 0.5
- Removing all direct jobs from the benefits changes the BCR to 1.09
- A reduction in all the economic benefits to zero, except the creation of direct jobs would reduce the BCR to 0.97
- Calculating GVA per direct job at Full Time equivalent leads to a BCR of 2.02. This however does not reflect the likely job creation enabled by the Towns Fund.
- To increase the BCR to 2.1 the project would need to increase GVA per job to a baseline of £21,000 per annum. This level of GVA is initially unlikely within the lifetime of the project, looking into the future a successful project which grows the Social Enterprise sector will increase the range and wage associated with the sector.
- A reduction in all the economic benefits to zero, except the creation of direct jobs and GVA would reduce the BCR to 0.25.
- Benefits would have to increase by £230,000 for the BCR to achieve 2.1. This would require more investment to gain leverage and would require significantly more employment opportunities to be created which is beyond the scope of the Towns Fund investment.

The sensitivity analysis suggests the preferred case is reasonably resilient to potential fluctuations to individual inputs, however if the Towns Investment Fund is to fully support the growth and development of the Social Enterprise sector the preferred case is currently the optimal project.

3.7 Summary of Impact Appraisal – Key Findings

The Economic Benefits show the detailed assessment of the Preferred option. Forecasts indicate that the preferred option would deliver up to **£709,741** of public benefits by 2026 (after Deadweight, Displacement, Leakage, Substitution and Multiplier Effects) as the Social Enterprise sector benefits from investment. Thereby delivering a Public Value for Money BCR of **1.51:1**.

3.8 Analysis of Monetised Costs and Benefits (AMCB)

Total net additional benefits	Preferred Option (NPV, 2021-22 prices)
Benefits for the BCR	
Land value uplift (LVU)	£m
Wider LVU	£m
Amenity value	£m

Total net additional benefits	Preferred Option (NPV, 2021-22 prices)
Air quality (if applicable)	£m
Transport benefits (e.g., time savings)	£m
Other applicable and robustly evidenced benefits*	£709,741
Total benefits for the BCR (A)	£709,741
Costs	
Towns Fund/funding (B)	£500,000
Co-funding local authority cost (including borrowing) (C)	£m
Total cost (Towns Fund + Co-funding) (D)	£500,000
Private sector cost (E)	£0
BCR calculation formula	1.55:1

4. Financial Case

The Financial Case assesses the affordability of the investment, identifying cost, revenue, and funding sources, with the level of detail should be proportionate to the size of the project.

4.1 Introduction

This sets out the financial case and background to the Skills and Social Enterprise Fund project; and outlines the project costs, revenue and funding sources in more detail as well as considering any financial risks in more depth and mitigating actions. It is important to highlight that there are many benefits outside of the standard financial cost/benefit calculation that should be considered as part of the project and included when reviewing the numbers in isolation.

4.2 Funding

This project is purely a revenue funded and all funding comes from the £500,000 Towns Fund investment. There are no capital costs to be considered.

The financial profile of the investment is as follows:

Year	Outputs
2021/2022	£50,000 for the rented accommodation for the Hub and associated costs (staffing and marketing)
2022/2023	£150,000 Grants
2023/2024	£50,000 for the for the rented accommodation for the Hub and associated costs (staffing and marketing) £150,000 Grants
2024/2025	£100,000 Grants

Project Costs

As part of the development of the hub and the delivery of the scheme, there are associated costs such as resourcing and marketing. These indicative costs are detailed below:

Activity	Indicative Cost
Rented office accommodation	£45,000
Staffing	£47,880
Admin costs and equipment	£7,120
Grants to local social enterprises	£400,000

These costs are based off engagement with partners who have been involved in the delivery of other schemes, as well as previous experience and the average costs of high quality serviced office accommodation in the town.

When all services and products are procured, the project will follow West Northamptonshire Council's procurement guidelines to ensure best value for money.

4.3 Financial Risks

Risks will be identified on a case by case basis in the delivery of the grants by the Grant Management Committee. When assessing the recipients of grant, due diligence will be undertaken to assess the organisations capacity and financial background.

A risk register will be produced when delivering the grants and regularly monitored and reviewed by the Grant Management Committee.

Risks for the delivery and management of the scheme include:

- Record keeping and audit trail – ensure that consistent documentation is retained at all stages of the process to comply with Government monitoring requirements.
- Application process – ensure the application process helps the applicant tell their story but also rigorous to ensure that due diligence questions are fully covered.
- The Grant Management Committee – ensure that the committee has the skills, resources and capacity required to review all applications and make informed decisions on the decision process.
- Recruitment – ensure the recruitment process for staff is simple and clear, without successfully recruiting the scheme will not be able to deliver the stipulated outputs.
- Rented service accommodation – rented accommodation might be higher than budgeted, ensure that best value is sought when procuring office space.

Currently, all risks sit with West Northamptonshire Council until the Grant Management Committee is set up in early 2022. Once the committee is set up a full risk register will be developed, with regular monitoring and evaluation by the committee.

There are no risks to date as no funding has been committed or the project implemented.

5. Commercial Case

The commercial case covers the commercial feasibility, contractual issues and high-level approach and the procurement strategy and key risks, including risk transfer strategy and mitigation plans and any constraints. This section sets out how the project intends to provide grants to the Social Enterprise sector and establish a central hub for the sector.

5.1 Commercial Deliverability

The projects focus is providing capacity building grants to the Social Enterprise sector. The focus of the sector is its intention to address a social need and its complementary role to commercial enterprises that would otherwise not be created. At this point the final grant recipients are unknown. From a commercial perspective all submissions for grants will be appraised against clear commercial factors. Social Enterprises submitting applications for grants will be asked to produce a theory of change which will set out a formal base for metrics to be achieved through each grant. Submission will address the following questions in understanding the potential commercial impact the grant will make and the social impact of the support. Formal questions will include.

- Has the grant supported an increase in product range or services?
- Has grant investment supported improved commercial return?
- How many people have taken formal courses?
- The number of people supported into sustainable work?
- Which communities are the principal beneficiaries of support?
- How many beneficiaries have received intervention to improve their health?

The establishment of the Hub will provide a central location for the sector. The project team will base them self in rented serviced accommodation offices. The Hub will provide advice and support alongside over monitoring of the grants and associated projects. This will ensure effective monitoring of the overall project and assessment of the commercial value that is delivered through the social investment.

The overall project will be overseen by a Grant Management Committee representing the sector and West Northamptonshire Council. They will be supported by Hub employees (once appointed). The Grant Management Committee will be responsible for approving grants with recommendations being made by the Hub officers.

An inflation contingency has not been included within the costings due to the scheme being predominately a grant scheme. All costs associated with the Hub have been reviewed and are not subject to inflation. Insurance will be in place to cover the Hub, with grant recipients having their own arrangements.

5.2 Procurement Strategy

For Hub elements, three quotes will be sought before commitment to purchase. Once the project is approved, the procurement of rented service accommodation and staff will commence (early 2022.)

There are two major risks to the project at this stage:

1. The take up of grants is low/slower than anticipated. The project will be advertised to the wider sector setting out eligibility and target support being sought. We believe that the project will be received positively by the sector and if activity is slower, we would use our network of contacts to promote the project.

2. Inappropriate use of funds by recipients. The Grant Management Committee and Hub will put in place effective monitoring to ensure that all recipients deliver against their original objectives. We will encourage recipients to report 'change requests' if they do require a change in spend priority. Any such change request of over £500 will be reported to the Grant Management Committee, with the Hub able to confirm and document any change lower than £500.

5.3 Wider Considerations

There is one major consideration that may have an impact on the project. This relates to the impact of COVID-19. This may impact upon the nature of services that can be provided by grant recipients. This will be monitored by the Grant Management Committee.

5.4 Subsidy Control Comments

This project is compliant with the Subsidy Control regime as per external legal advice. The following comment has been provided by a Solicitor in relation to WNSET and the companies in receipt of the social enterprise grant:

The amount involved is below £315k and the entity has not received other subsidy in the last three years, so that the rolling amount (over 3 years) is greater than £315k then this is permitted on a de minimis basis (i.e. too small to have a material effect). The same would true of the subsidy disbursed by the third party, but there you look at the recipients and you would have to judge, on a case by case basis, whether the amounts received, by each one, added to any other subsidy they may have received in the last 3 years will take them over the rolling limit – in practice this can be achieved by self-certification (that is what happened under the old State aid rules) by letter.

6 Management Case

6.1 Introduction

The management case assesses the deliverability of the investment that the Government via West Northamptonshire Council will make through the local representative Social Enterprise body (West Northamptonshire Social Enterprise Towns CIC). The investment will seek to develop the local social enterprise economy to drive increased employment, turnover and social inclusion which will be a supporting factor to the redevelopment of Northampton town centre.

WNSET has selected representatives of local social enterprises to form a Grant Management Committee, along with a representative from the Council. The Grant Management Committee will be responsible for assessing, interviewing and the delivery of the grants to local social enterprises.

6.2 Project Organisation and Governance

The Grant Management Committee will provide the oversight and day-to-day management of the programme and delivery of the grants. The committee will be made up of 4 representatives from the WNSET board and 1 representative from West Northamptonshire Council.

Members will have a demonstrable track record of delivery support and grant delivery projects with budgets of a similar value within local community infrastructure.

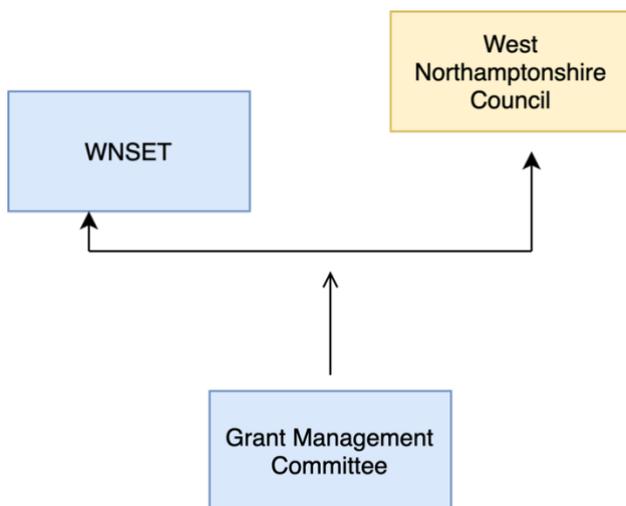
All approved grants and spend will be passed for final approval to the Head of Major Projects and Regeneration, West Northamptonshire Council. This will be formalised through a Grant Funding Agreement with the WNSET which will detail key milestones and performance indicators that must be met before the grant can be drawn down.

The table below shows the key roles, accountability and responsibilities of each of the groups responsible for the delivery of this project:

Group	Role	Responsibility	Resourcing
WNSET Board	Project Initiators and Oversight	Overall accountability of project	<p>The Board of WNSET currently consists of 6 volunteers with a diverse mix of skills including complex project and budget management and business leadership, including representation from the University of Northampton.</p> <p>There are currently vacancies to increase this group to 9 specifically focusing on greater gender balance and representation of additional minority ethnicities.</p>
Grant Management Committee	Day-to-day management of the grant programme	To create process and associated forms, scoring guidance and structure etc to support the grant programme.	The Grant Management Committee is made up of two members of the WNSET CIC Board, two other representatives from the wider membership of WNSET plus a selected officer from West Northamptonshire Council.

		<p>To engage with social enterprise organisations, provide impartial advice and guidance to their submission of grant applications.</p> <p>To then provide the forum for assessment of and judgement of submitted bids for funds.</p>	
West Northamptonshire Council	Oversight of the Towns Fund programme and support of projects	Ensuring that the programme meets it's agreed objectives as well as supporting overall development and growth within Northampton and specifically the Town Centre.	The Council have a dedicated Programme Manager and Regeneration Officer to oversee the project.

Governance Structure



West Northamptonshire Council

West Northamptonshire Council will oversee the delivery of all Towns Fund projects and manage the programme of activity.

West Northamptonshire Council's projects team has a strong and demonstrable track record in delivering major, transformational projects. The Council has put in place the arrangements for successful delivery of the interventions, including: a robust governance structure, risk and change management plan, and a system for monitoring and evaluating post-delivery benefits. The Northampton Forward Board acts as the Programme Delivery Board and the Town Deal Board for West Northants.

Northampton Forward is an informal partnership with the primary role of coordinating and driving forwards the integrated regeneration and growth within Northampton, including Northampton Town Centre. It acts as the Town Deal Board for Northampton and shall be responsible for establishing a strategy and delivery framework for the future development to achieve this vision.

The delivery of the regeneration framework shall be carried out by Northampton Forward's core partners – West Northamptonshire Council, South East Midlands Local Enterprise Partnership, The University of Northampton, Private Sector Representatives, Northamptonshire Police, Northamptonshire Chamber of Commerce, Royal and Derngate, Community Representatives, Northampton Town Centre Business Improvement District and other Partners as and when needed.

The Council will have a dedicated internal team to oversee and monitor the project, this will include:

- Project Sponsor
- Client Project Manager
- Programme Manager

Monitoring and Oversight

West Northants Council is the Accountable Body for the Towns Funding. As the Accountable Body WNC will be responsible for discharging all obligations with MHCLG. WNC will be responsible for overseeing the financial management and accountability monitoring of the project.

Regular monitoring will be undertaken, and the project team will comply with all requests from the Council for information regarding the progress of the project. This will include a project monitoring form which is required quarterly. The monitoring form will record information on expenditure and the progress being made towards delivery of the outputs as well as risk management and communication plans.

A full evaluation of the project will be carried out once completed to inform lessons learned as well as presenting the output information to Government.

Representatives from the Council and Government will have the right to inspect the project and all information.

The Northampton Forward Board will also receive the same updates as the Board responsible for the strategic direction of the regeneration activity in Northampton and the Town Deal Board.

WNSET Governance Responsibilities

The Grant Management Committee consists of the Chair of WNSET CIC plus three other members of the WNSET group. The Chair of WNSET has considerable current experience of managing similar grant funds on behalf of West Northamptonshire Council and its predecessor Councils - Northamptonshire County Council and Northampton Borough Council.

6.3 Assurance

WNSET CIC currently has no full-time staff but instead relying on voluntary time given by Directors and others, a proportion of the overall Towns Fund budget will allow for the employment of a part-time resource to closely manage and report on the maintenance of the grant process including to make observations and raise concerns to the Board and ensure that the end to end process is fully documented and reportable in line with the reporting requirements agreed with West Northamptonshire Council.

WNSET CIC is a registered social enterprise company and must therefore report to Companies House.

As part of the Towns Fund funding, a grant funding agreement will be issued to WNSET CIC by West Northamptonshire Council. This will set out the terms and conditions of the grant funding, including monitoring and oversight, review and payment milestones. Quarterly project updates will also be required which will be reviewed by an appropriate team within the Council.

Performance of the project will be monitored against the milestones set out in the grant funding agreement.

6.4 Schedule Management

The project programme is as follows:

Date	Activity
January 2022	Secure accommodation for workspace, training space and meeting rooms. Allocated budget of £100,000 over four years for space, training, staffing and promotional activity.
February – April 2022	Finalise grant scheme and put mechanisms in place. Devise promotional marketing campaign for the scheme.
May 2022	Launch grant scheme.

June 2022 – March 2023	Delivery of Grants
April 2023 – March 2024	Delivery of Grants
April 2024 – March 2025	Delivery of Grants

6.5 Risk and Opportunities Management

The management structure of the Grant process within this element of the Towns Fund is designed to provide maximum de-risking of the project. With all grants evaluated individually within the Grant Management Committee forum and then only when approved being passed to West Northamptonshire Council for final approval and payment of grant monies the project funds are to a greater extent mitigated by the risk methodologies of the Council itself.

In addition, it will be agreed that no grant may be for greater than £10,000 and that no Social Enterprise may apply for or be provided with more than a single grant. Additionally Social Enterprise organisations will need to submit due diligence of their company structure to ensure that no organization or individual of significant control is able to benefit from more than a single grant of monies from the Town Fund.

All risks currently sit with West Northamptonshire Council, once the project is approved and the Grant Management Committee is set up then a full risk register will be developed and regularly monitored and evaluated.

The project will follow West Northamptonshire Council's Risk Management Strategy and Framework - <https://www.westnorthants.gov.uk/finance/risk-management-strategy-and-framework>

6.6 Project Management

To deliver the programme it is imperative that roles and responsibilities are clearly defined and that all parties understand the scope of their responsibilities and limits to their authority. For details of the roles and responsibilities of named groups within the project please see the project organisation and governance table above.

Change will be managed through the same governance structures named within the table, suggestions for change will be evaluated and documented formally by the WNSET Board and then submitted to West Northamptonshire Council for review before a decision being made. Some requests might need to be progressed to MHCLG.

6.7 Stakeholder Engagement

During the period since the Social Enterprise Stakeholder group on behalf of Northampton was granted Social Enterprise Town status (July 2019), the Stakeholder Group was incorporated as West Northamptonshire Social Enterprise Towns CIC. The group has engaged in prolonged and in-depth stakeholder engagement across Northampton and the wider West Northamptonshire region to better understand and represent the diverse mix of Social Enterprises represented within the town.

This has been facilitated through the development of steering groups, regular monthly networking and information sharing meetings, as well as engagement as a key representative of Social Enterprise on the SEMLEP VCSE group and other forums.

Through these various methods WNSSET has been able to engage with over 80 representatives of social enterprise businesses during 2020 – 2021 despite the restrictions of COVID-19. The group has also developed a website, social media presence and begun work on an online directory which already includes 22 registered social enterprise businesses to promote peer to peer collaboration and support by supporting the purchase of services across the local social enterprise economy.

This continuing relationship-building allows WNSSET to work closely both with existing social enterprises to determine how best they can be supported by funding and other initiatives such as specifically targeted training, indeed WNSSET is the single most representative body for social enterprise in the region.

WNSSET is additionally supported by the University of Northampton who have been a key component of the work WNSSET has done both in initial stages as one of ten stakeholder organisations and latterly as a significant Board member and supporter through it's Changemaker Incubator Programme, Social Impact Pledge & Internship initiatives.

Through this collaboration WNSSET would seek to engage with young graduates from the UoN in the creation of community focused social enterprise business as a viable opportunity for young entrepreneurs.

6.8 Benefits, Monitoring and Evaluation

There is more focus than ever on the need for new economic models, fresh ideas and a fundamental shift in the way we do business. This is high on the political, economic and academic agenda. Social enterprises can make a huge and positive difference to the world. The appeal is to all existing and would-be entrepreneurs to think about what sort of businesses they want to create and what impact they want to have on the world.

Additionally, there are tangible benefits related to investment in social enterprise business locally which has been seen in similar initiatives in other key locations, Plymouth, Liverpool, Birmingham & Sheffield.

The creation of new and fairly paid sustainable jobs within the Social Enterprise SME economy, reporting from SEUK demonstrates that social enterprises are more likely to pay staff the national living wage rather than the minimum wage.

Use of currently unused town centre premises as incubator social enterprises supported by Towns Funding are able to grow into their 2nd and 3rd years of trading creating employment for local people and adding significantly to the local economy and vibrancy and diversity of the town centre.

Previous grant funding of this type in Plymouth generated 127 projected jobs and return on investment (ROI) of 3:1. Northampton is a similar population size, is fully able to replicate these results with positive collaboration between WNC and WNSSET and the opportunities afforded by the Towns Fund funding.

After the project is completed, the following will be conducted:

- A review of the benefits detailed to assess whether they have been achieved. This will measure the project's achievements against the baseline and target data. This will be reviewed 6, 12 and 24 months after project completion
- A survey assessment with social enterprise businesses and other key stakeholders to establish their views on whether success has been delivered

- Specific reporting will be adhered from each recipient of grant funding to allow forecast change to be reviewed against actual growth of those social enterprise businesses including economic growth, creation of jobs and community support and engagement.