

## **'LET'S TALK GOOD FINANCE' EVENT**

This started at Apex Court, Nottingham, on 24/04/17 at 1400 hours. About 60 people were present.

**WELCOME** *(Alison Jeffrey (AJ) (office of Civil Society (OCS), part of the Department of Culture, Media and Sport (DCMS))*

AJ's background was mentioned. Social investment matters were mentioned as a result of feedback from a previous event in February, which indicated a need for more information about social investment. Rachel Quinn, who was due to attend, is unwell.

**BIG SOCIETY CAPITAL** *(Melvina Mills (MM) (BSP))*

BSP receives £400 million from dormant bank accounts which it then has to pass on to relevant social enterprises through loans, etc. It was launched in Wolverhampton some 5 years ago. A lot has changed since then.

Social Impact Bonds are important but not crucial. MM is the only BSP employee living outside London (she lives in Leicestershire) and she wants to enhance what's on offer greatly.

There are 19 such events going on around England this year.

Their mission is to help charities and social enterprises negotiate the complex world of social investment.

Partners include the National Council for Voluntary Organisations (NCVO), DCMS, LocalCity, Social Enterprise UK, etc.

The website was designed by a social enterprise. Good Finance was designed for grass roots groups needing social investment, together with 'go getters' who need advice on where to get suitable funding.

Social investment is the use of repayable finance to achieve a social as well as a financial return.

An organisation may need it to kick start the organisation itself, but not as a 'start up'. Social investment comes with a need to repay it.

Possible uses and methods of paying the loan back were mentioned. It isn't necessarily cheaper than mainstream finances because of the risk factor.

If you have problems repaying the loan, tell your investor.

Key things to consider include the amount of money you need, the revenue model, etc. Social investment won't work without these.

A business model and plan is also important. This needn't be long, but it must be relevant. A clear vision of the desired achievements plus performance management and good reporting standards, etc., are important.

Legal structures are also important, and relevant. Guidance on appropriate structures is freely available.

Is this right for your organisation?

Possible sources of funding could be Charity Bank, Big Issue Invest, Key Fund, etc., plus other national investors. The Ecology Building Society may also help, as may the Coop Bank or your own bank or Building Society if you have a good record with them. Such organisations must be able to satisfy 3 different types of caring criteria.

### **SOCIAL INVESTMENT IN PRACTICE** *(Peter Hughes (PH)* *(Charity Bank(CB))*

CB started in 1994. It's run for charities and social enterprises. They lend from £50k. to £2.25 million, on secured loans, to charities and social enterprises.

They exist to help social sector organisations access loans. They take the time to meet, and build relationships with, borrowers.

They want to see the social impact of their loan, so, if there are any repayment problems, they will work with the debtor to try to solve the problem.

They worked with Emmaus Village, Carlton, Bedfordshire, on a relevant, self sustaining project.

Valley CIDS is based in Swanwick, Derbyshire, who work with young disaffected people, and want to open Charity Shops, etc. They helped them.

A skatepark in Stourbridge was also supported. They're a suitable match for match funding purposes.

Call 01732 441973/07919 543237, or email [phughes@charitybank.org](mailto:phughes@charitybank.org)., or look at [www.charitybank.org](http://www.charitybank.org)..

### **BIG SOCIETY CAPITAL** *(Ben Warren (BW))*

Crowdfunding was mentioned. It's not a new concept. The Statue of Liberty was one of the earliest examples, in 1885, when the United States used \$250k. to instal it after France had given it to them. But it has recently grown hugely due to the Internet.

Rewards and Debts & Equity were mentioned. Individuals could give money in return for a reward or recognition. Debts & Equity involve invoice trading, peer to peer lending and debt based crowdfunding.

It's a huge industry now, worth over £7 billion in the UK alone.

The £ 10 million Crowd Match Fund will match investments made by individuals on crowd funding platforms into charities and social enterprises.

### **HEAR FROM A PEER! (Cherie White (CW) ('Think For The Future').**

CW is 24 years old, but has actually done this work when she was 21.

She's from Lewisham, south London, but attended Nottingham University. Nottingham City has the second worst statistic in the UK for school truancy. CW's looked at the social and educational causes of this. 80k. teachers join the profession per annum but 100k. leave, and the worst schools suffer from the effects of this the most.

CW has also worked in Nottingham Prison on relevant topics.

They did workshops, mentoring, teacher training and community work. They have a range of relevant partners, including BBC Children In Need, UnLtd., Action for Children and others.

Their financial model from 2016 to 2020 was outlined.

CW was very busy with other things when starting these things up, but didn't find the process arduous.

She's worked with a number of relevant organisations.

### **SOCIAL INVESTMENT UPDATE**

Fewer organisations in the East Midlands and East of England access Big Society funding than elsewhere. Have a look at it. It could be helpful.

Handouts for trustees were given out where other trustees, etc., share their experiences. Mentors are also available, although professional advice will still be required.

The meeting then ended.

**Terry Kirby**