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# Building Capacity for Impact: Understanding the Social Business Support Sector

SEPTEMBER 2022



COLLECTIVE  
LEADERSHIP  
GROUP



**This report is just the beginning.  
There is still plenty of work  
to be done to create a fairer  
economy, underpinned by  
strong communities.**

**Dirk Bischof  
CEO / Founder of  
Hatch Enterprise**

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**COLLECTIVE  
LEADERSHIP  
GROUP**

**Collective Leadership Group**

The CLG is committed to strengthening the relationships among organisations that build the capacity of leaders driving social impact initiatives in the UK. If you'd like to join us or find out more, please contact:

**[nohelia.r@collectiveleadershipgroup.co.uk](mailto:nohelia.r@collectiveleadershipgroup.co.uk)**



**Image:** Selin Yigitbasi-Ducker, Founder and CEO of Goodsted at Hatch's female founders focus event, November 2021

# Foreword

**The Collective Leadership Group (CLG) is a network of 44+ organisations that support and build the capacity of social impact leaders and enterprises in the UK. The group provides a forum to collaborate, share and learn from each other in order to increase our collective impact.**

Since launching in 2019, a key priority for the CLG has been to analyse and map the social impact ecosystem to understand the needs and priorities of the sector, particularly in relation to diversity, equity and inclusion. We surveyed our members in spring 2022 to understand what good practice already exists among us, and where we can do better, both individually and collectively.

We're delighted to share our first report, *Building Capacity for Impact: Understanding the Social Business Support Sector*, which marks an important step in mapping who our members are within the social impact sector and understanding our diversity practices, our programmes and those we serve. It is a starting point for building a collective voice for our sector and encouraging further collaboration.

The last few years have been difficult for everyone, and now, more than ever, the communities we serve will need our support. The CLG members have an important role to play in levelling the playing field for diverse leaders of social enterprises and impact-led organisations by helping them build their skills and grow their

businesses. This report highlights our collective experience as well as some of the gaps in our practice which we can now start to address in order to better serve our communities and maximise our reach.

**“The last few years have been difficult for everyone, and now, more than ever, the communities we serve will need our support.”**

We hope you find this report useful and informative – if you have any questions, comments or suggestions, please contact us [here](#).

Finally, we would like to thank the CLG members for their enthusiasm and contribution in producing this report and our funders, whose assistance has been critical to the CLG's formation and growth.



**Dirk Bischof**  
CEO/Founder of  
Hatch Enterprise



**Nohelia Rambal**  
Collective Leadership  
Group Lead

# Why the Collective Leadership Group exists

**The CLG exists to share learnings and insights and create collective partnerships and action towards our mission to provide access to support and expertise to more leaders and organisations working for social impact.**

Together we play an important role in the UK social economy sector, helping leaders of social enterprises, community and voluntary organisations to build their skills and grow their businesses. As representatives of the 'Advice and Support' providers (see graphic), all our members share a common priority to level the playing field for underrepresented leaders. Underpinning this is our work to understand and address issues of diversity, equity and inclusion in both our programmes and our own organisations.



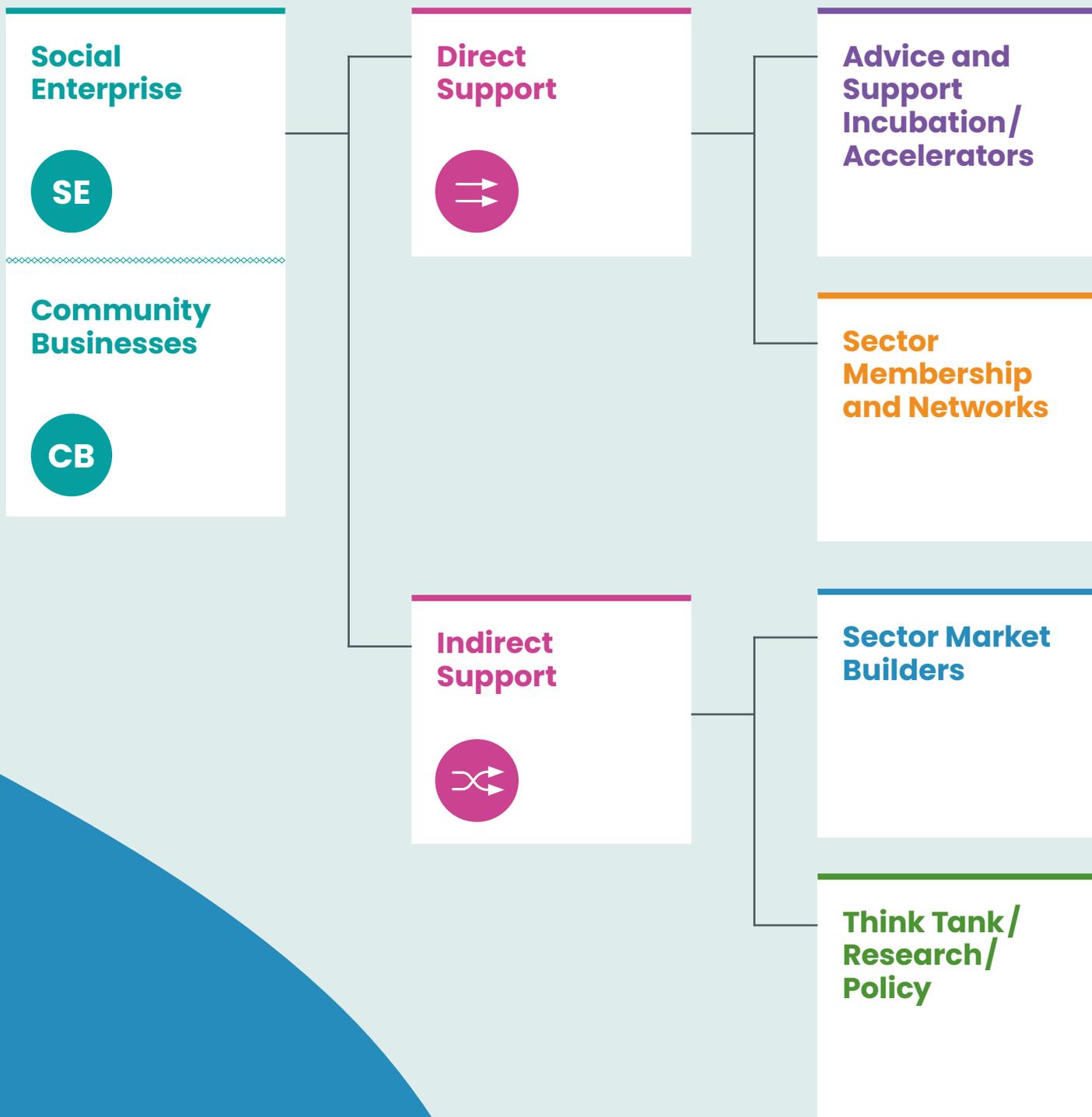
Image: Xiaobin Zhao – Allia Impact Accelerator

**“There are some impressive organisations and programmes within the capacity-building sector, but there is also a lot of work that is happening in silos. The CLG was formed to help break down some of those walls, and help capacity-building organisations build clarity on who is doing what, share learnings, and build relationships that enable collaborative and collective action. All of this is in service of providing more, higher quality support that reaches more people who are committed to building a more just, inclusive and sustainable society.”**



**Benjamin Lane**  
Programme Director,  
UK Acumen Academy.  
Founding Member,  
Collective Leadership Group

# Mapping the Social Economy Sector, Key Sources of Support



Source: Adapted from mapping completed by the National Lottery Community Fund in 2021



Image: Allia Impact Accelerator – Summer 2021 Cohort. Photographer: Alexander Newton

# About this report

**The Collective Leadership Group surveyed its members in March 2022 in order to produce this report. Although this is in no way representative of the whole sector, it aims to provide a summary of member organisations' size and reach, the focus and range of our programmes and, in particular, our current practices on embedding diversity, equity and inclusion into all that we do.**

The data presented provides a benchmark for CLG members to compare their operations with that of their peers, and a steer for the group to focus its collective action and learning in support of areas identified for growth and improvement.

While the primary audience for this report is CLG members themselves, the data provides a snapshot of the current capacity-building sector for social enterprises and social impact leaders, and may therefore contain useful insights for others working in this sector either as delivery organisations or funders.

The survey was conducted online and issued to 43 organisations based across the UK, of whom 23 responded. It focused on programmes delivered in the UK only and was based on their 2021 performance.

# Report highlights

The CLG members who responded to the survey:

**6,729**

social leaders  
and enterprises  
supported in 2021



**Serve all of the UK.**  
But London still  
most common  
HQ location, and  
biggest group of  
participants



**Support public,  
private and third  
sectors** with great  
focus on social  
enterprise



Have a range of  
programmes,  
with **emphasis  
on longer-term,  
in-depth support  
(over 6 months)**



**Diverse cohorts  
of social leaders.**  
Strongest offering  
for women, black  
or minority ethnic,  
and refugees

The CLG members who responded to the survey:

**78%**

adopted **ED&I  
practices within  
recruitment and  
retention** practices

**90%**

programmes  
designed with  
**accessibility  
in mind**



**Gender and  
ethnicity pay gap  
analysis** still to  
be adopted by  
the majority of  
members

# Who we are and what we do

## Our size and reach:

**78%**

of CLG organisations have less than **30 employees**



**6,729**

Total number of **social leaders** and **enterprises** we served in 2021



## Where we work:

**78%**

of CLG members have their office base in **Greater London**



**22%**

focus on place-based or **regional programmes**



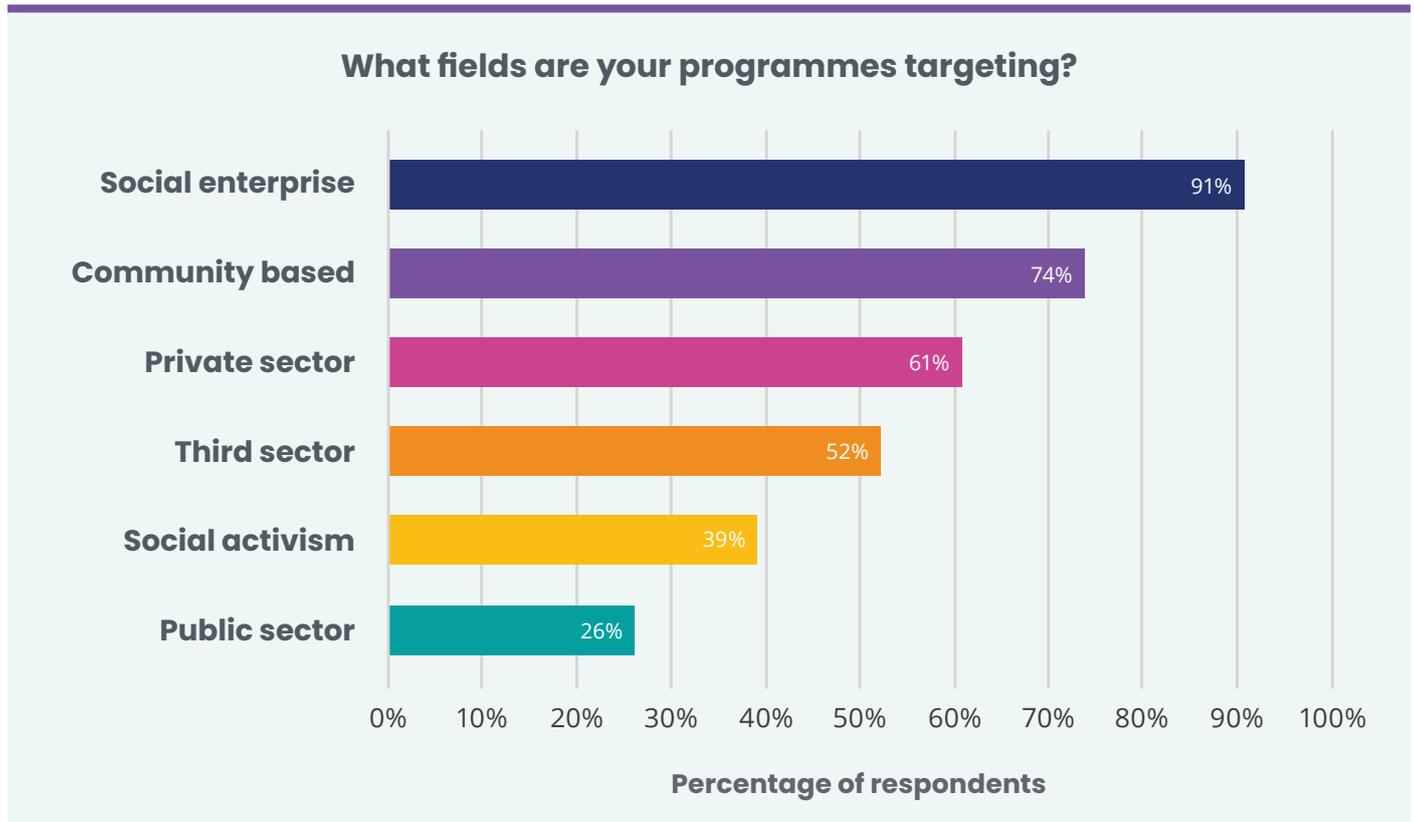
**78%**

run programmes with a **nationwide reach**



## Our sector coverage

We provide programmes for social impact leaders and enterprises across the private, public and third sectors, with a core focus on social enterprise.



# 61%

of CLG member organisations are registered as charities



**“Things have changed a lot over the last five years. There are more organisations supporting diverse entrepreneurs. As a result, we’re seeing more founders starting businesses which champion the needs of previously under-served markets and communities.”**



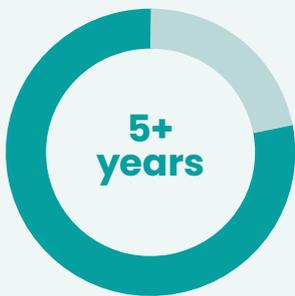
**Mandy Nyarko MBE**  
Co-Founder,  
Startup Discovery School

## Our years of experience

Together, we have over 250 years of experience supporting social leaders and social enterprises.

# 70%

of CLG members have been in operation for more than 5 years

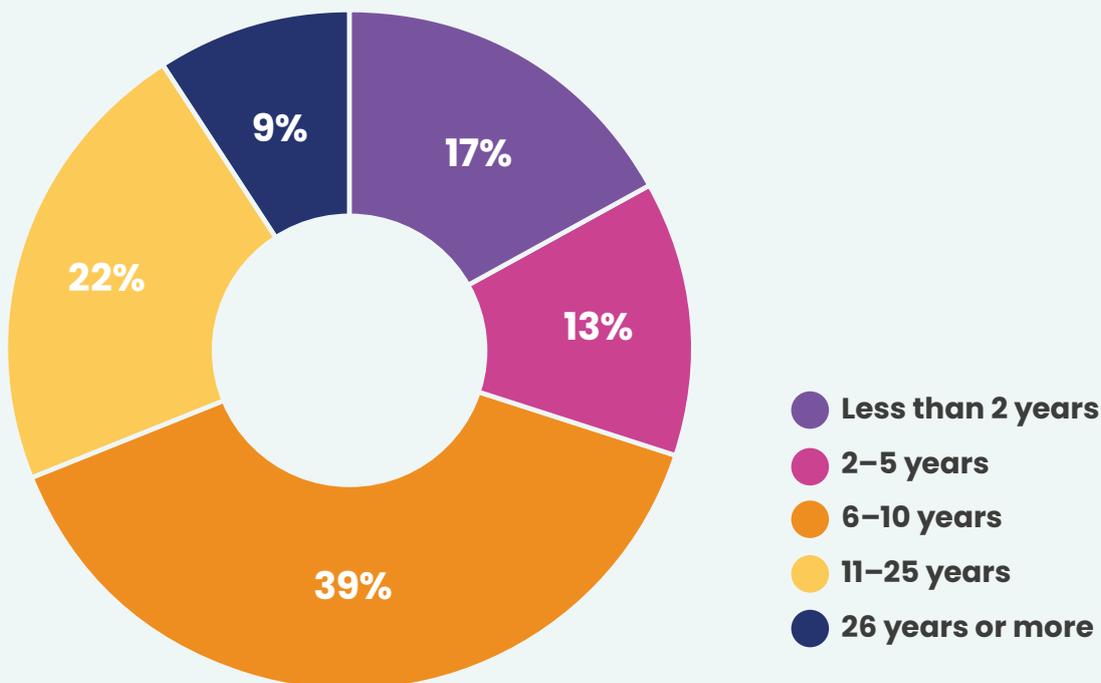


# 50%

of CLG members have been in operation for 11 years or more



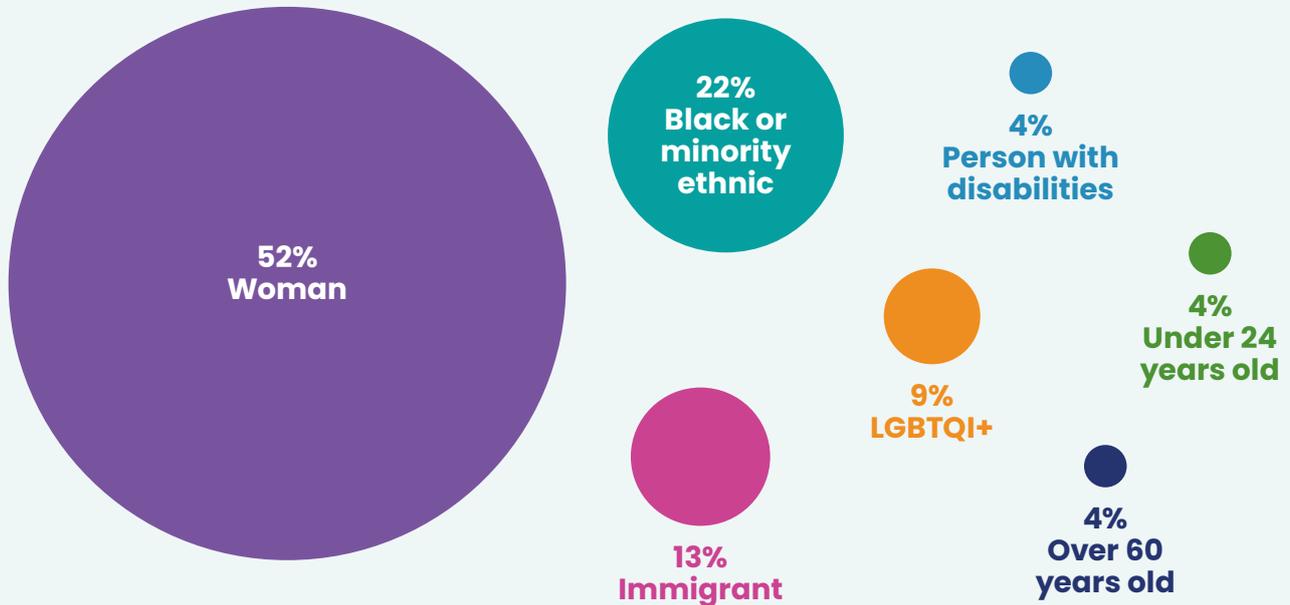
How many years have you been operating in the UK?



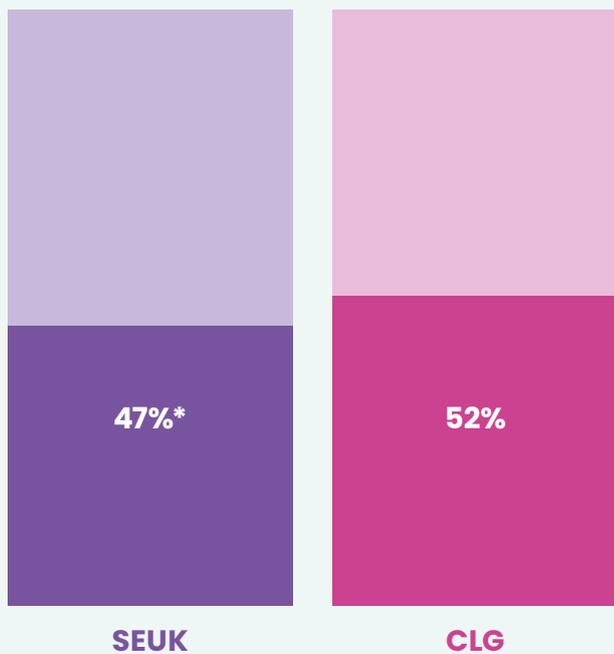
# Our senior leadership characteristics

The diversity of our senior leadership reflects the social enterprise sector but more work must be done to be fully representative.

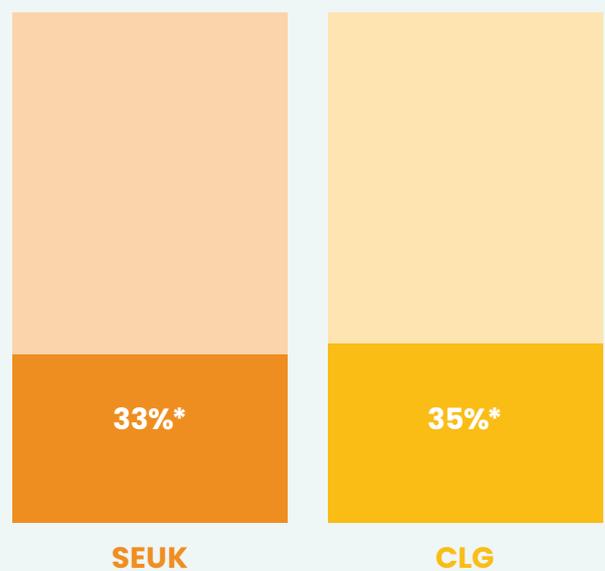
## Our main leaders/chief executives



## Percentage with a woman as main leader



## Percentage with at least one member of their leadership team who is from an underrepresented community



\*Social Enterprise UK's latest State of Social Enterprise Survey 2021

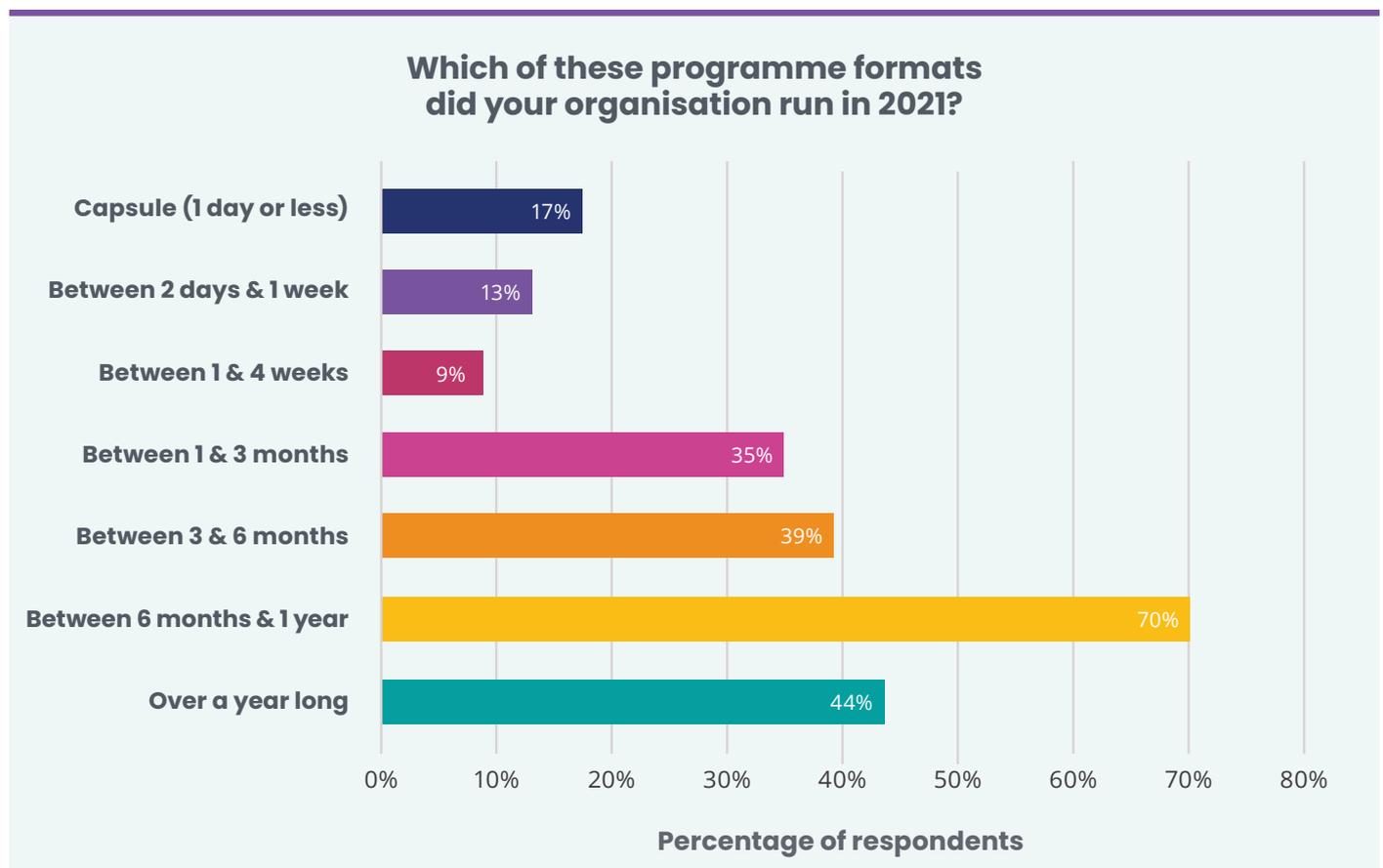
# Our programmes and who we target

## Our programme offer

Between us, we offer a wide range of support and capacity-building programmes for social impact leaders and entrepreneurs, from one-day events to development programmes lasting over a year.

70% of our members run programmes lasting between 6 months and one year, 44% run programmes lasting over a year.

This emphasis reflects the value of providing longer-term support to leaders and organisations as they grow.



## Our target groups

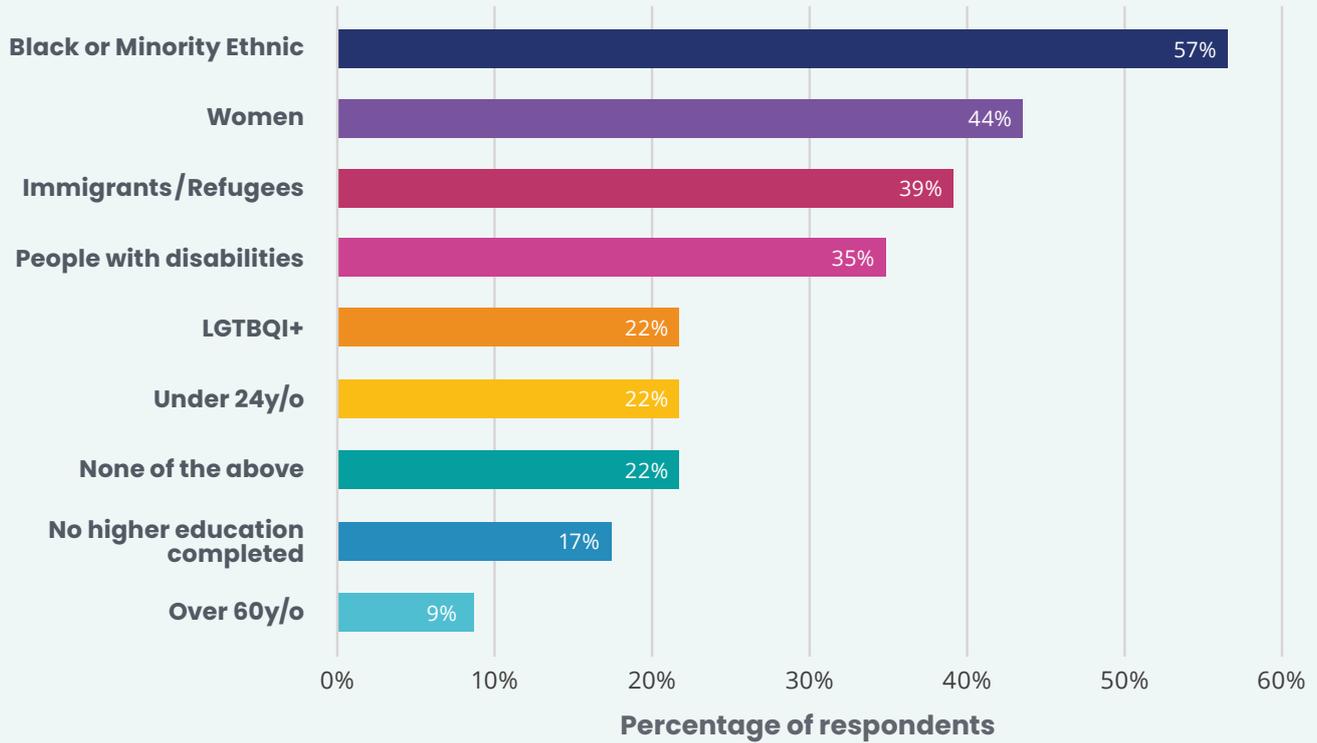
Our programmes target leaders from a diverse range of backgrounds, although some groups are currently better served by our members than others.

58% of us offer programmes that specifically target black or minority ethnic leaders, 44% run programmes for women and 39% run

programmes aimed at supporting immigrants and refugees.

Only 22% of members offer programmes specifically targeting younger leaders (under 24), despite a strong shared focus on supporting emerging leaders (see next section).

## Which of the following groups do one or more of your programmes aim to recruit from?



## The leadership stages we support

We work with leaders at all stages of development.

83% of our members support social impact leaders at an early stage in their careers (up to 10 years' experience – typically termed 'early leaders' or 'emerging leaders'), 52% support experienced leaders (more than 10 years' experience).

52% also run programmes to support community leaders who are driving grassroots initiatives.

The only group that appears notably underserved by our members is board leaders, including trustees and advisory board members, who nevertheless play a key role in the governance of the organisations we support.

## What stage of their career are the people you support?

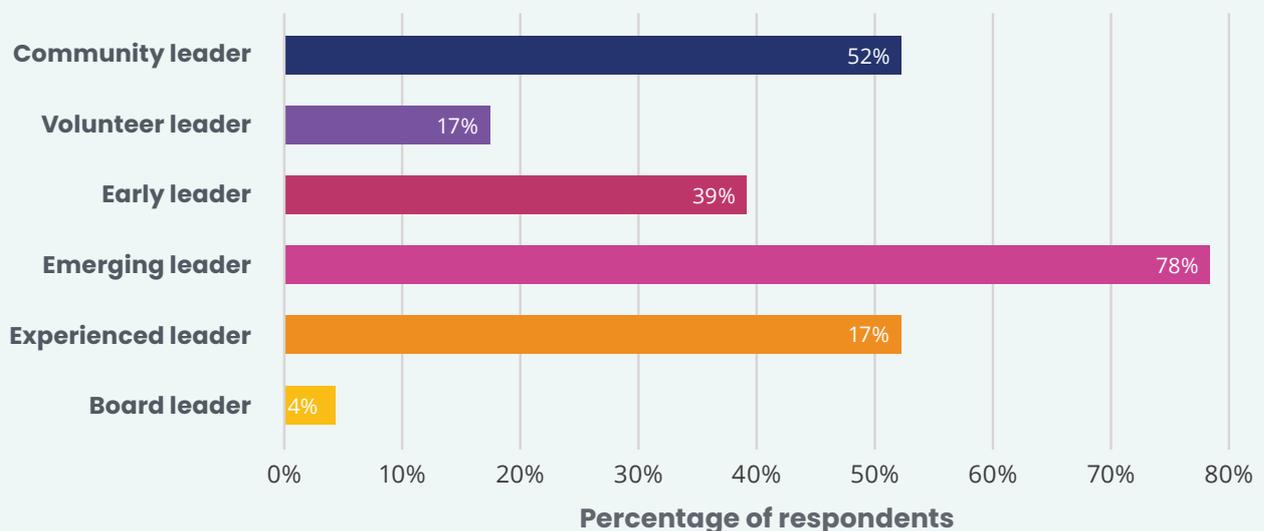




Image: Hatch Graduates Networking Event, June 2022. Photographer: Nico Froehlich

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**“The role of the social enterprise support sector is both educational and aspiration raising. It offers peer groups, social capital and access to connections which help aspiring entrepreneurs succeed.”**

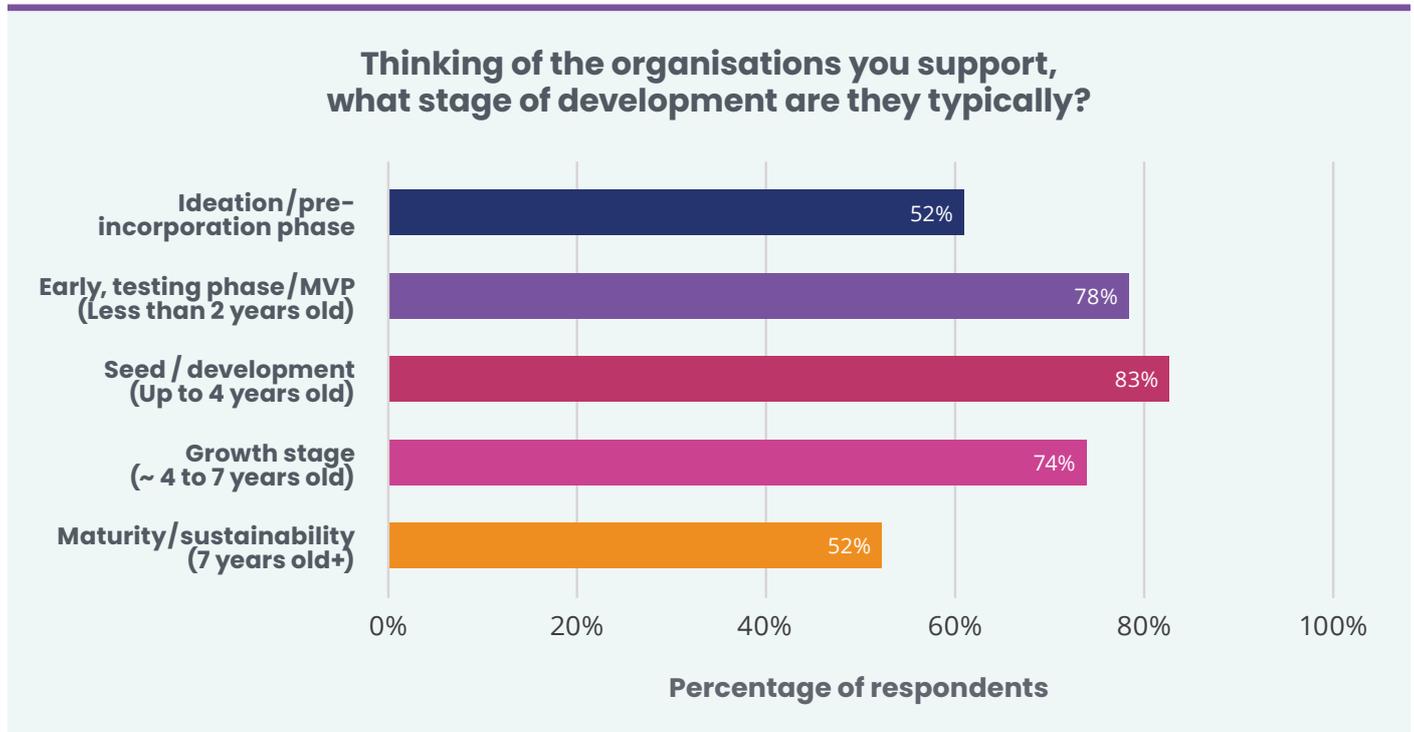


**Devi Clark**  
Managing Director,  
Impact Hub King's Cross

## The enterprise stages we support

We support enterprises at various stages of growth. 83% of our members support enterprises at seed or development stage (up to 4 years old), 52% support those that have been in business 7 years or more.

This evidence is contrary to the common belief that capacity-building programmes only target early stage enterprises, with a lack of support for those at a later stage of maturity.

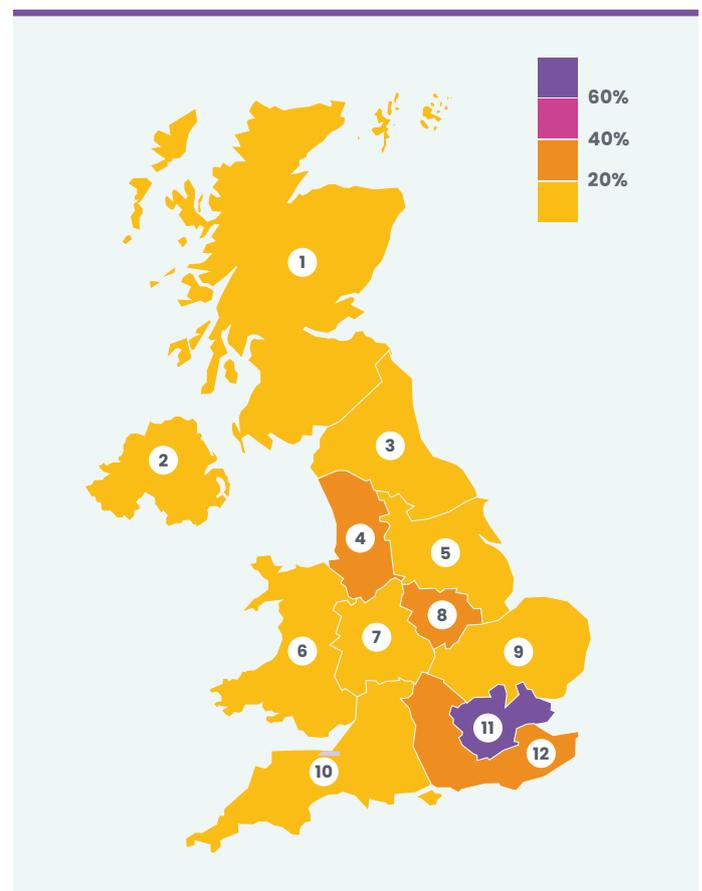


## Our geographical coverage

The CLG organisations support social leaders and enterprises across the UK. But in spite of the popularity of digital delivery, over half of the CLG organisations have 30% or higher attendance from Greater London.

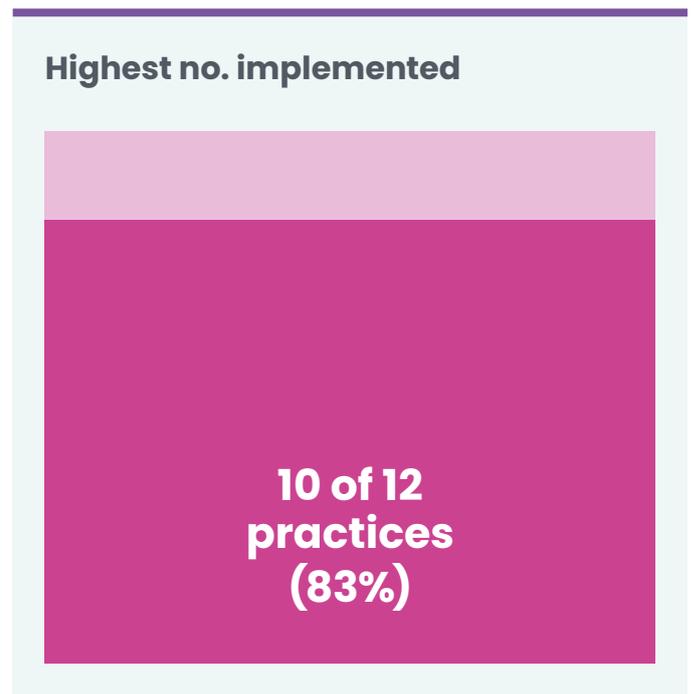
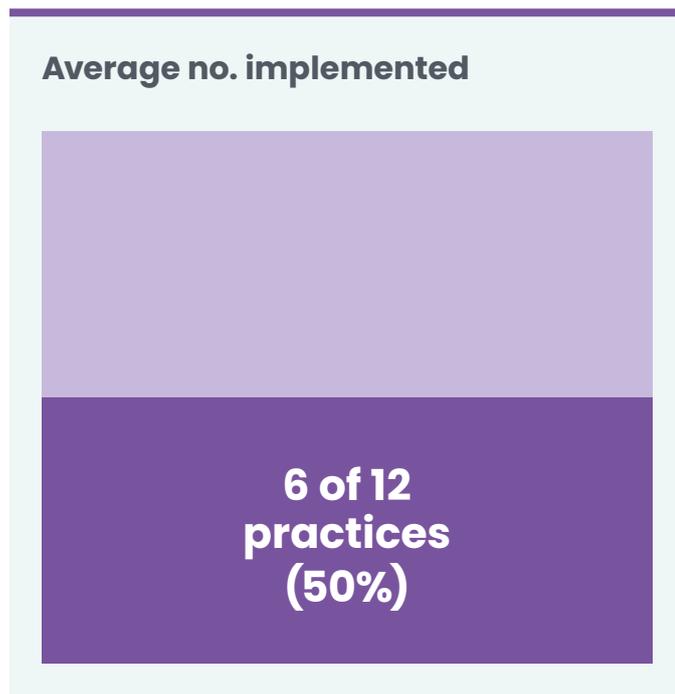
### Percentage of organisations with over 10% participation by regions

- |                                   |                               |
|-----------------------------------|-------------------------------|
| 1. Scotland<br>13%                | 7. West Midlands<br>13%       |
| 2. Northern Ireland<br>4%         | 8. East Midlands<br>22%       |
| 3. North East England<br>13%      | 9. East England<br>13%        |
| 4. North West England<br>25%      | 10. South West England<br>17% |
| 5. Yorkshire and the Humber<br>4% | 11. Greater London<br>65%     |
| 6. Wales<br>9%                    | 12. South East England<br>22% |

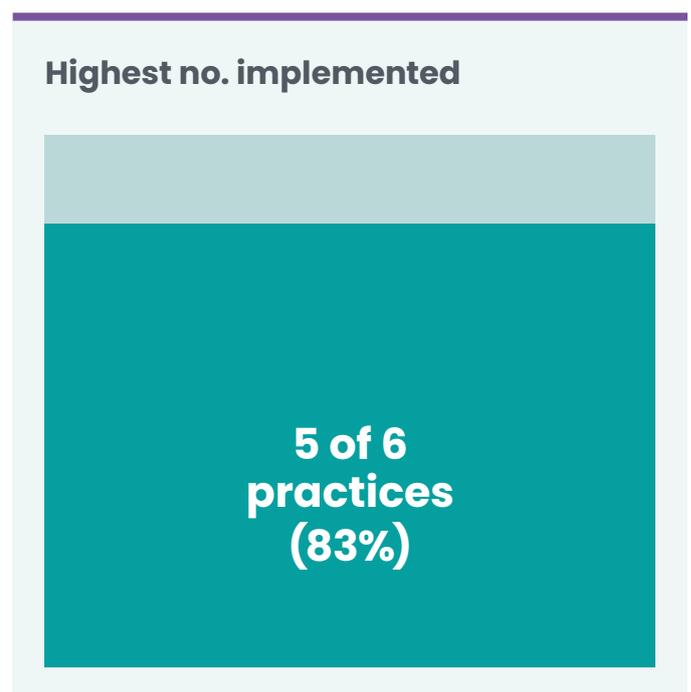
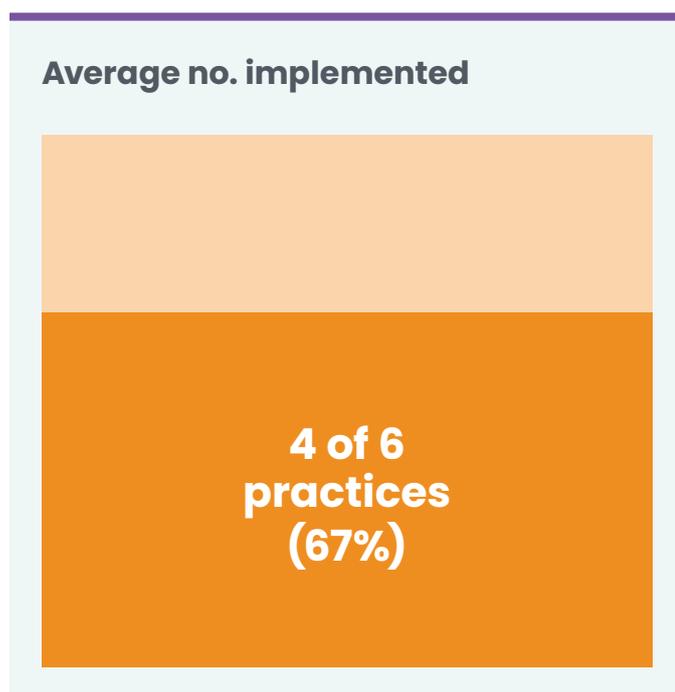


# Our equity, diversity and inclusion

## ED&I practices within CLG organisations



## ED&I practices within programme's design and delivery



## ED&I practices within our organisations

There is a strong appetite among CLG members to improve their equity, diversity and inclusion practices, to see how these measure up to other organisations and understand what can be improved across the sector.

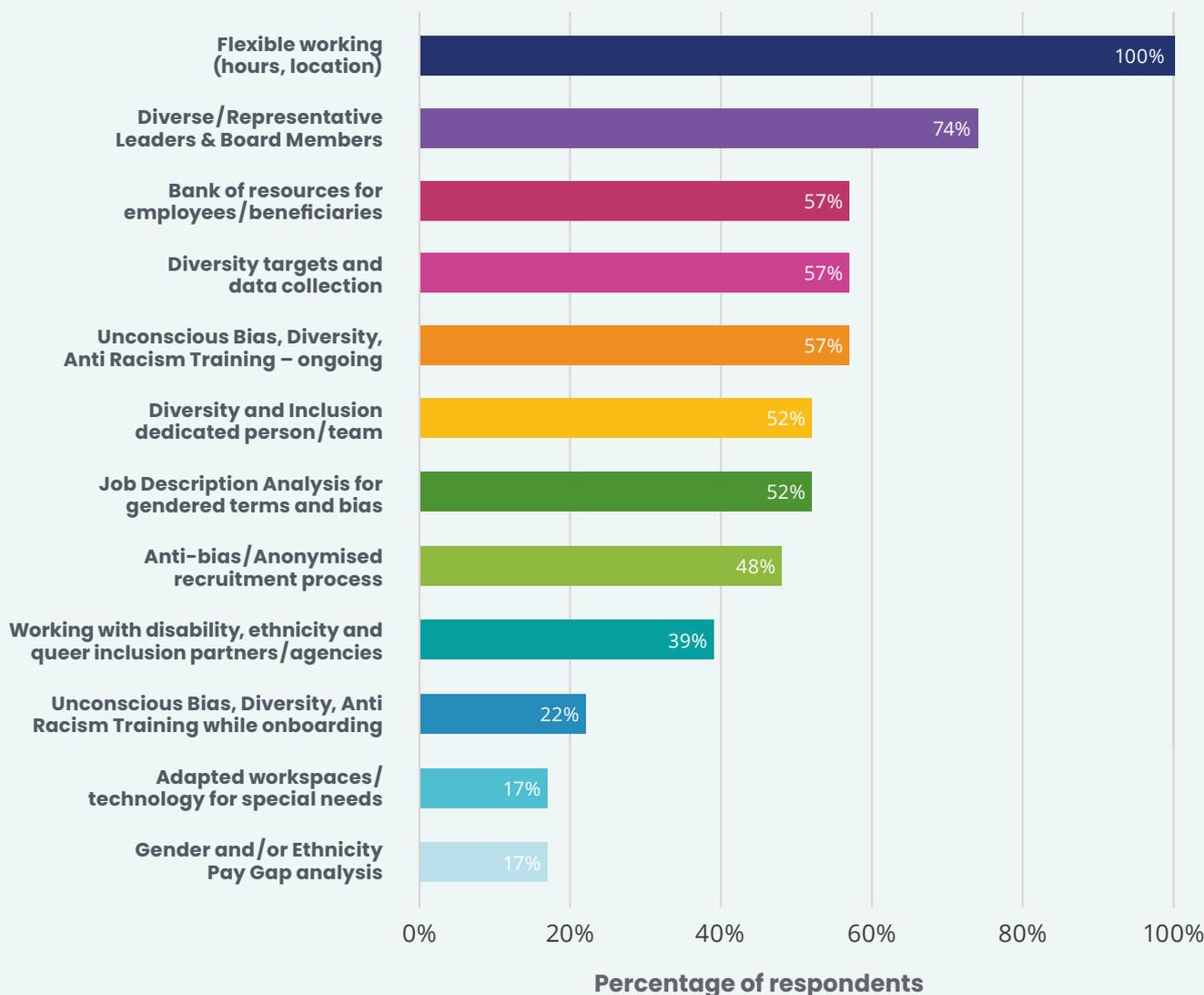
While all members actively consider diversity, equity and inclusion within their organisations' own recruitment and retention practices, there are areas where we can clearly do better.

All organisations surveyed offer flexible working, now seen as fundamental to a more inclusive workplace. 74% have diverse leaders and board members who are representative of the communities they serve.

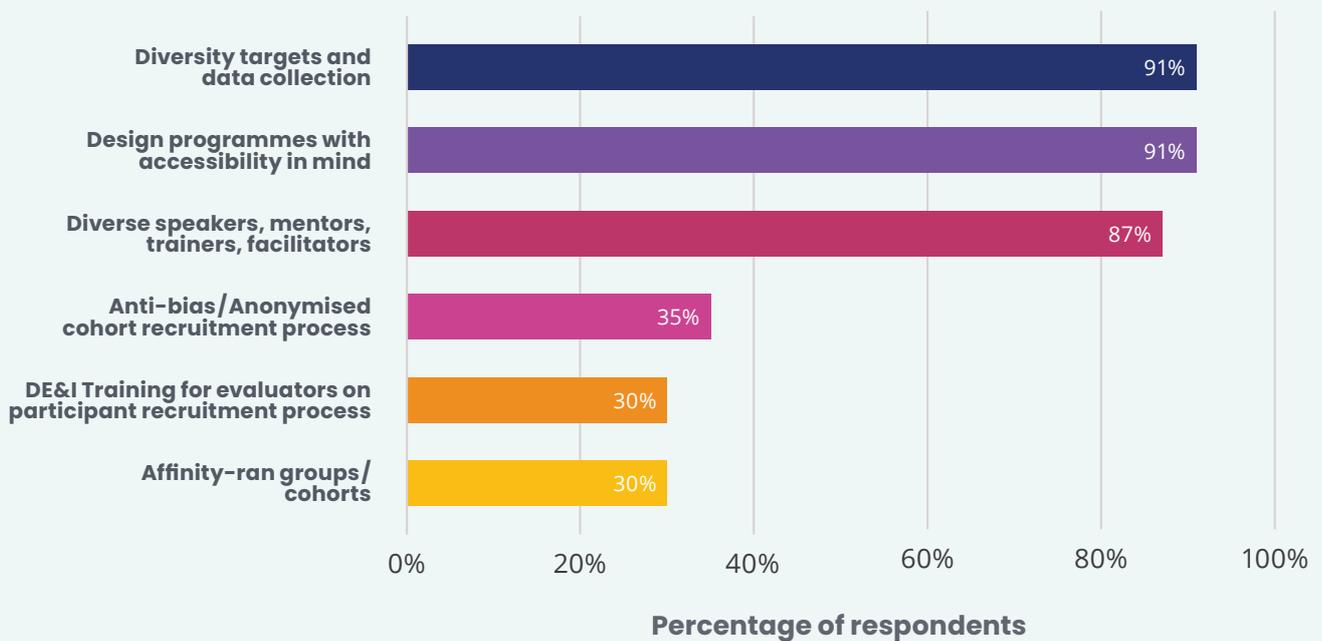
While more than half of the good practices named in the survey are followed by at least 50% of our members, only a minority of us (17%) carry out gender and/or ethnicity pay gap analysis. The same number have adapted workspaces and/or technology for employees with special needs. This can partly be explained by the small average size of member organisations.

The member organisations with the best practice in this area have integrated 10 of the 12 initiatives named in the survey into their work, compared to an average of 6.

### Does your organisation follow any of these practices around your own staff recruitment and retention?



## Does your organisation follow any of these practices around your programme design and recruitment?



## ED&I practices within our programmes

CLG members incorporate a number of practices to increase equity, diversity and inclusion and access within their programme design and recruitment of participants.

The vast majority – around 90% – design our programmes with accessibility in mind, bring in diverse speakers, mentors, trainers and facilitators, and set and measure performance against diversity targets for our participants.

We can do more to improve our recruitment practices through anti-bias and anonymised processes, and providing appropriate training for our evaluators.

The member organisations with the best practice in this area have integrated 5 of the 6 initiatives named in the survey into their work (compared to an average of 4) and there is a strong appetite to do more.

**“To improve equity, diversity, and inclusion practices, organisations need to look at how they distribute resources, like budgets, labour, and time. Any change requires serious investment”**



### Andre Johnsen

Head of Social Innovation Programme & Equity Lead, Year Here



**Image:** Allia Impact Accelerator – Hui of Zebee and Matt of LittaHunt. Photographer: Alexander Newton

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**“We need to acknowledge that DEI isn’t a programme or an initiative but a lens through which to view all aspects of the work and impact an organisation has.”**



**Alexandra Pilavachi**  
Ashoka



Image: Hatch Team at Networking event April 2022. Photographer: Nico Froehlich

# What's next?

**This report highlights the breadth of collective experience and reach that enables CLG members to support diverse social impact leaders and enterprises across the UK.**

It also demonstrates those areas where there are gaps, and more to do, in our coverage and targeting of particular cohorts of leaders, and in the extent to which our own organisations and internal practices reflect our priorities. Some CLG members are already implementing sector-leading practices on diversity, equity and inclusion, and others can learn from their insights and experience.

The CLG provides an ideal forum for openly sharing challenges and learning, enabling members to address areas they want to improve in order to better serve their communities, and seeding collective action to maximise our reach.

Ensuring more social leaders have access to high quality support is core to our mission and one of the key themes of the CLG. In late 2022 we will publish the findings of a research project working with leaders from underrepresented backgrounds

to gain understanding of barriers they face to access enterprise support, and designing solutions to overcome them.

The CLG is committed to strengthening the relationships among organisations that build the capacity of leaders driving social impact initiatives in the UK.

Do you work for a capacity building organisation? Email us to explore how to join the CLG.

Are you a funding organisation committed to building the capacity of the social impact sector? Please get in touch.

**Nohelia Rambal**

Collective Leadership Group Lead

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## Participating CLG Members



## Funded by



Paul Hamlyn Foundation



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