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IRELAND’S SOCIAL FINANCE LANDSCAPE

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***Abstract**: The purpose of this study was to research developments in Social Finance in Ireland in order to answer the following question; “What is the social impact of the work being carried out by social ventures and how is it being measured in order to determine the difference being made in people’s lives?” The telephone interview approach, using a semi-structured format was chosen as the research methodology for the collection of data. Representatives from six social ventures were interviewed to; (i) discuss the social impact made by their organisations, (ii) discover whether or not they quantified the social impact being made (and if so, how) and (iii) identify the financial structures that they had adopted. The study concluded with the result that of the six social ventures interviewed, five welcomed an increased use of social impact measurement, as they believed this would attract more funding and ultimately lead to more financially viable social ventures. All six social ventures emphasised the need for government policies in order to support and direct future advancements of social ventures.*

***Keywords** : Social finance, social banks, social ventures, social impact, financial structures, measurement of social impact*

Introduction

While charity may be defined as “income redistribution from the haves to the have-nots”, philanthropy can be re-framed “as a means for reconstituting capital and deliberately creating opportunity through venues such as education” (Ács, 2010). Social Finance has a wider definition and according to Benedikter (2010) contributes to “the greater good of all”. It operates by creating social value i.e. it has a positive effect on individuals, communities and society. However, the world of Social Finance and Social Investment in particular, is relatively new. Whilst there is a large body of practitioner research, there is little academic research into social investment (Hazenberg et al., 2015). Notwithstanding that Ireland’s government-backed Social Finance initiative is small, it is seen as a likely profit-maker. The Social Finance Foundation (SFF) was set up by the Irish government in 2007, with the remit of highlighting the importance of the developing role of Social Impact Businesses in Ireland. Although the SFF started collecting data in 2010 from the social ventures it supported; to date, there has been no detailed analysis of the effect/impact of its lending. *It is for this reason that this study will focus on the work carried out by social ventures, the difference that they make and how (if at all) they measure their overall impact.*

Literature Review

Social Finance may be defined as the flow of capital to "start-up, sustain, or grow individual, group, organisational or sectorial actions aimed primarily at generating social or environmental value" (Nicholls &Paton cited by Hazenberg et al., 2015). As a broad range of organisations and platforms are involved, there is much discussion and debate about the direction of social finance and the most appropriate tools and measurements to employ. One could argue that the early pioneers of social finance were; charities, voluntary bodies and philanthropic organisations. In more recent times, foundations such as the Rockefeller Foundation and the Bill and Melinda Gates Foundation, are another step in the development of Social Finance. The Rockefeller Foundation (founded in 1913) supports a number of global initiatives and projects including; healthcare, hygiene, equality, global partnership etc. (Rockefeller, 2016). Meanwhile, the Bill and Melinda Gates Foundation (founded by Bill Gates in 2000) supports global health and poverty reduction projects and educational challenges in the US (OECD, 2015). There are many different types of organisations that engage in social projects. Ashoka, a non-profit organisation (set up in 1981) "identifies and supports leading Social Entrepreneurs" worldwide (Ashoka, 2016), while Global Impact Investing Network (GIIN) (a non-profit organisation founded in 2009) builds critical infrastructure and carries out research to enable Impact Business to attract more investment capital (OECD, 2015). These social enterprises (increasingly supported by global political and business leaders (Lepoutre, Justo, Terjesen, & Bosma, 2013)), together with sound policies, governance/procedures/guidelines and financial providers are advancing the world of Social Finance. Meanwhile the increasing focus on social impact measurement (a new field in its own right) (OECD, 2015-2) is important in ensuring that social enterprises can measure their social impact and in turn attract future investment.

Social Finance/Impact Investing

The financial and economic crisis from 2007 on, had a negative effect on the economic world globally with public welfare spending being reduced and many social services either being reduced substantially or cut completely (Hangl, 2014). The 2007 crisis also meant that the social challenges facing government (i.e. support with regard to; ageing, disability, health, children and families, public order and safety, affordable housing, unemployment, education and training (OECD, 2015)) were both too large and too complex to be solved by governments alone. "The world is on the brink of a revolution in how we solve society's toughest problems. The force capable of driving this revolution is 'social impact investing', which harnesses entrepreneurship, innovation and capital to power social improvement" (Socialimpactinvestment, 2014). Social impact investment was and is regarded as a means of assisting governments in addressing social needs more effectively (Socialimpactinvestment, 2014). As social enterprises work under the remit of providing products and/or services which create social value by effecting social change and meeting needs (which may have remained unmet "by current economic or social institutions" (Lepoutre, Justo, Terjesen, & Bosma, 2013)), by the very nature of their mission, they are increasingly regarded as influencers in the restoration of economic activity (Nicholls, 2009).

According to Doherty et al., (2014) the growth of Social Finance or the growth of Social Enterprises in particular can be attributed to the following factors:

1. The nature of many organisations is changing from being donor-dependent to competing and looking for new sources of revenue.
2. Social enterprises can apply for public service contracts up for tender from government, public and private agencies.

3. There is increasing interest in alternative economic systems.
4. Social enterprise is increasingly ‘attractive’ because of rising inequality and unstable economics.

All of these factors are popularising the field of Social Finance.

Social Finance Models

The social financial models adopted by different social enterprises can vary. As an example, Ashoka (founded in 1981) is a non-profit organisation that supports and expands the field of Social Entrepreneurship globally. Ashoka’s funding comes from private and public donations and by partnering on projects with other organisations such; as the Bill and Melinda Gates Foundation, the Arthur Guinness Fund and the American Express- Leadership Academy (Ashoka, 2016). Through this Social Venture Capital Approach, Ashoka operates in over 70 countries and supports the work of over 3,000 Social Entrepreneurs (Hangl, 2014).

Private philanthropy models such as the Rockefeller Foundation, founded in 1913 initially supported social projects by giving donations. More recently, it has created a Program-Related Investment Fund (PRI) which generates modest financial returns to the foundation while supporting a Social Enterprise. According to Bishop (2010) cited by Hangl (2014), PRIs can be “powerful social investment tools”. They can take many different forms including the buying of passive debt (loans that are not actively being collected) and active equity (modest returns that a company can re-invest). Some organisations that received their initial funding through the Rockefeller Foundation have now converted their organisation’s financial model into a self-sustaining businesses (Hangl, 2014).

Similarly, national governments have adopted different financial strategies with regard to developing their Social Investment Market. According to Scretas et al., (2015) the role of government in social finance is important; as a regulator of financial mechanisms, as a promoter of models, concepts and effective organisations and as the buyer of services and products supplied by the impact businesses. The Big Society Capital, an independent, non-government financial institution, was set up by the UK government so that social enterprises and charities etc. could access low interest loans and become self-sustaining over time. Taskforces in other G20 countries such as Australia, Canada and Brazil are investigating the Big Society Capital model and others to see which would be the most likely to succeed in their economies. The US meanwhile has set up the Social Innovation Fund (SIF). Charities and other social ventures can request funding through recognised SIFs but must match exactly what money they receive from intermediaries. This is beneficial as it does not wholly depend on government resourcing but also leverages non-government funding (Shah & Costa, 2013).

Research suggests that as social enterprises have found it difficult to raise capital, new legal forms of social enterprises have been established e.g. in the US, Low Profit Limited Liability is an example of a new type of Social Enterprise. It has liability protection, links non-profit and for-profit investing and its membership interests can be sold to raise capital. Meanwhile, the Benefit Corporation is an example of a profit making, non-tax exempt social enterprise that puts its mission statement ahead of its need to maximise profit thereby ensuring its mission objectives are paramount (Forbes, 2016). Flexible Purpose Corporation in the US, Community Interest Company in the UK and Social Cooperatives in Italy (Doherty, 2014) to name but a few, are different legal forms of social enterprises that are being examined and adopted in different countries. Similarly in the UK, SIFIs (Social Investment Finance Intermediaries) come in a large variety of legal forms. Companies Limited by Guarantee, Trusts, Limited Liability Partnerships, Provident and Industrial Providers, Community Interest

Companies and Companies Limited by Shares are some of the different SIFIs identified (EU, 2014). As with other countries, the Irish social finance landscape and its exposure to social finance legal platforms is developing and will continue to do so.

Tax credit or tax relief is recognised as an appealing tool to attracting investors. The UK government offers tax relief of 30% to both individuals and companies that invest in social ventures (UK Gov, 2016). The US government offers New Market Tax Credits that provide a credit against federal income taxes (OECD, 2015). The New Market Tax Credit for 2016 stood at 39% (KPMG, 2016). Ireland meanwhile offer a tax credit of 31% to individuals who make donations to charities (Taxback, 2016). As yet, there is no policy to attract individuals or companies to invest in social ventures.

Social Banks

Social Banks are organisations that are focused on investing in the community, providing opportunities for the disadvantaged and supporting social, environmental and ethical agendas. Contrary to making a profit, their motives are based on developing society (Benedikter, 2010) and improving the "social well-being of members" while "advancing sustainability" in the way they operate (Weber, 2015). Shorebank, one of the first Social Banks in the world was established in Chicago in 1973. This was swiftly followed by the German Gemeinschaft fur Leihen und Schenken (GLS) Bank (with assets of $2.2 billion), the Dutch Tridos Bank ($6.7 billion), the Italian Banca Etica ($0.8 billion), the Swiss ABS Bank ($0.7 billion) and the Danish Merkur Bank ($0.2 billion) (Benedikter, 2010). In 1989, the International Association of Investors in the Social Economy (INISE) was formed. This is an association of small banks, civil society groups and local and regional community initiatives, whose aim is to highlight and promote the work of Social Banks (Benedikter, 2010).

Low regulation and the increasingly speculative nature of traditional banks were seen as part cause of the 2007 financial and economic crisis. As a result, Social Banks and Social Finance "have become important trends among bank customers in Europe" (Benedikter, 2010). In March 2009, twelve large Social Banks formed the Global Alliance for Banking on Values (GABV) in London (Benedikter, 2010). As a result of this alliance, the popularity and awareness of Social Banks are growing.

Social Finance Terms and Financial Instruments

There are many different terms associated with Social Finance i.e. Socially Responsible Investment, Social Entrepreneurship, Social Impact Investing, Social Bonds, Social Investment Finance Intermediaries (SIFIs), social ventures etc. According to Chadwick (2012) cited by Hangl (2014), Socially Responsible Investing (SRI) occurs when social, environmental or ethical concerns are taken into account when making financial investment decisions. Social Entrepreneurship meanwhile is defined as any individual, organisation or network that exhibits "sociality, innovation and market orientation" (Hangl 2014). Hangl (2014), contends that Social Impact Investing is when money is invested in companies and organisations that generate measurable social or environmental returns along with a financial profit. A Social Bond meanwhile is a contract in which the investee agrees to pay, once the Socially Agreed Outcome has been fulfilled. Social Investment Finance Intermediaries (SIFIs) more commonly known as Intermediaries, may include Social Banks, Community Development Financial Institutions (CDFIs) etc. while social ventures are the recipients of social investments (Cabinet Office Government UK, 2013).

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There are also many different types of Social Investment products/instruments. These include :

- **Equity Investment** may be defined as an investor exchanging capital for shares. They may receive dividends from the organisation's earnings, if the organisation is sold or they sell their shares to other investors (Big Lottery Fund, 2014).
- **Equity Finance** is an unusual form of raising capital in the social sector. In this, shares in Social Enterprises may be sold to members in order to raise finance i.e. co-operatives. Co-operatives employ over 12,000 people in Ireland and are particularly common in the diary and livestock industry (ICOS, 2016).
- **Quasi- Equity Investment** is when an investor may receive possible future revenue as a one-off royalty payment. However he/she may receive nothing if the business fails.
- **Debt Finance** is another form of raising revenue. It includes loans both secured and unsecured, standby facilities and overdrafts (Big Lottery Fund, 2014).

Other ways of obtaining capital include; receiving grants from Trusts and Foundations i.e. Ireland Trust Fund and Matheson Foundation, charity bonds, community shares, social property funds, social impact bonds, crowd-funding and receiving money back through tax relief (Big Lottery Fund, 2014). Many of these Social Investment tools can be accessed by Social Enterprise Start-Ups in Ireland.

The Development of Social Finance Internationally

The UK government was one of the first governments in the world to look at developing its Social Finance market. In 2010, it established the Big Society Capital (BSC) Bank from dormant bank accounts and funding from four major UK banks. The Big Society Capital (BSC) bank is the first Social Impact Investment bank in the world and provides finance to appropriate organisations such as; charities, social enterprise and voluntary organisations. It also provides loans (but not grants) and information to organisations on how to develop their infrastructure. The BSC is currently involved in helping to develop the Impact Investment Market (Government UK, 2013). From this initiative, the UK government has advised many other countries, including the US, Australia, Ireland, Canada, South Africa, Portugal, Chile, Mexico and Brazil on how to adapt and develop this idea. Based on advice from the UK government, many countries (including Ireland) have set up taskforces to examine and develop their Social Investment (SI) market. As an example, Australia's Social Investment taskforce made a number of recommendations to the Australian government in 2014 to show support for the establishment of an SI market (Australian Government Department of Social Services, 2015). These recommendations included, making regulatory and policy changes and providing an initial investment of A$350m to help initiate its SI market (Addis et al., 2014). The SI taskforce set up in Brazil meanwhile acknowledges that in 2014, 13 billion Brazilian Real were invested in businesses that combined financial sustainability and social impact. These businesses received capital from government, development agencies, multi-lateral credit unions, foundations and associations, Community Finance Institutions, the private sector and Individual Investors. In its report, the Brazilian SI taskforce make a number of recommendations including asking foundations and institutes to donate to research Brazil's burgeoning SI market (Scretas et al., 2014).

The US government meanwhile created the Social Innovation Fund in 2009. This, together with two other Federal Funds; the *i3 fund* which supports new educational approaches (it donates small awards to enable vulnerable third level students remain in college) and the *Workforce Innovation Fund* which "supports promising approaches to workforce development" (Shah & Costa, 2013) all aid positive social change and development. In the case of the Social Innovation Fund, the intermediaries must match 'dollar-for-dollar' what they receive from the Federal government, whilst the social venture (recipient) must match 1:1 what it receives from the intermediaries. This means that the value of the initial investment made through the Social Innovation Fund has tripled in value. From the original $137.7 million invested by the US government since 2010, $350 million has been leveraged from non-governmental sources (Shah & Costa, 2013). The Social Innovation Fund also commits money to scale i.e. it gives grants of $1 to $10 million per year, over a five year period to acclaimed intermediaries supporting suitable projects (Shah & Costa, 2013).

In 2013, the UK government identified barriers to developing the SI (social investment) market. These included; a lack of interest in financial matters and market readiness amongst social ventures, a shortage of investment opportunities and too much financial regulation (Cabinet Office Government UK, 2013). On the 6th June 2013, Canada, France, Germany, Italy, Japan, the UK, the US and Russia met in London to discuss Social Investment. These 8 countries, which together formed the G8 Social Impact Investment Forum, discussed the necessary changes that needed to be realised in order to advance the social impact investment market towards global scale and sustainability. Three important ideas emerged (G8, 2013):

1. The need for all members to create a Social Impact Investment taskforce and further develop financially in order to create a Global Social Impact Investment Community that could collaborate with new 'players' and develop internationally.
2. The importance of developing common rules and structures to develop the global market and move towards the standardisation of impact measurement.
3. The need to develop governmental policy and establish a common set of principles across the G8 countries to share common practice and grow the market.

In June 2015, seven advanced world economies (G7) held a Social Impact Investment Forum in Germany. At this forum, a number of additional measures were discussed, including how to address and mobilise Impact Investment partnerships with public and private investees and increase productivity by implementing reforms (G7, 2015). Similarly, the EU has also proposed legislation to increase the diversity of companies that can apply for European Social Entrepreneurship Funds (Europa.eu, 2016). It also proposes that it needs to make it easier for companies to apply for these funds in order to generate positive social impact (Europa.eu, 2016).

Social Impact Measurement

Arena et al., (2015) contend that whilst "the issue of performance measurement in SE (sic) has gained increasing relevance" with an array of measurement tools and methodologies being developed, there is little systematic analysis of said tools. Moreover, whilst the OCED reports little shared agreement on either the definition or the goal of social impact measurement, it proposes that the aim of social impact measurement is "to assess the social value and impact produced by the activities or operations of any for-profit or non-profit organisation" (OECD, 2015-2). Burdge (2013) further details the need for social impact assessment as follows :

- It helps in understanding how people's lives will be changed.
- Ideally, it provides understandable quantitative and qualitative impact indicators to decision makers, investors, service users and the public.
- It includes suggestions for alternatives, in addition to enhancements.
- It helps to anticipate the possible consequences of the provided social services/products, on the individual and/or communities and/or public.

Whilst a nascent field of systematic academic study (Brandstetter & Lehner, 2015), social impact measurement is increasingly regarded as critical, given its centrality to "the global economic system" (EU, 2013). The measurement of social impact affects different stakeholders; from investors to public authorities to the social enterprises themselves, with the benefits of measurement to the latter including performance monitoring (for the purpose of judging their effectiveness and accountability), the setting of realistic goals and the support of decision making. However, the measurement of both the impact and the performance of the social enterprise is made more complex by the fact that Impact Businesses generally operate in diversified fields, with different information needs, stakeholder expectations, and metrics for measuring performance (Arena, Azzone, & Bengo, 2015). However, the demand by governments, funding agencies/foundations and investors for social impact measurement (for the purpose of capital allocation) (Brandstetter & Lehner, 2015) is driving "new social impact reporting practises" (Nicholls, 2009).

Nonetheless, although it is difficult to make advances in the measurement of social value, measurements of the economic impact on the sector can be gauged by drawing on measurement tools and market theories[1] according to Westall (2009) cited by Harlock (2013). These however tend to take precedence over difficult to measure 'social values' such as motivations, work ethic etc. In an attempt to standardise this area, the Social Return on Investment (SROI) Toolkit was developed in the UK to look at the social, environmental and economic impacts of organisations and convert these impacts into monetary value. The SROI Toolkit provides a specifically designed set of tools which measures across all 'impacts' i.e. stakeholders. It identifies stakeholders, defines and tracks stakeholder impacts, collects data from primary and secondary sources and feeds it into the SROI dashboard to track progress. As a result of this toolkit and the social accounting and social auditing carried out by Social Enterprises, more theories on impact measurement have begun to emerge (Harlock, 2013). The SROI toolkit continues to be promoted by successive UK governments as a means to assess the cost-effectiveness of social ventures. It calculates the ratio between costs and benefits (in monetary terms) (Arvidson et al., 2010). Included in this ratio are both tangible and difficult-to-measure intangible costs and benefits (Arvidson et al., 2010). Many other toolkits also exist (e.g. VPP[2] Assessment measures the quality of performance across different organisational categories) but these can be expensive to buy and may not appropriately measure the organisation's objectives and uphold its cultural values.

As well as using toolkits, an organisation can establish if it has met its objectives through a number of qualitative procedures i.e. collecting feedback about services, customer satisfaction forms, bespoke questionnaires, randomised control trials and internally collected case stories all capture information qualitatively regarding an organisation's performance. This can lead to an improved understanding of a particular topic from a service user's perspective (Rosenthal, 2016) and can provide an opportunity for more interesting experiences and reflections to emerge (McLoughlin, 2007). Some organisations use academic evidence in addition to qualitative analysis to design programmes that evaluate how a social venture is performing (Harlock, 2013). Other organisations estimate how much a person would be willing to pay for this service if it weren't being provided for free. Another technique is to look at the effect of the social venture on housing prices. It is important to measure the impact of the social venture on the locality and on society as a whole, because it is believed that impact

[1] An example is the Ansoff Growth Matrix , a marketing planning tool

[2] Voluntary Protection Program

measurement can lead to many benefits including improved strategy and business planning and also partnership opportunities.

In their paper, Brandstetter and Lehner (2015), highlight the importance of developing a standardised infrastructure to attract the attentions of pension funds, endowments and investors as the recognition of large companies can "help further legitimize the field". In it, they propose the development of a framework to which expected financial risks and returns can be applied. One approach, they propose is the optimisation of the Black-Litterman mathematical model to overcome the difficulty in measuring social returns. They further propose the testing of their model/approach that incorporates financial logic measurements, portfolio optimisation and risk and social returns assessment. In the short-term until a standardised framework is developed they suggest "portfolio diversification and bundling" to decrease risk.

Ireland's Social Finance Landscape

In 1998, Ireland was one of the first countries in the world to introduce 'poverty-proofing'. This initiative was aimed at developing better policies to protect Ireland's most vulnerable. Following a review in 2006, new guidelines were introduced and the process was renamed 'Poverty Impact Assessment'. A Poverty Impact Assessment (PIA) is defined as a process by which government agencies assess policies at all stages of development, within the context of the impact they will have on poverty and on inequalities that could lead to poverty. A PIA is carried out on a mandatory basis by relevant government departments on particular policy proposals (Department of Social Protection, 2016). In July 2006, the Irish Government implemented the Social Finance Initiative and established the Social Finance Foundation (using €25 million capital provided by the Irish Banking Industry) the following year (2007). The aim of the former was to generate ideas on how to develop the field of Social Finance. Meanwhile, the Social Finance Foundation (SFF) is a not-for-profit, limited company with no share capital. In 2009, the Irish Banking Industry provided a twelve year €72 million loan at a low rate of interest. The Social Finance Foundation works as a wholesale supplier of funding to social providers through Intermediaries referred to as Social Lending Organisations (SLOs) (Social Finance Foundation, 2016). At present there are two SLOs; *Clann Credo* and *Community Finance Ireland*. Together with these 2 Intermediaries, SFF created a subsidiary company called Microfinance Ireland (MFI) which was established in 2012 to promote job creation in both new and existing microenterprises. In 2012, the AIB, Bank of Ireland and Ulster Bank agreed a €15m loan facility at a low interest rate over a 4 year period to fund MFI lending. As a result, MFI offers loans up to €25,000 to new and existing businesses that employ less than 10 people and do not exceed a turnover of more than €2m/annum. Clann Credo, a long established Social Finance organisation, lends to community organisations, charities, voluntary bodies, social enterprises and amateur sports groups (The Social Enterprise Task Force, 2012). It operates by providing at low interest rates; bridging or short-term loans, working capital loans (e.g. wages), matched funding loans (i.e. it lends the same as the amount of money raised), capital equipment loans and property loans. It also lends to social housing initiatives, accessible transport schemes, community childcare, community owned enterprises, arts, culture and heritage projects, environmental projects and social enterprises. In 2007, the Ulster Community Investment Trust (UCIT) received accreditation from the SFF to access a €70m fund for investment south of the border (Social Finance Foundation, 2016). From this, Community Finance Ireland (CFI) - the second Social Lending Organisation (SLO) through which the Social Finance Foundation (SFF) operates - was established. To date, UCIT has provided loans for a number of projects including; sports, church and faith, environment, housing, education and training, arts and heritage and childcare (Community Finance, 2016).

SFF is also involved in a number of other projects including partnering with Social Entrepreneurs Ireland to sponsor an Impact Series i.e. a calendar of events designed to inspire innovative ideas and start debates around key social issues and the role entrepreneurship may have in addressing them (Social Finance Foundation, 2016). Meanwhile, credit unions are offering loans to social welfare recipients who are willing to use the Household Budget Scheme (a scheme used to help those on social welfare to more effectively budget for their household bills). This scheme is backed by the Social Finance Foundation (SFF) (Social Finance Foundation, 2016). In 2015, a project was initiated by SFF and backed by the Central Bank of Ireland to examine the feasibility of introducing personal microloans to people who would otherwise experience difficulty in securing a loan. This is to provide a practical alternative to money lenders. SFF also provides funding for social housing to a maximum of €1.5m per annum (Social Finance Foundation, 2016). In 2013, SFF attempted to set up a standard bank account to meet the needs of those financially excluded. To date, it has had limited success. Clearly, SFF plays an important role in the Social Enterprise and Entrepreneurship Task Force which was set up in 2009 to promote Social Enterprise in Ireland. While progress is slow, it has been recognised that social enterprise provides both social benefits and important employment opportunities.

Measuring the Impact of Social Finance Funding

When the Social Finance Foundation (SFF) was established in 2007, it was decided not to formally measure the impact made by service providers (partly funded through the SLOs) until more data had been collected and more research carried out (Social Finance Foundation, 2016). As a result, it is acknowledged that the measurements shown on the SFF website **are estimates rather than exact quantifiable numbers** (Social Finance Foundation, 2016). This is because the numbers that are being used are an estimation of the number of people who would benefit from the project once it became established rather than an accurate count of the people who have actually benefitted. Furthermore, as organisations received funding from elsewhere (not just through SLOs), it is difficult to quantify the percentage benefit of funds received from each individual fund provider. It is accepted that the SLOs mainly provide money to established organisations in preference to bridging loans which help start-ups (Social Finance Foundation, 2016). In 2013, the National Council for Voluntary Organisations (NCVO) in the UK proposed a cyclical approach to impact measurement. It attested that the following stages had to be complete to ensure accurate measurement (National Council for Voluntary organisations, 2013):

- Plan what impact was to be measured and how to do it.
- Collect information and data about the impact.
- Review and analyse the data and information collected and investigate whether or not it is in line with the organisation's objectives.
- Discuss and communicate the information gathered, correlate and then act on said information.

The NCVO also recognised that as well as utilising the information gathered for everyday operations, other objectives had to be met (National Council for Voluntary Organisations, 2013) : volunteers should be asked to take part in discussions; money directed appropriately; quality, performance and reputable activities and services undertaken; monitoring reporting and evaluation completed; resources monitored and the entire project well co-ordinated.

While a number of foundations, philanthropies and organisations have guidelines in place to help them measure the Social Return on Investment (SROI), it is universally recognised as being difficult to quantify. According to Harlock (2013), organisations tend to conduct Impact Assessments to varying degrees with some carrying out full Impact Assessments/Evaluations while others rely on collecting feedback about their services (Lumley et al., 2011) cited by Harlock (2013). The degree of the assessment, it was ascertained, is very much dependent on an organisation's values, available resources, skills, capacity and perception of the measurement tools utilised. In 2012, Ogain et al. (2012) cited by Harlock (2013), found that 84% of the organisations they studied, collected output data but very few used planning or evaluation tools unless they were very large organisations or their measurement testing was funded by government. Notwithstanding the variability in testing, there is however an increased drive for effective measurement, some of which is coming from the sector itself (Harlock, 2013). Many organisations have governance or organisational arrangements to ensure some type of internal assessment takes place. Indeed some organisations cite a sense of increased pressure from funding providers to demonstrate their achievements while some of the larger organisations are putting policies in place that take quantifiable outcomes into account. *However because it is a new area, little research exists as to what should be measured, how it should be measured and why* (Harlock, 2013). In spite of this, some attempts have been made to formalise assessment indictors but because it is such a diverse and complex sector with multiple users, volunteers, disparate stakeholders etc. the complexity in determining a universal set of measurements is becoming increasingly apparent. While it is difficult to make advances in the measurement of social value, measurements of the economic impact on the sector can be gauged by drawing on measurement tools and market theories according to Westall (2009) cited by Harlock (2013). These however tend to take precedence over hard to measure 'social values' such as motivations, work ethic etc. In an attempt to standardise this area, the Social Return on Investment (SROI) Toolkit was developed in the UK to look at the social, environmental and economic impacts of organisations and convert these impacts into monetary value.

Methodology

The following social ventures, funded by the Social Finance Foundation, were interviewed (via telephone) :

- *Speedpak* - A manufacturer of customised packing.
- *Headway* - A family resource centre.
- *Ablevision* - A media production and training company.
- *Local Link Cork* - A transport company.
- *Foscadh Housing Association* - A housing association.
- *Virginia Show Centre* - A community centre.

66.66% of the social ventures (Headway, Local Link Cork, Foscadh Housing and SpeedPak) are run by paid employees while the remainder (Ablevision and Virginia Show Centre) are run by volunteers. Of the former, Headway employs 26 people in its Cork branch, with other full time employees in its Limerick, Kilkenny and Dublin branches. Meanwhile, Local Link Cork has 28 employees, Foscadh Housing employs 6 with SpeedPak having 13 fulltime staff, and up to 60 training staff. Ablevision has a number of committed volunteers in each of its branches while Virginia Show Centre, according to its Treasurer, has 14 'constant' volunteers, 7-8 of whom volunteer working a 30 hour week.

Of those social venture representatives interviewed, 50% were managers, 33% were CEOs and the remainder (17%) were volunteers. In this study, diversity has been achieved by selecting from different population groups, defined by both demography, size, mission and activities. While each social venture is located in Ireland, they are geographically diverse. They were selected randomly from the Social Finance Foundation website, contacted by telephone and asked to participate in this study.

Research Findings

There are 19,268 non-profit organisations in Ireland comprising charities, sports bodies, philanthropies, human rights and advocacy organisations, trade and business associations (Benefacts, 2016). The importance of these non-profit organisations, is obvious given that 37.5% of people aged 0-17 years and 0.3% of those aged 65 years and over, live in consistent poverty (CSO, 2016). The findings from the telephone interviews with the six geographically dispersed social ventures revealed a number of interesting points regarding indirect benefits, social impact measurement and financial (and non-financial) structures and supports. These will be presented according to the following aims of this study; (1) to evaluate the extent of the social impact made by the social ventures who are in receipt of social finance, (2) to ascertain whether social impact is quantified/measured and if it is, then how? and (3) to have a greater understanding of the financial supports for social ventures. For the sake of simplicity and clarity, each of the social ventures is coded (Table 1).

Table 1 : Abbreviations applied to the social ventures

Company	Location	Abbreviation
Ablevision	Louth	AV
Headway	Cork, Carlow, Dublin, Kerry, Limerick	HW
Local Link Cork	Cork	LLC
Foscadh Housing Association	Louth, Tipperary	FH
Virginia Show Centre	Cavan	VSC
Speedpak	Dublin	SP

What is the extent of the social impact made by the social ventures who are in receipt of social finance?

The most common sectors being targeted by the social ventures are healthcare and the elderly. Whilst **SP** is exclusively focused on social enterprise, **FH** deals specifically with healthcare. The social ventures generally addressed two or more social sectors in their remit. Three of the social ventures (**FH, VSC** and **SP**) target the whole community.

SP (Speedpak) is located in a significantly disadvantaged area in Dublin i.e. in an area where according to the CEO of **SP**, 91% of people have not completed their Leaving Certificate and/or 50% have not completed their Junior Certificate and where some employees were previously incarcerated (i.e. prison). **SP** offers work-based learning which improves employability and community benefit. According to the CEO of SP, "*SP provides* *opportunities for the long-term unemployed. It operates in places where there are pockets of significantly disadvantaged areas ...SP helps circa 100 people at any one time".* **SP** has up to 60 people training on any given occasion, a third of whom would be moving on to other employment or further education. The people employed at **SP** are direct beneficiaries as they receive training, payment and Quality and Qualifications Ireland (QQI) certification i.e. the equivalent of the State National Exam, the Leaving Certificate. Shamrock Rosette, a sister company, also increases employment in the area, by helping people upskill and putting more money back in the community. This is in keeping with the Big Society Capital Report (Big Society Capital, 2015) which highlights the diverse benefits of social investment including lowered re-offending rates for ex-prisoners and improved national examination results.

Covering a catchment area of 50-60 miles^2 in Co. Cavan, **VSC** provides a range of courses, activities and services, all of which benefit the community and bring people together. This is consistent with Benedikter (2010) who states that social finance fosters the real economy and contributes "to the greater good of all." Run by volunteers and 3 young people on schemes, **VSC** provides opportunities for people to upskill in their computing centre, in addition to facilitating networking events and serving the farming and non-farming community through its provision of advice and support. **VSC** consists of an events hall, meeting rooms, computer rooms, a large outdoor area, kitchen and social area. Community members - the direct beneficiaries - can hire its rooms to host a range of different activities and meetings. According to the Treasurer of **VSC**, "*On average, there are 4-6 activities being run every week night in winter."* Some of these activities include; yoga, bridge, computer courses and private counselling etc. It also provides facilities for Faroige (youth club), the Men's Shed and the Ladies group to meet. The events hall hosts charity events, auctions and exhibitions and the kitchen can be hired out to cater for large groups.

Since its foundation six years ago, **AV** has trained over 200 people with Intellectual Disabilities (ID) in film production. Through its Facebook page, it has created a platform for people with ID to network and upload their films/documentaries in order to receive feedback and support. **AV** liaises with other similar organisations based abroad to create opportunities for support, networking and knowledge sharing.

HW offers a range of services, including; rehabilitative training, day rehabilitation and psychological support, to those who have experienced disability due to a stroke, a brain haemorrhage, an infection and/or a tumour etc. In 2015, **HW** had 945 open or ongoing cases and supported 1,389 people through its helpline.

Based in the South of Ireland, **LLC** provides safe accessible rural transport to disadvantaged people in its community. It recorded over 120,000 passenger journeys in 2015, amounting to 461 journeys a day.

FH has provided over 121 housing units to those who find it difficult to source suitable housing (i.e. small families, the traveller community, ethnic minorities etc.). **FH** also provides ongoing housing support and maintenance. The provision of this housing has given people a sense of security and belonging, enabling them to get back to work and help others. This is in keeping with assertions made by Nicholls and Paton cited by Hazenberg et al. (2015) that social ventures "generate social or environmental value."

Whilst the number of direct beneficiaries can be quantified in most cases, auxiliary and indirect benefits emanating from the social ventures are less easy to quantify. However, they include the following:

- Targeting the special needs sector and with expertise in media production, **AV** ran three international short-film festivals since 2010 focussing on the capabilities of people with intellectual disabilities (ID). The purpose of these festivals was to raise awareness of the capabilities of people with ID (both nationally and internationally). Whilst attendance figures for the festivals were not forthcoming,

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one can assume that they had a wide reach as **AV** liaises with similar ventures in the US, UK, Russia and Mexico etc. Within the next 5 years, the CEO of **AV** hopes to develop **AV** to; become a centre of excellence where ideas can be shared, help trainees refine and share their productions on Facebook and continue to learn and share experiences with similar organisations in other countries.

- In addition to offering counselling and guidance to family members of those affected by brain injury, **HW** also runs a telephone call center for the wider community. In the long-term, **HW** hopes to raise more funding and divide its day rehabilitation service into smaller groups to better provide for people's needs.
- Targeting the healthcare, elderly and special needs sectors, **LLC** are now offering two further services; *Cancer Connect* - an 8 seater minibus which takes people weekly to receive chemotherapy and a *telephone service* that contacts vulnerable people living in isolated areas to ensure they have what they need. These extra services are provided as a direct result of the establishment of **LL**C and an awareness of the hidden needs of the community.
- As an auxiliary component to the housing units it supplies, **FH** provides an *estate management and house maintenance service* to its tenants. Within the next 5 years, it would like to increase its housing stock and influence national policy with regard to the supply and quality of housing required.
- Within the next 5 years, **VSC** plans to develop its farm shop and, if it can access more funding, become a *centre for business start-ups.*
- With up to 13 full-time staff and up to 60 training staff, **SP** has established *Shamrock Rosette* – an auxiliary social enterprise with the remit to provide rosettes, banners, sashes, badges and customised clothing. It provides awards to Ireland's top agricultural, equestrian and sporting events as well as to clubs and societies abroad. Within the next 5 years, the CEO of **SP** states that "*their Hope Expectation Strategy is to grow their customer base, deepen relationships and become the go-to commercial and social enterprise*." **SP** also plan to improve their training rate; at present standing at 80% successful completion while expanding but maintaining the quality of their products.

From the provision of work to the long-term unemployed (**SP**), upskilling programmes (**VSC**), training of people with ID and the promotion of same (**AV**), accessible transport to the disadvantaged (**LLC**), affordable housing units (**FH**) and the rehabilitation of people with acquired brain injury (**HW**), it is clear that each of these social ventures has a number of social objectives/goals and through their products and/or services they are creating social value by effecting social change and meeting social needs.

Is the Social impact quantified/measured, and if so then how?

Nearly all of the six social ventures interviewed noted the money they 'earn', the money they pay out and the number of people who use their services or buy their product. However, the authors were interested to learn if the social ventures measured other variables and if they did, how? These findings are presented in Table 2.

Table 2: Is the social impact quantified/measured and if so, then how?

Social Venture	Positive outcome/s	How is client satisfaction being measured?	How is the Social Impact measured?
AV	Film and documentaries being produced More people being trained	Standard satisfaction questionnaire	Number of people trained Improved visibility Increased networking
HW	People with acquired brain injury experience improved function	Satisfaction survey 'Uspeak' Interview * Outcome Rating Scale (ORS)** MPAI ***	Measures all aspects. This includes: Number of successful service completions Number of open cases Waiting time
LLC	Rural transport for older people, youth and people with disabilities	Does get feedback, doesn't want to qualify as it is a social service for the vulnerable	Doesn't want to say
FH	Provides integrated and affordable housing of the 'highest quality'	Satisfaction survey Complaints form on website Can report any required repairs etc. directly or through FH's website	Housing Association Performance Management (HAPM) Tool used to demonstrate accountability to customers and stakeholders
VSC	Activities and services requested by the client are delivered People participate in the activities and services which are provided	Counts the number of people involved in activities Research/satisfaction questionnaires	Number of people using facilities Number of people accessing its services Measures money raised (this money is re-invested so it creates impact)
SP	Product gets sold People get trained and Quality and Qualifications Ireland (QQI) certified	All aspects are measured because it is a commercial business After negotiation, the packing and manufacturing contract is renewed if the customer is happy Trainees provide feedback on an ongoing basis	Measures across all areas. Has to meet: Commercial targets Quality and Qualifications Ireland certification targets Social Ambitions e.g. number of people who progress to other jobs/further training. As participants are members of the community, the community benefits

* Uspeak Interview, service user is interviewed by 'stranger' asking about service provided.

** ORS measures personal wellness, interpersonal and social wellness initially and following intervention.

*** Mayo Portland Adaptability Inventory (MPAI): to assist in the clinical evaluation of people during the post-acute (post hospital) period following ABI, and to assist in the evaluation of rehabilitation programs designed to serve these people.

As can be seen from Table 2, each of the social ventures has its own unique aims and objectives; from providing affordable, social housing of the highest quality (**FH**) to delivering services and activities requested by the local community (**VSC**). Table 2 also highlights 'how and what' each venture measures i.e. which objectives are the most important. **AV** offers their service users/trainees standard questionnaires whilst **SP** measures across all areas, as it needs continuous feedback from both its trainees and customers. This according to the CEO of **SP**, is because "*it is a commercial business, all aspects of the business need to be measured on a continuous basis"*.

Four social ventures offer satisfaction surveys with **FH** offering complaints, maintenance and contact forms through its website. **VSC** stresses the importance of measuring the uptake of activities and the hiring out of rooms while researching (through its satisfaction surveys) new activities people are interested in joining. **LLC**, by comparison, does carry out measurements but it did not want to say what it measures or how. **HW** meanwhile, measures all aspects relating to the service i.e. the number of people it serves, the number of open cases, how long the client was kept waiting etc. It does this through satisfaction surveys, Uspeak interviews (where the client is asked to discuss his/her experiences of the service) and/or the Outcome Rating Scale (ORS) tool (where a person's personal, social and interpersonal wellness is assessed before and after accessing the service). The Mayo Portland Adaptability Inventory (MPAI) is also used to evaluate the patient's ability following an ABI and to design a program that could best serve his rehabilitation. The tools used by the social ventures to measure client satisfaction include; count of people involved in activities, complaints form on a website, MPAI, outcome rating scale, Uspeak interviews, satisfaction surveys, standard questionnaires.

As highlighted by the findings, all of the social ventures interviewed undertook some form of social impact measurement. While **AV** and **VSC** used (standard) satisfaction/research questionnaires, the other ventures were more rigorous e.g. **FH** also correlated information on arrears, voids, levels of rent, service charges etc. with **HW** measuring the number of clients treated, the number of clients undergoing rehabilitation, the number of people using the phone helpline etc. The Manager of **LLC** stated that "*qualitative aspects are a challenge"* and while they do collect feedback and conduct measurements, he was unwilling to elaborate. He offered a number of different explanations for this. The primary aim of their social venture (i.e. **LLC**) is to provide a public utility and not to turn away any service user due to cost. Applying health and safety regulations, a mini-bus can only transport one wheelchair-user at a time regardless of the length of the journey. As this endeavour is recognised as being quite costly, a private company is unlikely to offer this service. Furthermore on some routes, the minibus might be full to capacity, whereas on others, it is less so, but again the service has to be offered one day a week. Concern was also expressed by the interviewee that if mileage were taken into account, some people living in more isolated settings would not be catered for. Arvidson et al., (2010) proposed that what gets measured, gets valued. While the manager of **LLC** agreed with the assertion of Arvidson et al., (2010), he contended that it was difficult to accurately quantify the value of all elements of a social service.

As **SP** is a commercial business and runs many different programs (e.g. training etc.), all aspects of the business have to be measured. At present, it is in the final stages of developing a program/tool for the Logistics and Management sector. This tool, according to the CEO of **SP** "*captures a range of indicators in the workplace and tracks said indicators"*. It records training, performance and trainee attitudes amongst others. This is important since it will show that if there is a dip in sales, this is not necessarily due to poor training or employees’ behaviour but could be due to the economy or job market. This is an important indicator since this will show a trainee’s performance and if positive, help ensure the continuation of the Wage Subsidy Scheme and possibly help raise other funding.

As highlighted by Arvidson et al., (2010) it is more difficult to measure social value than economic value thereby running the risk that social value can become subordinate to economic indicators due to data quality. The findings support this. With the exception of **LLC** who advised caution, all of the other social venture representatives welcomed an opportunity to increase measurement. In the literature, Harlock (2013) refers to an appetite for measurement coming from the sector itself which is compatible with the authors’ findings but contrary to suggestions made by (Government UK, 2013)which suggests that in some cases, social ventures lack the desire to adopt measurement tools. Both the CEO of **SP** and the manager of **FH** stated their belief that increased measurement, secured the confidence of investors and could lead to more funding. The authors can understand **LLC**’s reluctance to adopt measurement tools unless they are specifically designed for the social service provided. **LLC** is not making a product nor offering any treatment, what **LLC** is providing is a hard-to-measure intangible service where specific customer numbers are not revealed to the lay person. Furthermore, there may only be a small number of customers travelling per journey so it may be difficult to justify the service economically. However, the social value to the people availing of the service may well be immeasurable. The ability to do one’s shopping, meet an old friend or visit the doctor, could help keep the person independent and in their own home for years and delay becoming a resident in an expensive care home facility. A study completed by the Big Society Capital in 2015, concluded that it is important to connect the Financial System to social challenges at scale, in order for the Government and Financial Institutions to recover the public’s trust and improve the supply of public services (Big Society Capital, 2015).

While the importance of feedback, control tests, case studies etc. are all recognised, more thorough measurements are available. Harlock (2013) states that different organisations carry out impact evaluations to varying degrees with some relying on feedback while others plan, collect, review, analyse, discuss and communicate all measurable and possible intangible indicators. Arvidson et al., (2010) identified a number of different approaches to assessing non-financial elements including the Global Reporting Initiative Guidelines (GRI), Social Impact for Local Economies (SIMPLE), Social Return on Investing (SROI) and different types of social accounting and auditing. Of these, according to Arvidson et al., (2010), SROI has become the most popular due to its “ambitious and controversial approach.” It measures “inputs, outputs, outcomes and impacts made and experienced by stakeholders” (Arvidson, et al., 2010) and puts an economic value on all social and environmental costs and benefits made by the venture. Other unforeseen benefits have also arisen from this, in terms of planning and communicating with stakeholders. The outcome is expressed through ratio e.g. 2:1. This means that for every euro invested a social value of 2 euro is generated. It is hoped that the simplicity of this aids understanding and transparency (Arvidson et al., 2010).

Although only six social ventures were showcased in this paper, their differing information needs, stakeholders’ expectations, relationship between the inputs (i.e. grants, volunteers etc.) and the social impacts (Nicholls, 2009) and the diversity of their measurement approaches, highlights the complexity of a standardised social enterprise performance measurement system.

While Social Finance is very important to key sectors including; disability, health, affordable housing, unemployment, public order and safety, children and family, ageing, education and training, the level of Social Finance invested is dependent on its ascertained importance (OECD, 2015). Of the six social ventures interviewed, all attested to the importance of their ventures and their need for consistent funding.

What are the available financial and non-financial supports for social ventures?

During the telephone interviews, the authors asked the representatives to describe; the financial structure/s, the importance of non-financial supports, the social most 'pressing needs' and their overall satisfaction with their financial model/s. 50% of the interviewees (**AV, HW** and **LLC**) were happy with their financial structure. 17% of the social ventures are awaiting charitable status, 33% are funded via loans, grants and fundraising activities whilst 50% are registered charities but this does not guarantee that they (those who are registered charities) are happy/satisfied with their financial models. The main findings arising from questions concerning financial and non-financial structures are summarized in Table 3.

Table 3 : The available financial supports for social ventures

Social Venture	Financial structure	Desired Non-Financial Supports
AV	Fundraising is very important AV charges trainees 10€ per day (it costs approx. 2,500€ to run the program e.g. produce film) Awaiting charitable status	More volunteers An increased understanding among service providers of AV's mission
HW	Approx. 75-85% Health Services Executive funded Fundraises the remainder (because HW is a registered charity)	Availability of up-to-date training
LLC	As a registered charity, it's funded by government	More volunteers Improved coordination of services and less bureaucracy
FH	As a registered charity, it receives some money from the government FH doesn't fundraise, however, it does apply for low (2%) interest loans through the CALF scheme*** or through Intermediaries FH can also apply to Pillar banks which lend at higher interest rates	Improved cooperation between sectors
VSC	VSC charges a small fee for catering and renting out space They apply for government grants or loans through Intermediaries They can also apply to Pillar Banks	More volunteers
SP	The most important funding is through the Wage Subsidy Scheme (Department of Social Protection). It's not a labour market wage Government grants Corporate investment is very important for innovation	Need improved strategic and financial expertise on all levels

***CALF Scheme: Capital Advance Leasing Facility.

While **HW** receives 75-85% of its funding through the Health Services Executive (HSE), it makes up the shortfall by fundraising. This is necessary, in order to supply the best possible service to people with Acquired Brain Injury (ABI). A registered charity, **LLC** is happy with its financial model. The manager from **FH** says they are "*currently managing and engaging with change"* as they move away from being 100% government funded to a more self-sustaining model. As **VSC** receives no funding from government, it needs to continually innovate to raise capital. It charges a small fee for leasing out its rooms and facilities and for participation in its activities. It can apply for government grants and allowances but the Treasurer does not feel that this model is self-sustaining as presently, it needs funding to employ staff so they can innovate. The CEO of **SP** (a social enterprise) is not happy with **SP**'s financial structure "*as it is pre-determined by company structure"* and can only raise capital through loans and its own commercial activity.

As highlighted by Scretas et al. (2014), different social ventures have different funding mechanisms i.e. some are part-funded by government institutions, others are 100% donation dependent. The six social ventures interviewed for the purpose of this research have different financial structures. **HW** receives 75-85% of its funding through the Health Services Executive (HSE) and raises the remainder through fundraising. It is particularly reliant on 'Brain Injury Awareness week' a week of fundraising in March to raise capital. While **LLC** receives most of its funding through government departments, it also raises capital by hiring out its minibuses to youth clubs etc. **AV** receives some money from Louth Meath Education and Training board and the Arts Council, the remainder it fundraises. **VSC** receives some money through grants but raises the majority through renting out rooms and facilities for activities and exhibitions. As a result, according to the **VSC** Treasurer, **VSC** are constantly looking for money to 'stay afloat'.

FH secures some government funding while tenants pay a social rent which is assessed according to their income. **FH** also applies for low interest loans (2%) through the Capital Advance Leasing Facility (available through government to approved housing bodies) and through intermediaries such as Clann Credo. It can also apply to the Pillar Banks, who lend at higher interest rates. However, in order to increase their housing stock, the manager of **FH** stated that they were considering doing business with National Asset Management Agency or developing relationships with private property developers as only small progress could be made with this funding model. Problems with accessing adequate financial support are also highlighted by the OECD (2015).

SP meanwhile raises 40% of its capital commercially but the CEO of **SP** said that the venture was heavily dependent on funding through the Department of Social Protection. As **SP** is a social enterprise, it has no private equity and no shareholders so apart from raising money commercially, it can only access loans through Intermediaries. Big Society Capital (2015) raised the importance of national government's writing purposeful policy that support and aid social enterprises to become self- sustaining. A case in point, the CEO of **SP** stated that the venture needed more space but the organisation was unwilling to take out a loan in the current financial climate, Brexit etc. as if one of their big clients left, they would struggle to repay. As a result, they were 'hoping' that private companies would invest. JP Morgan enabled them to bring their 'employability/trainee performance' tool to completion. It took 5-6 years to develop but needed the financial backing of the corporate bank to bring it to market. This tool will be registered as intellectual property and when bought, can be adapted and developed to suit other company's needs. It is hoped that there will be a lot of interest as the money raised will further other innovations.

As can be seen in Table 3, a number of non-financial supports are also essential to the smooth operation of the social ventures. **FH** and **LLC** allude to the need for improved cooperation between sectors in order to push down cost while the CEO of **SP** proposes a need for "*improved strategic and financial expertise on all levels"*, including nationally, managerially and the availability of experienced board members. Meanwhile, **AV, LLC** and **VSC** refer to the importance of attracting more volunteers. According to Arvidson et al. (2010), it is very difficult to "put an appropriate value on inputs such as volunteering." While our interviewees stressed the importance of donating time, energy and skills, there is little literature available quantifying these elements. SROI equates "the hours given by volunteers" (Arvidson et al., 2010) to the hourly rate paid for this type of work although there is a debate that it would be more accurate to equate it to what the volunteer earns in their respective fields per hour.

Further Discussions

One of the first things that the authors noticed during the telephone interviews, was the passion with which all of the interviewees spoke. Their interest and ambitions for their social ventures were very apparent as were their desires for better policies and consistent funding. The Treasurer from **VSC** spoke of the importance of being able to access funding at different stages of a venture's development. All of the social ventures, with the exception of the Manager of **LLC,** welcomed further measurement as they felt it would increase investor confidence. The Manager of **LLC** was tentative because **LLC** is providing a social service which he believed is difficult to measure. In contrast, **SP**, with the backing of JP Morgan has developed a tool that captures and tracks a trainee's performance. **SP** has been using this tool successfully for 5 years and hopes to sell it to similar social ventures in order to raise capital.

As outlined, measurements tools would be gladly welcomed by the interviewees with whom the authors spoke. If the Irish government could provide these tools cheaply and/or give support for the social ventures to create their own measurement tools, it is predicted that efficiency and investment in the social finance environment would increase. Likewise the productivity of the 19,000+ social organisations registered in Ireland could be assessed. This is very much in line with the key findings by the OECD on social impact measurement (OECD, 2015-2). Indeed, the capability of identifying and measuring social impact is highly important in attracting future investment.

The authors also contend that valuable lessons can be learned by examining comparable international social ventures and the manner in which they evaluate impact. As an example, the social mission of the Glasgow based WiseGroup (a trading charity established in 1983) is similar to that of **SP**, i.e. the provision of training and job opportunities for those in long term unemployment. In 2007, the WiseGroup returned its first SROI report, specifically focussing on a project in North Glasgow. The WiseGroup used monetizable impact metrics (e.g. increased numbers being trained, reduced social welfare spending, increased income tax etc.) underpinned by financial indicators such as; "welfare benefit savings from temporary employment; increased income to the participants; increased employability of those not entering employment; increased future earnings potential arising from qualifications achieved, drugs and mental health outcomes" etc. (Nicholls, 2009). Whilst **SP** currently measures the number of people being removed from long term unemployment, in addition to recording training, performance and trainee attitudes; there is scope for a more comprehensive SROI analysis, similar to that carried out by the WiseGroup..

Meanwhile, the social mission of the UK based HCT Group is reasonably similar to that of **LLC** i.e. "to enhance people's lives, provide opportunities and bring people and communities together through transport and training" (HCT-Group, 2016). Established in 1982, the HCT Group adopted a social impact measurement approach in 2014, whereby they 'looked at' the impact of their service on their service users and then mapped these findings "against the Big Society Capital (BSC) outcomes matrix" (HCT-Group, 2016). The HTC Group used a range of measurement approaches (such as tracking passenger trips and bookings, focus groups and user surveys), to assess social impact areas which included; the maintenance of independence through access to local facilities; the support of physical and mental health through access to local health services; the support of family, friends and relationships and the embedding of citizenship and community through access to community events etc. **LLC**'s reluctance to adopt measurement tools may be alleviated somewhat given that the HTC Group provides a similar social service and successfully use different approaches to quantitatively and qualitatively assess the social impact of their services.

The creation of specific policy for Social Enterprise was mentioned by the manager of **FH** and the CEO of **SP**. According to the CEO of **SP**, one of the main problems experienced by a social enterprise is a lack of government policy. Social enterprises do not come under small to medium sized enterprise (SME) or start-up categories and there is little policy in place to aid future development. He also stated that he hoped that the government would adopt a more "*preventative spend perspective*" i.e. put resources in place to help the disadvantaged and prevent future difficult outcomes. The importance of policy in order to support and direct future advancements of social ventures is essential. These, together with further tax relief proposals are eagerly awaited. Similarly, taskforces set up by individual governments and/or as a result of G7 and G8 proposals are enabling the quick expansion of this sector. The creation of policy that will standardise and develop the global social finance market is to be supported.

The consistent availability of funding at each stage of a social venture's development is also shown by both the interviewees and research literature as being very important. **HW** showed concern that funding could change annually. This could restrict or stop the services it offers. Also both **VSC** and **SP** said that funding/low interest loans needed to be made available if a social venture wished to expand otherwise it would never achieve financial independence and become self- sustaining (Scottish Social Enterprise Experience, 2016). **SP** in particular reported difficulty in accessing suitable loans and as it cannot fundraise, its development depends on the economy and its own commercial success.

Conclusions

Social Finance may be defined as the flow of capital to "start-up, sustain, or grow individual, group, organisational or sectorial action aimed primarily at generating social or environmental value" (Nicholls and Paton cited by Hazenberg et al., 2015). As a broad range of organisations and platforms are involved, there is much discussion and debate about the direction of social finance and the most appropriate tools and measurements to employ. The Social Finance Foundation (SFF) was set up by the Irish government in 2008, with the remit of highlighting the importance of the developing role of Social Impact in Ireland. Although the SFF started collecting data in 2010 from the social ventures it supported; to date, there has been no detailed analysis of the effect/impact of its lending. **It is for this reason that this study focussed on the work carried out by social ventures, the difference that they make and how (if at all) they measure their overall impact.**

Consequently, the aims of the study were to :

1) *Evaluate the extent of the social impact that organisations in receipt of social finance make.*
2) *Ascertain whether social impact is quantified/measured and if so, then how.*
3) *Have a greater understanding of financial and non-financial supports for social companies.*

Representatives from six social ventures that fulfilled different social finance roles whilst being geographically disperse, were contacted and agreed to participate in this research. These social ventures provide support, services and networking opportunities and in some cases employment, training, housing, transport or healthcare thus creating a very positive social impact. While the small number of social ventures being interviewed is not representative of the social venture landscape in Ireland, this research aimed to provide a 'snapshot' of the current state of social finance funding within the Irish context and to highlight areas for further research and exploration.

During the course of this research, the authors became aware of changes/improvements that need to be made. As an example, measurements tools would be gladly welcomed by the interviewees with whom the authors spoke. If the Irish government could provide these tools cheaply and/or give support for the social ventures to create their own measurement tools, it is predicted that efficiency and investment in the social finance environment would increase. Meanwhile, the creation of specific policy for Social Enterprise etc. was mentioned by the manager of **FH** and the CEO of **SP**. **SP** in particular has difficulty in accessing suitable loans and as it cannot fundraise, its development depends on the economy and its own commercial success. Likewise, as shown in the literature, the continuation of G7 in creating policy that will standardise and develop the global social finance market is to be supported.

The consistent availability of funding at each stage of a social venture's development is also shown by both the interviewees and research literature as being very important. **HW** showed concern that funding could change annually. This could restrict or stop the services it offers. Also both **VSC** and **SP** said that funding/low interest loans needed to be made available if a social venture wished to expand otherwise it would never achieve financial independence and become self- sustaining (Scottish Social Enterprise Experience, 2016).

The authors proposes the following for future research into the area of Social Finance:

- A more in-depth investigation of Social Finance using complimentary research approaches (e.g. surveys, focus groups, case studies) etc.
- The use of a larger sample size of social ventures, in order to be truly representative of ventures in the Social Finance landscape.
- A comprehensive comparison of Irish social ventures with similar social ventures on the international stage.
- Interviews with the recipients of the services provided by the social ventures.
- An analysis of social impact measurement tools.

Note : The authors fully acknowledge that the number of social ventures which were interviewed as part of this research are not representative of the social venture landscape in Ireland.

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