



The ClearlySo Guide for **The Ambitious Social Entrepreneur**



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Third edition

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Dear Entrepreneur,

I welcome this third edition of the ClearlySo Guide for the Ambitious Social Entrepreneur and am delighted to support this valuable resource – a mine of industry information that is free to access for all emerging social entrepreneurs and individuals with an interest in the sector.

Our sponsorship of this guide is one of the many ways the City of London Corporation supports the social enterprise sector: from encouraging City businesses to buy from social enterprises to supporting them to provide their business skills for free.

As part of our commitment to helping progress the social investment marketplace and to provide the necessary financial support for social organisations, the City of London Corporation has established a £20 million Social Investment Fund. This fund aims to provide investment into organisations that meet a social need (in the UK and internationally) and deliver positive financial returns.

To find out more please visit www.cityoflondon.gov.uk/socialenterprise.

I wish you happy reading and hope you find this introduction to the social enterprise sector both constructive and inspiring.

Sincerely,

A handwritten signature in black ink that reads "Mark Boleat".

Mark Boleat

Chairman of the Policy and Resources Committee

The City of London Corporation

Dear Entrepreneur,

ClearlySo are proud and excited to publish the third edition of the ClearlySo Guide for the Ambitious Social Entrepreneur.

When we launched the first edition in April 2012, we felt the sector was missing a comprehensive source of the information, resources and organisations that exist to support social entrepreneurs, particularly those with the ambition to scale their business activities and raise capital. So, we distilled our industry knowledge and experience into this one document which became the Guide.

For those who have read the Guide before, this latest revision reflects the growth, over the last 12 months, of initiatives and organisations dedicated to supporting social entrepreneurship. As the sector evolves, we will endeavour to build on this resource in the future and make improvements with each iteration informed by our readers and the entrepreneurs we work with at ClearlySo.

I would like to thank all our authors, past and present, for their incredibly thorough research in helping to put this Guide together. Without their hard work it would simply not be possible to provide this resource.

I hope you find the Guide useful and do give us your feedback.

Sincerely,



Simon Evill

Head of Ventures

ClearlySo

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1. About ClearlySo

ClearlySo is a UK based financial services firm, specialising in social impact investment. We provide capital raising and advisory services to funds and entrepreneurs generating social and environmental value. We help investors discover innovative opportunities to make social and financial returns.

We were approved as one of the first Investment and Contract Readiness Fund (ICRF) Providers in July 2012 and run the first UK dedicated social impact angel investor group called 'Clearly Social Angels' and manage investor relationships with leading institutional investors, including foundations, impact investment funds, banks and corporations.

In 2013, we were announced as the investment partner for the 'Big Venture Challenge', an exciting three year programme designed to address the funding gap in the social investment marketplace for early stage/high risk capital, led by UnLtd and underwritten by the BIG Lottery Fund.

Our services

ClearlySo's financial advisory service focuses on social businesses, social enterprises and impact investment funds raising over £1 million in capital. We also work for social business and enterprise clients raising £300,000+ where we consider the investment opportunity significantly compelling for our angel group and High Net Worth Investor (HNWI) network.

We have two basic services for social entrepreneurs raising capital:

- **Introductory service:** where we facilitate introductions to a targeted group of potential investors
- **Full advisory service:** where we help our clients build a compelling investment case, devise a fundraising strategy and target investors.

Services include:

- Full review of business plan and financial projections
- Assistance on writing a business plan and building financial projections in Excel
- Advice on corporate and legal structure
- Advice on management team and governance
- Guidance on the measurement and reporting of social or environmental impact
- Advice on capital structure and likely terms
- Forming a fundraising strategy, identification and introduction to potential investors
- Capital raising, negotiation of term sheet and deal closing

Track record

Since our launch in March 2009 we've helped twenty seven businesses, social enterprises, charities, and an impact investment fund to raise over £16m in capital. Our clients have included: Epona Clothing, HCT Group, K10, Psychology Online, PlayMob, Exosect, Insane Logic, Fair Finance, Weeding Technologies, and Impact Ventures UK.

Our research

Our research arm is a UK leader in social investment and undertakes commissions for both public and private sector clients such as the BIG Lottery Fund, City of London Corporation, Skoll Foundation, Oxford University, Marks & Spencer and the EU. See our publications page [here](#).

ClearlySo's research heritage goes back over a decade with the launch of a website showcasing social businesses and enterprises called 'socialinvestments.com'. In September 2008, (the same day Lehmans Brothers collapsed) socialinvestments.com became ClearlySo. The online showcase of 60 original businesses now numbers over 3,500 enterprises from over 80 countries and can be

filtered by industry, impact theme and geography, see our directory [here](#).

Looking to connect with us?

There are a number of entry points for social entrepreneurs to connect with ClearlySo:

- If you're looking to raise capital in the near future please fill out our [online investment application](#), designed in-house to manage the many incoming queries we receive from social enterprises across the UK. Applicants are able to get onto our investment radar and benefit from referral to more appropriate sources of funding or help should their business not be at the right stage of development for our support.

Come along to a '[ClearlySo Tea Time](#)' event for emerging social entrepreneurs and mid-career professionals with an interest in the sector. Free to attend, these 'group therapy' sessions are an informal way attendees can talk to ClearlySo experts as well as network with and learn from their peers.

Visit our website www.clearlyso.com where you can browse dedicated content and resources for entrepreneurs, sign up for our industry newsletter or visit our popular jobs board.

ClearlySo Ltd is an appointed representative of Catalyst Fund Management & Research Ltd which is authorised and regulated by the Financial Conduct Authority (No.185678).

2. The Social Enterprise Sector

If you are reading this the chances are that you are considering joining, or have already joined the growing ranks of socially-motivated entrepreneurs and professionals around the world. Like them you're probably a problem-solver, combining the tools and disciplines of business with a deep passion for tackling a particular social and/or environmental need close to your heart. Never before has there been such opportunity for social entrepreneurship, as an agent for societal change - in a world struggling to cope with finite resources, a damaged planet, an ageing and ailing population, widespread and deep-rooted social inequities, a growing gap between rich and poor and a weakened global economy.

2.1. Size and resilience of social enterprises

Whilst exact figures are debated, most recent publications suggest that the total number of social enterprises operating in the UK amounts to approximately 70,000, generating sustainable employment for close to 1 million people in the UK, including those most disadvantaged from accessing the labour market¹. Recent UK-wide research shows that social enterprise has three-times the start-up rate of the mainstream Small and Medium-sized Enterprise (SME) sector and close to a third of all social enterprises are three years old or younger.² The exact amount that social enterprises are said to contribute to the UK's economy is also disputed. Social Enterprise UK estimated in July 2013 that the figure was around £18.5bn³, whereas the UK Government suggested in December 2013 that it could be as large as £55bn⁴. Social enterprises appear to have demonstrated resilience during the recession, with 38% of social enterprises

reporting a growth in turnover compared with 29% of SMEs in 2013⁵. Within the EU, the social economy employs over 11 million people, accounting for 6% of total employment⁶. However, these statistics are outdated and may well be misleading.

2.2. Defining a social enterprise

There are many definitions of a social enterprise, but at the heart of the model is the combination of doing business and doing good which makes social enterprise one of the most exciting and fast-growing sectors in the UK and internationally.

The common characteristics of a social enterprise⁷ are:

- It is an organisation that trades with the primary aim of tackling social needs by improving communities, people's life chances and/or our environment; it has a clear sense of its mission and how its activity addresses those needs.
- It differs from a straightforward charity because it is run as a business, generating revenue from trade and making profits which in part, or full, are reinvested to generate greater social benefit.
- It places an emphasis on profit optimisation as opposed to profit maximisation (unlike conventional businesses), encouraging sustainable, and socially impactful growth in the long-term.

2.3. The key players

For this nascent sector to achieve its full potential social enterprises need to have access to talent, high quality advice, and funding and investment which helps them to maintain and grow their social impact. The government is potentially a key customer and is increasingly taking social value into account in

¹ Social Enterprise: Market Trends (Based upon 2012 Small Business Survey), Cabinet Office (May 2013). Available [here](#)

² Small Business Survey 2012: SME Employers, commissioned by the Department for Business, Innovation & Skills, (March 2013). Available [here](#).

³ SE UK (2013) '[The People's Business - State of Social Enterprise Survey 2013](#)'

⁴ Cabinet Office (2013) '[Social investment: brief background note on UK government's approach](#)'

⁵ SE UK (2013) '[The People's Business – State of Social Enterprise Survey 2013](#)'

⁶ CIRIEC, 'The Social economy in the European Union', p48

⁷ For further information on the history and developments within social enterprise, see SE UK website, including '[Social Enterprise Explained](#)'

its purchasing decisions⁸. It has also been a major investor in the sector – both directly and indirectly. As direct funding and investment tails off significantly, the government is increasingly taking on the role of advocate, supporter and customer. Whilst the gap left by the withdrawal of traditional funding sources is significant and undoubtedly damaging to many social enterprises and the communities they serve, there are encouraging signs for the sector's longer term health...

Big Society Capital (BSC) became operational in April 2012 and has already made substantial investments in sector infrastructure⁹. BSC is charged with supporting the specific needs of the social investment market and operates as a wholesale investor in other social investment finance intermediaries (SIFIs). Under the Government's 'Project Merlin' agreement¹⁰, Barclays, HSBC, Lloyds Banking Group, and Royal Bank of Scotland (RBS), have each invested £50m into BSC. A further £400m has come via dormant bank accounts, following the work, report and recommendations of the 'Commission on Unclaimed Assets'¹¹. In time, BSC's capital is expected to leverage far greater sums of capital flowing from social investors into social enterprises.

The UK is also perceived as a global leader in the development of the social investment market. The European Commission and international governments are looking at the experience of the UK as they explore how to support the growth of their own social enterprise sectors.

Social enterprises are competing with mainstream companies whilst also generating the positive impact which is increasingly being valued and demanded by society at large. The most forward-thinking of FTSE 100 companies are fast considering how to, and in isolated examples beginning to, work with social enterprises to help them meet the growing demands of their staff and customers. Some

corporations are not only considering using social enterprises in their supply chains, but are looking at establishing their own social investment funds and support programmes as a way of engaging more directly with this sector. Trade and partnerships between social enterprises are also increasing as the range of organisations and services expand.

Mainstream financial institutions are also increasingly interested in social investment opportunities. This has in part, been influenced by client demand, poor investment returns in mainstream financial products; but also in the wake of the financial crisis - the wider public's outrage and search for solutions to what many perceive as a broken economic model. There is also a growing awareness amongst analysts and economists, and in corporate boardrooms, that supporting and/or investing in social and environmental sustainability will contribute markedly to the resilience and future growth of their business.

2.4. Platforms for building the social investment market

The internet is changing the ways businesses and charities access finance, funding, and individual supporters – this phenomenon has been described as the 'democratisation of finance'¹². For example, over \$300m of loans have been created on Kiva (see section 3.3.iv) alone since it was created in 2005, and over £268m of peer-to-peer personal loans have been made through Zopa in the UK. In the past few years alone a wealth of specialist sector platforms and crowdfunding sites have emerged to encourage trade in shares, loans and other support in social and community and projects. See section 3.3 iv for further insights.

2.5. The demand for social investment

Whilst the flow of capital into UK social enterprises is still very small (£165m in 2011¹³,

⁸ See Localism Act 2010-2012 and Public Services (Social Value) Act 2012

⁹ BSC, 'How we invest'

¹⁰ HM Treasury (9 Feb 2011) 'Project Merlin – Banks' Statement'

¹¹ Social Investment Task Force (April 2010) 'Social Investment Ten Years On'

¹² Professor Robert Shiller (2008) 'The Democratisation of Finance', *University of Yale*

¹³ The Boston Consulting Group (BCG) (Sept 2012) 'The First Billion: A Forecast of Social Investment Demand'

£202m in 2012¹⁴) compared to individual charitable giving (£9.3bn in 2011/12¹⁵) and is completely dwarfed by mainstream SME finance (£160bn of loans in 2012¹⁶), the number of social investment funds is growing, as are the opportunities to back ambitious social enterprises. The Boston Consulting Group's report commissioned by BSC predicts that demand for social investment (in England only) could grow to £1bn by 2016¹⁷. If we compare this with global estimates for social (or impact) investment opportunities over the next ten years, which focus on the 'bottom of the pyramid' market (infrastructure, health, environment and education in least-developed nations), \$400bn to nearly \$1tn¹⁸ is forecast to be invested¹⁹.

2.6. Business and Investment readiness

The job of matching available finance to organisations seeking capital needs a strong pipeline of investable enterprises, and investment ready finance providers. In reality, there are several dimensions to building an investment-ready market place. Firstly, social entrepreneurs need to know which investors are out there that are appropriate for their organisation and what is required to access different types of social investment. Secondly, social investors need to know which organisations are ready to raise investment and be able to deploy their capital efficiently. Thirdly, the advisory support for social sector organisations must be in place, providing high quality and affordable professional advice on raising capital – to enable social ventures to access the different types of finance required to fit their often complex needs. Mainstream investors have begun to learn the different nuances and complexities of investing capital

into social enterprises – what they are investing in and what types of returns they can expect, both social and financial. The 'Growing the Social Investment Marketplace: Investment Readiness in the UK' report commissioned by Big Lottery Fund and published by ClearlySo in July 2012 provides further insights in this area.

The Cabinet Office's Investment and Contract Readiness Fund (ICRF) (see section XI) scheme provides one such route to support the needs of ambitious social enterprises looking to scale and grow their impact. There may also be a significant role for grant-giving organisations to help build the support needed to create both investment-ready ventures and investing-ready investors.

2.7. Public and private sector procurement and social value

Many of the larger-scale opportunities for social enterprises are in the delivery of public services. Central and local government already use Payment by Results (PbR) contracts, where social ventures can show they add social value by identifying their unique selling points: that their services and interventions can make a real difference to long-term social outcomes, generating potential future savings for the taxpayer through reduced demand for public resources. However, there are real challenges to this, not least that the income stream for such provision can be very 'lagged' and the benefits may not always be transferred into cash savings. Investors, commissioners and social ventures have observed with great interest the development of one such PbR product – the Social Impact Bond (SIB) – to assess whether other social services can be delivered under such a structure of social investment and public service contract.

In Europe, there is wide recognition that whilst the legislative framework does give room for consideration of social value in procurement²⁰, the EU's principle is not uniformly implemented across member states at local, regional or national government levels. In the UK, the introduction of the Public Services (Social Value) Act 2012, which requires local authorities "to give greater consideration to economic, social or environmental wellbeing" when tendering for contracts should reinforce

¹⁴ Growing the social investment market: the Landscape and Economic Impact (City of London Corporation (July 2013)

¹⁵ CAF and NCVO (Nov 2012) 'UK Giving 2012'

¹⁶ Right on the Money (Economia magazine, ICAEW), July 2013

¹⁷ BCG (Sept 2012) 'The First Billion: A Forecast of Social Investment Demand'

¹⁸ JP Morgan (Nov 2010) 'Impact Investments: An emerging asset class'

¹⁹ Ibid; Monitor Institute (Jan 2009) 'Investing for Social and Environmental Impact'

²⁰ As outlined in the EU guide 'Buying Social'

this principle. Investors looking to finance social enterprises which provide public services will expect to see a commitment to the principles of social value in the procurement process. Social Enterprise UK has published a guide for local authorities²¹ on how to engage effectively with social enterprises.

In the private sector there is also increasing interest in finding ways to both learn from, assist, and do business with social enterprises. Initiatives like the Buy Social Directory²² and Wates Group's Procuring Social Enterprises Programme²³ are illustrative of recent progress in both raising consumer awareness of social enterprises and progressing corporate supply chain innovation.

3. Raising Capital

Raising capital is one of the most important but difficult tasks any entrepreneur faces. Raising finance in the social business and enterprise sector is particularly challenging because the pool of social enterprises as well as the pool of social investors is small, and the capacity to combine financial returns is still relatively under developed. Social investment is dwarfed by other forms of capital flows; for example, in 2010 UK social investments were valued around £165m, compared with £55.3bn of wider bank lending, £13.1bn of individual giving and £3.6bn of philanthropic grants²⁴.

3.1. Functions of Capital

An organisation might seek investment for a variety of reasons, such as:

- cash-flow finance

²¹ SE UK (Feb 2012) 'The Social Enterprise Guide for People in Local Government'

²² www.buysocialdirectory.org.uk

²³ <http://www.wates.co.uk/sustainability/communities/social-enterprise>

²⁴ C. Shanmugalingam, J. Graham, S. Tucker and G. Mulgan (Feb 2011) 'Growing Social Ventures: The role of intermediaries and investors: who they are, what they do, and what they could become' Young Foundation

- working capital
- building up internal capacity/recruitment of staff etc.
- expansion of activities (new activities or more of existing activities)
- asset purchase
- start-up costs
- reserve funds/safety net resources
- research and development or piloting an initiative

The purpose for which the capital will be used may influence the type of finance sought. For example, a debt-based instrument (e.g. a mortgage) may be an appropriate mechanism to fund the purchase of equipment or an asset, whereas financing expansion of activities might require a mixture of financial products, such as loans, quasi-equity or full equity (see section 3.2). Also, the legal form of an organisation will affect the types of capital it can take. For example, a company limited by guarantee cannot issue equity (see section 6.1).

3.2. Types of Capital

When looking for capital to sustain and grow a social venture, understanding the basic types of capital available is essential, including what it is intended to accomplish, the advantages and disadvantages each type of capital offers, and the responsibilities it incurs on the investee and the investor.

The following list is a simplified overview of the options that are currently available to social entrepreneurs with specific reference to sources of information which provide more detailed information.

i. Donation

Donations are gifts which are typically used for charitable purposes. For social ventures with clear charitable aims, raising donations from family, friends and wider networks can be an effective way to garner momentum. Many charitable social enterprises have used

crowdfunding platforms to get their projects moving (see section 3.3.iv).

ii. Grant

Grants are donated funds of money, which unlike conventional donations, typically come with non-fiscal commitments or conditions that are placed upon grantees (grant recipients) and agreed prior to receiving the funds²⁵. Grants have a number, or all, of the following features:

- Time limited: often between one and three years to ensure that the agreed outcomes of the grant are executed.
- Programme specific: where funds are being deployed to enable a clearly defined project.
- Performance based: where funds are secured only if agreed outcomes or milestones are achieved by the grantee.
- Reporting dependent: where grantees are obliged to measure key performance indicators and report back to the grantor to evidence that funds are being deployed appropriately.

A grant, whilst not really a financial investment because of zero prospect of any return, even of invested capital, may often come with strict obligations. Grants are primarily made available in the UK to fulfil charitable and research purposes. Typically they are issued by government departments and local authorities, charitable trusts and foundations, and philanthropists. Historically, grants have been a staple source of funding to charitable social enterprises, although in recent years economic and political pressures have questioned the efficacy and logic of grant funding as a long-term source of capital for the social enterprise sector.

iii. Debt

A debt is an obligation (or loan) placed on a debtor (borrower) to repay a creditor (lender) for the capital asset borrowed from them. Debt is usually provided on the condition that there will be an expected repayment of this capital

over a reasonable period of time. Typically, although not always, the condition of a loan includes interest: a financial compensation in addition to the value of the loan.

There are many types of debts that fulfil different objectives and have a variety of features. In the broadest sense, debts fall into two main categories: secured and unsecured loans.

Secured loan

A loan in which the borrower pledges an asset (property which can theoretically be traded in exchange for money) as collateral (or security) against the value of the loan. The debt is thus secured against the collateral. If the borrower fails to repay the loan (known as a default) the creditor takes possession of the asset and may sell it to recoup some or all of the value of the loan.

Unsecured loan

The opposite of a secured loan: where the repayment of the debt is not tied to any form of collateral. As the lender has no recourse to recoup some, or all, of the value of the loan from the borrower in the event of a default, unsecured debt is usually provided with higher levels of interest. As such, interest levels on unsecured debt are calculated against factors which assess the likelihood of the borrower to repay, including the healthiness of cash flow, profitability, and the credit history of the borrower.

Types of Debt (an indicative but not exhaustive list):

- a. **Basic loan (term loan or bullet loan).** The simplest form of debt financing – where the debtor agrees to pay the creditor the full sum of the debt borrowed (principal sum) after a fixed period of time, along with the interest (if applicable) calculated as a percentage of the total debt per year. The interest may be paid in full on the date the principal sum is due, or staggered over periodic intervals, such as monthly or annually. The standard convention for calculating interest is APR (annual percentage rate).
- b. **Amortising loan or mortgage.** A debt paid down incrementally over a fixed

²⁵ For detailed information, see 'Social investment made simple', *KnowHowNonProfit*

- period of time. The most ubiquitous form of an amortising loan is a personal mortgage but the same principle of fixed payments over a specified period of time applies to insurance premiums, government securities and corporate bonds. An amortised loan can be calculated using an amortisation calculator, which uses a ‘time value of money’ formula to calculate the payment schedule.
- c. **Bridging loan.** A short-term form of debt which is intended as an interim form of financing before an individual or organisation can obtain the next stage of financing. Bridging loans, being short-term, are typically more expensive than other more conventional forms of debt, and are issued to businesses in the following main scenarios:
- To inject enough cash to sustain the business until more significant financing or expected source of revenue is secured
 - To carry a distressed business while a search for an investor or buyer is conducted
 - An injection of cash to carry a business through the immediate period before an expected acquisition or flotation
- d. **Syndicated loan.** Where a debt is provided by a group of lenders to a single borrower. This is a common way for businesses to access debt financing from banks and other institutional financial capital providers.
- e. **Subordinated loan (mezzanine debt).** A form of debt which ranks after other debts – should an organisation run into difficulties and fall into liquidation or bankruptcy. In other words, a subordinated loan has a lower priority in a hierarchy of creditors, and may, in the event of liquidation or bankruptcy, not be able to recoup any, some, or all of the value of the debt that is due. As such, subordinated loans typically charge higher rates of interest conducive with the greater risk that the debt is exposed to.
- f. **Bonds.** A form of long-term debt which is converted into securitised debt. The holder of a bond is the creditor, the issuer of a bond is the borrower, and the interest is called a coupon. A bond is a formal contract to repay the borrowed money with interest (the coupon) fixed at certain intervals over time. To issue bonds as a long-term source of debt financing requires a “viable underlying source of revenue with which to pay the bond holders. As this form of finance is still emerging in the social sector, there are various types of bonds in existence.”²⁶

iv. Equity

Equity is the term used to describe the ordinary share capital of a company²⁷. Ordinary shares are issued to owners of a company in exchange for a nominal value. In order to increase the capital in a company, businesses raise equity by issuing shares. The primary reason for issuing shares in a company, particularly a small company, is to raise more cash to fund the growth of the business's operations.

Should a company realise profitability, share investors (depending on which types of shares they have purchased) are entitled to their portion of the profits (known as dividends). Should a company fall into financial difficulties and be declared insolvent or bankrupt, share investors may lose some or all of the capital they have invested in the business, as they have the last residual claim against the company's assets after all other creditors (ranked in order of priority) have been paid. Should a business be sold, ordinary share investors are entitled to their portion of the payment. Ownership equity of this kind is also known as risk capital.

v. Quasi-Equity

Quasi-Equity is a type of capital which combines the features of debt and equity. It is an unsecured form of debt where the interest an investor is entitled to is tied to the future revenue achieved by the company. Unlike a

²⁶ For further information see '[Charitable Bonds](#)' by KnowHowNonProfit

²⁷ For detailed information see '[Social investment made simple](#)' by KnowHowNonProfit

conventional loan, the return on investment is dependent on the financial performance of the organisation. If performance is poorer than expected and revenues are low, quasi-equity investors will receive a lower return or perhaps no return at all. If performance is greater than expected, a higher return is paid.

Quasi-Equity²⁸, often described as a revenue participation loan, can be a useful source of finance for organisations with little or no collateral, and many social enterprises with legal structures that prohibit or limit the distribution of share capital. With Quasi-Equity, the investor is rewarded for the greater risk their unsecured capital is exposed to with the returns on their investment linked to either the gross revenues or incremental revenues generated by the investee. In this way, Quasi-Equity offers a way for funders and their investee to share the risk and reward of socially entrepreneurial activities.

vi. Community Shares

Community shares are a form of equity financing where shares are issued to local communities rather than private investors and wealthy individuals, using the collective capital of local people to back enterprises and community initiatives. The key to raising finance through community shares is access to "actively committed and motivated members who recognise the wider benefits of communities investing and engaging in their solutions."²⁹ Often the regulation around community share issuance is more permissive.

vii. Payment by Results

The Payment by Results (PbR) financing mechanism is increasingly being used in the commissioning of public services which create meaningful social outcomes. By incentivising social outcomes, public service providers (businesses, social enterprises, charities and community groups) are contracted to provide innovative, often preventative-orientated interventions, which tackle pervasive and deep-rooted social problems. Otherwise, the very interventions which are understood by charities and social enterprises to be the most effective

in tackling social problems may be overlooked in the conventional procurement process.

The **Social Impact Bond** (SIB) is a type of PbR financing mechanism: "a form of outcomes-based contract in which public sector commissioners commit to pay for significant improvements in social outcomes (such as a reduction in offending rates, or in the number of people being admitted to hospital) for a defined population."³⁰ Through an SIB, private investment is used to pay for interventions which are delivered by service providers with a proven track record. Financial returns to investors are made by the public sector on the basis of improved social outcomes. If outcomes do not improve beyond an agreed threshold, then investors do not recover their investment.

The coalition government has created a Centre for Social Impact Bonds within the Cabinet Office to promote the development of more and better SIBs, reducing transaction costs and helping SIBs scale up, for example through the development of standard contracts. Big Society Capital have committed investments towards a number of SIBs and the Cabinet Office's £20 million Social Outcomes Fund (managed by Bridges Ventures) will provide further support towards the development of SIBs.

There are also two other new tools developed by the Centre for Social Impact Bonds – the Social Impact Bond Knowledge Box, an online portal providing information on all aspects of developing and commissioning SIBs and a template SIB service agreement contract, which will help reduce the time and cost associated with developing the legal arrangements of a SIB.

Britain is widely perceived as the international leader in SIBs with 14 funded projects in the UK, including the first set up in Peterborough jail³¹. SIBs are perceived to have particular value as a methodology for testing the economic social impact of those social enterprises and charities working in the criminal justice system, supporting vulnerable children, and providing health, social care, and drug and

²⁸ See CAF Venturesome's case study in using Quasi-Equity

²⁹ Community Shares

³⁰ Social Finance, 'Social Impact Bonds'

³¹ Patrick Wintour (22 Nov 2012) 'Social impact bond launched to help teenagers in care and the homeless', *The Guardian*

rehabilitation services. The following are some examples of SIBs that have been implemented or are in the process of being structured:

- Under the [Peterborough SIB](#) the government issued £5m of SIBs to charitable trusts and philanthropists. It was created by [Social Finance](#) and used to pay for interventions for offenders serving short prison sentences (less than 12 months) at HMP Peterborough. The Ministry of Justice and the Big Lottery Fund agreed to pay investors so long as there is a measured reduction in reconviction rates of 7.5% relative to the experience with a control group of short-sentence prisoners in the UK. However, the future of the Peterborough SIB was put in doubt in May 2014³² when the government announced that the SIB's model was to be re-configured as a result of the structural reforms to probation services which are due to come into force in early 2015.
- Essex County Council funds a five year programme, run by Action for Children, which provides intensive support to 380 adolescents and their families, focusing on 11-16 year olds at the edge of care or custody in Essex. Social Finance raised £3.1m from social investors, including Big Society Capital, [Bridges Ventures](#) and [Charities Aid Foundation](#), is used to fund the bond. The investors get a return if the scheme meets a target of diverting around 100 adolescents from entering care. The success of the SIB will be judged by the reduction in the number of days the adolescents spend in care, as well as by improved school outcomes, wellbeing and reduced reoffending. Essex County Council is the first local authority to award a SIB contract.
- In late 2012, the Department of Work and Pensions awarded two contracts worth up to £7m to Adviza in the Thames Valley, and Teens and Toddlers in North West England (both social enterprises established by Social Finance). The [Employability SIBs](#) will fund interventions to work with around 2,500 14-15 year olds who are

disadvantaged, or at risk of disadvantage, to tackle youth unemployment.

Other notable SIBs include [The Rough Sleeping SIBs](#) addressing homelessness, and [CVAA and Baker Tilly SIB](#) to fund adoption services for hard to place children.

³² [Social Impact Bonds: Is the dream over? Guardian Professional 1st May 2014](#)

3.3. Sources of Capital

i. Angel Investors

Business angel networks exist to connect wealthy individuals with young, dynamic companies looking for finance. In the UK there is a well-established and vibrant business angel network sector. Angel networks operating include:

- [Addidi Angels](#)
- [Advantage Business Angels](#)
- [Angels Den](#)
- [Angels in the City](#)
- [Beer and Partners](#)
- [Beer and Young](#)
- [Cambridge Angels](#)
- [Oxygen Investors](#)
- [Charlotte Street Capital](#)
- [Clearly Social Angels](#)
- [Connect London](#)
- [E100](#)
- [Entrepreneur Partners LLP](#)
- [Entrust](#)
- [Envestors](#)
- [The Funding Network](#)
- [Go Beyond Ltd](#)
- [Halo](#)
- [Harvard Business School Angels of London](#)
- [Incito Ventures](#)
- [Invent Network](#)
- [Keiretsu](#)
- [LINC Scotland](#)

- [London Business Angels, see also Angel Capital Group](#)
- [Minerva Business Angel Network](#)
- [Northwest Business Angels](#)
- [Octopus](#)
- [Oxford Early Investment](#)
- [Oxford Investment Opportunity Network](#)
- [Qi3 Accelerator](#)
- [Seedrs Limited](#)
- [Silicon Beach Business Angels](#)
- [SWAIN \(South West Angel and Investor Network\)](#)
- [Thames Valley Investment Network](#)
- [WK Capital LLP](#)
- [Wren Capital](#)
- [Yorkshire Association of Business Angels](#)
- [Xenos](#)

[UK Business Angels Association](#) is a membership body representing many such networks in the UK.

However, there are very few angel networks that focus specifically on the needs of social businesses and enterprises and connect them with angel investors and venture philanthropists who wish to make social investments. We expect that this may change in the coming years as the social business and enterprise sector develops and investors increasingly begin to see the advantages in social investing both from an intellectual perspective and due to a personal motivation to address social and environmental inequities. Until then, this area of social finance is relatively immature and practitioners are in short supply. Below is a list of angel networks providing capital to social entrepreneurs and intermediaries connecting investors with a focus on sustainability and social impact:

Addidi Pioneers

"Addidi Pioneers are a group of like-minded individuals who want to Make a Difference (MAD) by using a proportion of their wealth to invest in sustainable projects that provide a social return, as well as projects that 'do good'."

Focus: This network comprises of women investors who seek to invest in or make sustainable grants to charitable projects or enterprises that develop skills

and help create self-sufficiency.

Key Requirements: Organisations that are working towards becoming sustainable and who measure their outcomes clearly.

Deal Size: Not specified. Could include non-financial support.

Clearly Social Angels

The Clearly Social Angels (CSA) network is managed by ClearlySo. It is designed to facilitate the flow of capital into extraordinary businesses which help to create positive social change.

Focus: Entrepreneurs with compelling and innovative solutions to social and environmental problems.

Key Requirements: Businesses should have a strong business proposition, a credible leadership team, be able to demonstrate positive social impact as well as a clear description of the social or environmental issue being addressed by their business, and provide evidence of their ability to generate positive financial returns and strong opportunities for growth.

Deal Size: £300,000 to £1m but reviewed on a case by case basis.

Go Beyond

Go Beyond is particularly interested in supporting “entrepreneurs with products, services or business models that adhere to the principles of Triple Bottom Line Business Sustainability: People, Planet, Profit.”

Focus: Environment, health, education, food, housing, services, technology or luxury. No biotechnology or pharmaceuticals.

Key Requirements: Organisation must be based in France, Switzerland, the UK, Italy, Poland, neighbouring EU countries or the US.

Deal Size: €100,000 to €2m.

Investors' Circle (US)

Investors' Circle “is a network of angel investors, venture capitalists, foundations and family offices that are using private capital to promote the transition to a sustainable economy.”

Applications are accepted on a rolling basis.

Focus: Energy and environmental solutions, sustainable consumer products, sustainable agriculture, community and economic development, healthcare, biotech and wellness, social media and software.

Key Requirements: Applicants should be past the concept stage and be interested in maximising social and environmental impact as well as financial return. It specifically encourages minority-group and female entrepreneurs to apply.

Deal Size: \$250,000 average invested sums, but investors can be a part of a larger raise.

Pymwymic

Put Your Money Where Your Mouth Is Community (Pymwymic) convenes the longest-running angel investor group in Belgium, the Netherlands and Luxembourg (see [section 3.3.viii](#)).

Focus: Advises individuals and families on impact investments in private equity and matches impact investors with social enterprises.

Key Requirements: Young companies and funds that will sustain the environment, improve global health and create social resiliency.

Deal Size: Not specified.

Toniic

Toniic, represented by ClearlySo in the UK, operates globally and will consider investments in “transformational entrepreneurs, enterprises and funds addressing the fundamental needs of people and planet”, with no requirements on country or region.

Focus: Healthcare, water sanitation, education, environment, housing and poverty.

Key Requirements: Must be addressing social and/or environmental needs.

Deal Size: Enterprises and funds seeking between \$50,000 and \$3m.

ii. Social Venture Capital

Social venture (and philanthropy) capital differs from mainstream capital in that it aims to invest in the debt and equity of companies that are generating positive social impact, with varying requirements of the level of financial returns sought. Typically, this capital is available to social businesses and enterprises (with a

proven business model and trading history) seeking growth capital, but there are instances where ambitious start-up social enterprises have secured finance via this route. Below is a comprehensive list of organisations operating in the field.

Allia

Allia is a charitable social investment intermediary that creates investment vehicles to raise finance for organisations delivering social impact. It has developed The Allia Charitable Bond which enables individuals to make an ethical, fixed-return investment where the gross interest can be given as a donation to an organisation of choice. Through Allia, supporters can financially support a social enterprise whilst still receiving their initial investment back in full, once the bond has matured.

Focus: Poverty, unemployment, work-limiting illness or disability, family breakdown and homelessness in developing or developed countries.

Key Requirements: Must be a legally constituted organisation with charitable status or a not-for-profit organisation for public benefit.

Size of fund: Over £20m to date.

Deal Size: £100 minimum investment, but individual specific.

Investees: Arcubus, Community Links, Queen Elizabeth Hospital Birmingham, Scope, Tomorrow's People³³.

³³ Allia's charitable bonds [causes page](#)

Big Issue Invest

Big Issue Invest (BII) is a specialised provider of finance to social enterprises and trading arms of charities in the UK that are finding business solutions that create social and environmental transformation. It operates the Social Enterprise Investment Fund ([see section xi](#)); it does not provide grants but offers debt, participation loans (quasi-equity) and equity. BII also runs a loan fund.

Focus: Job creation, education, training, health and social care, social and financial inclusion, environment, community development and social housing, and homelessness.

Key Requirements: Must be UK-based social ventures that have been operating for at least 24 months (newer businesses are considered on a case by case basis).

Size of fund: £10m to date.

Deal Size: £50,000 to £1m in loans, equity or quasi-equity, and may syndicate with other social investors for investments in excess of £1m.

Investees: Jamie Oliver's Fifteen, 4Children, Cool2Care, Barnardos, HCT Group, Pathfinder Healthcare Developments, SCA Healthcare, Turning Point, War Child³⁴.

Big Society Capital

Big Society Capital (BSC), launched in April 2012 by government, is an independent financial institution authorised and regulated by the FCA.

Focus: Developing and shaping a sustainable social investment market in the UK, thereby giving organisations tackling major social issues³⁵ access to new sources of finance to help them grow.

Key Requirements: Must be a UK-registered social investment finance intermediary (SIFI)³⁶ that provides investment and other support to social sector organisations that primarily benefit people and communities in the UK.

Size of fund: £600m to date³⁷.

Deal Size: £500,000 to £15m.

Investees: Adoption Social Impact Bond, Affordable Homes Rental Fund, Big Issue Invest, ClearlySo, Bridges Social Impact Bond Fund, Community Generation Fund, DERiC, DWP Innovation Fund, Essex Social Impact Bond, Impact Ventures UK, Pure Leapfrog, NESTA Impact Investment Fund, Real Lettings Property Fund, Social Stock Exchange, Franchising Works Licence

³⁴ [BII portfolio page](#)

³⁵ BSC invest in SIFIs providing investment and support to social sector organisations in the following areas: financial inclusion, education, employment and skills, housing and shelter, mental health, physical health, social cohesion and well-being

³⁶ SIFIs are organisations that provide affordable finance and support to social ventures. By supporting SIFIs to grow and become more sustainable they will be able to bring millions more in investment into the social sector than BSC could bring alone. This means that, over the long term, the social sector will have access to reliable sources of appropriate and affordable finance.

³⁷ £400m from unclaimed assets and £200m from four high street banks (RBS, Lloyds, HSBC and Barclays – see [section 3.3.vi](#))

Fund, and the Essex Social Impact Bond,³⁸.

Bridges Ventures

Bridges Ventures is a sustainable growth investor which seeks to finance businesses which deliver both financial returns as well as social and environmental benefits.

See below for funds currently managed by Bridges.

Social Entrepreneurs Fund

The Bridges Social Entrepreneurs Fund “aims to address the funding gap often faced by fast growing social enterprises looking to scale”. This fund offers flexible and tailored investment in the form of quasi-equity and equity for fast growing UK-based social enterprises. It does not offer grants.

Focus: Businesses with a clear social mission and demonstrable ability to scale.

Key Requirements: Must have the ability to generate surpluses to repay financing and must be operating in England.

Size of fund: £11.5m.

Deal Size: Up to £1.5m.

Investees: Commonweal Housing, Auto22, Care and Share Associates, HCT Group.

Sustainable Growth Funds

Focus: Education and skills, vocational training, leisure and hospitality, consumer products and services, business and financial services, manufacturing and distribution and environmental protection.

Key Requirements: Must operate in the 25% most deprived wards in the UK, as defined by the Indices of Multiple Deprivation and listed [here](#).

Size of fund: Part of overall £275m under management across all its funds. Portfolio in 2011 held investments in 35 companies totalling £75.2m.

Deal Size: £500,000 to £10m.

Investees: Carduus, cloud.IQ, Historic Futures Limited, Ardenham Energy, Chill Factor, School Stickers, New Career Skills.

Sustainable Property Fund

The Bridges Sustainable Property Fund invests in properties in regeneration areas and environmentally sustainable buildings. It seeks strong financial returns as well as delivering social and environmental impact through its property investments.

Focus: Environmentally sustainable buildings (all UK property sectors).

Key Requirements: Must be in 'eligible local authority', as defined by the Indices of Multiple Deprivation and listed [here](#).

Size of fund: Part of overall £275m under management across all its funds.

Deal Size: None specified.

³⁸ BSC investments [case studies](#)

Investees: The Curve, Elmbridge Court, The Office, Smart Storage, The Hoxton, Credential, Whelan Refining.

Social Impact Bond Fund

First fund of its type, the £14m Bridges Social Impact Bond Fund, launched in April 2013, provides investment and support to charities and social enterprises to deliver programmes designed to improve social outcomes in areas such as education, therapy, adoption and care for vulnerable young people.

Focus: These contracts can facilitate the funding of early-stage, preventive interventions, which are more effective and cost-efficient than treating social issues after they have arisen.

Key Requirements: UK-based, clear social mission.

Size of fund: £14m.

Deal Size: Up to £3 million to deliver an outcomes-funded intervention programme.

Investees: Action for Children, Teens and Toddlers Innovation Programme, Greater Merseyside Connexions Partnership (GMCP)'s New Horizons, Community Links's 'Links4Life' programme.

Deutsche Bank Impact Investment Fund

The Impact Investment Fund is as a fund of funds, investing in social investment intermediaries that on-lend to social enterprises and charities.

Focus: Employment, education and training, and social and financial inclusion.

Key Requirements: Investments will be centred around three of its five global CSR pillars: education, sustainability and social investments.

Size of fund: £10m fund³⁹. Investments will be made over three years, starting in 2011, and repaid over 10 years.

Deal Size: Not specified.

Investees: Big Issue Social Enterprise Investment Fund L.P., Bridges Venture III.

Finance South East

Finance South East (FSE) manages a series of funds and offers capital raising support to investment ready businesses who can demonstrate the potential for significant growth. FSE also provides training, consultancy and assistance in accessing both funding and expertise. The FSE Group operates funds totalling £33.6m. FSE Adimpetus Enterprise Investment Scheme (EIS) Fund specifically supports start-ups which offer tax relief to equity investors. The following funds are the most socially-oriented.

Community Generation Fund

This is a national fund that was established in order to support the development of community-owned renewable energy. Both development and construction loans are available.

Focus: Community energy in England, Wales, Scotland and Northern Ireland.

³⁹ £2m of the Fund already invested as of February 2013

Key Requirements: Main beneficiaries should rank within the 50% most deprived locations, as listed in latest available Indices of Deprivation (applications within the 20% most deprived locations are particularly encouraged).

Deal Size: Specific loan size not stated, but expected project size includes feasibility/pre-planning costs of £20,000 to £150,000 maximum (depending on technology and scale) and construction costs of £250,000 to £2m maximum.

Investees: None specified.

South East Sustainability Loan Fund

The South East Sustainability Loan Fund provides debt funding which must be matched against a publicly funded debt fund (Primary Loan Fund).

Focus: High growth potential businesses which are developing or selling a product or service aimed at reducing carbon emissions.

Key Requirements: Must be operating in South East England, excluding London.

Deal Size: Loans of between £20,000 and £200,000 (on a matched basis).

Investees: None specified.

Key Fund

The Key Fund is a social enterprise offering secured and unsecured loans, grants, equity and quasi-equity for property, asset and equipment purchases, working capital, development capital, risk capital and for other business purposes.

Focus: Social enterprises, charities, voluntary and community organisations, social businesses, and co-operatives or mutuals.

Key Requirements: Must be operating in the East Midlands, North East, North West, Yorkshire or the Humber.

Deal Size: £2,500 to £150,000.

Investees: Bransholme Community Childcare, Chapeltown Baths Community Business, Eyes Open Creative, Newlands Community Association.

Resonance

Resonance works specifically with UK social enterprises to ensure that they have the finance required to grow and develop and that they are ready to seek and secure investment. Resonance also manages a range of loan funds which social enterprises can access, listed below.

Affordable Homes Rental Fund

The Community Land Trust (CLT) Affordable Homes Rental Fund was established in response to the growing number of community groups looking to create affordable local rental housing, in areas where property prices prevent many local people from being able to afford accommodation. The fund is being developed in partnership with Community Land and Finance. It is hoped that offering 100% of the capital required to finance new builds will enable these organisations to manage community housing and offer affordable rental housing in their local areas.

Focus: Any CLT or other community-led group seeking finance for affordable

rental housing.

Key Requirements: The planning consent must include a suitable Section 106 Agreement⁴⁰ and a mortgagee-in-possession clause.

Size of fund: £2.5m target fund size.

Investees: None specified.

Community Share Underwriting Fund

Community share issues are an effective way of mobilising retail investors to back social enterprises that they have a connection with, e.g. to acquire pubs and village shops, for affordable housing, sustainable energy and community forestry/agriculture initiatives.

Projects approved for support from the fund will be able to draw down up to 50% of the community share issue target, with the benefit of advertising this underwriting support on launch of the share issue. This is designed to boost confidence among potential retail investors and encourage higher take-up of the shares.

Focus: Community projects of all types which are planning to raise capital through a community share issue.

Key Requirements: Project fundraising target between £100,000 and £1m.

Size of fund: £2m target fund size.

Deal size: £25,000 to £500,000 (average size expected to be £300,000).

Investees: None specified.

Real Lettings Property Fund

Resonance is working alongside Broadway, a London homelessness charity, to develop The Real Lettings Property Fund. This will be the first property fund to buy accommodation to support homeless people.

The fund will seek to bulk buy units from developers and landlords, then lease them to Real Lettings who will guarantee rent and take on management and maintenance risk, helped by the specialist residential developer United House. The fund draws on a growing pool of impact investors, mostly housing associations and charitable foundations.

Social and Sustainable Capital

Social and Sustainable Capital is an FCA authorised and regulated fund manager and social enterprise providing finance to charities and social enterprises. Their mission is to help social sector organisations deliver scalable and sustainable solutions to social issues by providing simple financing for viable organisations so that they can continue to grow and achieve greater impact.

Community Investment Fund

The Community Investment Fund, launched in February 2014, invests debt and equity into community based social enterprises and charities in England. The Fund's investors are the Social Investment Business Foundation and Big Society

⁴⁰ s106 Town and Country Planning Act 1990 allows a local planning authority to enter into a legally-binding agreement or planning obligation with a land developer over a related issue.

Capital.

Focus: The Fund invests in community based, locally led organisations, which are providing essential support and services to improve the well-being of local residents, developing the local economy and creating positive social change for all individuals in the community.

Key Requirements: Community led social sector organisation with a neighbourhood focus with a clear social mission and significant measurable, direct outcomes, based and have operations in England.

Size of fund: £20m.

Deal size: £250,000 to £1m.

Investees: None specified.

Social Enterprise Loan Fund

The Social Enterprise Loan Fund provides loans exclusively to organisations operating with a charitable purpose.

Focus: Organisations operating in one of the 25% most deprived boroughs in England.

Key Requirements: Must demonstrate the ability to repay loans without creating financial difficulties.

Size of fund: Not specified.

Deal size: Working capital loans of up to £50,000, fixed asset loans of up to £100,000 and land and building loans of up to £250,000.

Investees: Dove Recycling, Sunlight Development Trust, Unique Coffee Bar, Whole School Meals.

The City of London Corporation Social Investment Fund

The City of London Corporation Social Investment Fund (CoLCSIF) is administered by City Bridge Trust and overseen by a Social Investment Board.

Focus: Supports work with a London benefit (60% of Fund), but also interested in activities across the UK (30% of Fund) and internationally (10% of Fund).

Key Requirements: *Direct investment* is restricted to organisations that have a financially viable business plan, clearly articulated social impact, strong management and governance and a clear exit strategy. *Indirect investment* in funds managed by others where those funds have charitable, community or social benefit and clearly articulated social returns, show that the distribution of profits generated by the funds are capped to investors, and make available to investors an assessment of the fund's performance in social and financial terms.

Finance Available: £20m.

Type of Finance: Loan finance, quasi-equity and equity.

Deal Size: Not specified.

Investees: GLL, Midlands Together, Golden Lane Housing, Real Lettings

Property Fund, Oxfam Small Enterprise Impact Investment Fund⁴¹

Investees: Not specified.

Social Investment Scotland (CDFI)

Social Investment Scotland (SIS) provides business loan finance to charities, community organisations and social enterprises that might find it difficult to access finance from mainstream providers. Repaid loans are recycled to provide further support to other organisations and rates are fixed throughout the loan period. It offers all-purpose loans, bridging loans and property loans (property loans are offered in partnership with Triodos Bank (see [section 3.3.v](#)).

Focus: Third Sector organisations (charities, community and voluntary organisations, not-for-profits and social enterprises) operating in Scotland.

Key Requirements: Any profits made by an organisation must be reinvested for community benefit.

Size of fund: Not specified.

Deal Size: £10,000 upwards. Assistance with buying property may be considered in some circumstances (maximum loans of £250,000). Loans are repayable over a maximum of ten years.

Investees: Udny Community Wind Turbine Co, Glasgow City Mission, Recycle Fife, Fare, Callander Youth Project⁴².

Social Venture Fund

The Social Venture Fund invests in social enterprises, which have innovative and entrepreneurially driven solutions for urgent social and environmental challenges. The Fund provides support, when it is not possible to acquire traditional sources of capital using the full spectrum of funding options: debt capital with participation rights, mezzanine financing (quasi equity) or license fees.

Focus: Financing the growth and expansion of already proven and successful social enterprises; Alleviation of human suffering; Work and education; Buildup of lasting means of subsistence.

Key Requirements: Strong social impact, financial capacity, scalability, best practice.

Size of fund: Not specified

Deal size: Not specified.

Investees: None specified.

⁴¹ <http://www.citybridgetrust.org.uk/CBT/KnowledgeSharing/Social-Investment-Investments-Placed.htm>

⁴² Social Investment Scotland [case studies](#)

iii. Venture Philanthropy Capital

This type of capital focuses on the social returns generated by its support and investors are characterised as 'impact first' in their perspectives. Typically, the original capital is provided on a philanthropic basis, but finance from the fund to organisations may either be offered as a grant or on a repayment basis.

Venture philanthropy often combines finance with mentoring and other support services (see [section 4](#)).

Acumen Fund

The Acumen Fund uses donated capital to invest in businesses that address the needs of those at the 'base of the pyramid' (BoP). The fund offers patient capital in a range of financial instruments including debt, equity and quasi-equity.

Focus: Water, health, agriculture, energy, housing or education in East Africa, West Africa, India or Pakistan.

Key Requirements: Must demonstrate social impact, financial sustainability and ability to scale.

Deal size: \$300,000 to \$2.5m.

Type of Finance: Debt (predominantly), quasi-equity and equity.

Investees: Waterhealth International, Jassar Farms, Books of Hope⁴³.

CAF Venturesome

"CAF Venturesome provides affordable loans to charities, social enterprises and community groups when grants may not be available and access to traditional financial institutions is difficult." To date they have made over £30m of investments into 400 charities and social enterprises.

It also runs the CAF Social Impact Fund: a social investment fund that provides debt and equity-like finance, often to provide working or bridging capital, to help charities and social enterprises deliver on their mission. To date, the CAF Social Impact Fund has offered 25 loans, with growing support from CAF Charitable Trust clients⁴⁴.

Focus: Debt-based or quasi-equity finance for charities, social enterprises and community groups.

Key Requirements: Organisation must be UK-registered but activities can be anywhere in the world, must have clear charitable purpose and social impact (though does not need to be a registered charity), and must give evidence of at least one year of income (whether from donations or trading)

Deal size: £25,000 to £250,000.

Type of Finance: Secured and unsecured loans and quasi-equity.

Investees: Motivation, KIDS, Interhealth, Torridge Training⁴⁵.

⁴³ [Acumen Fund portfolio](#)

⁴⁴ [CAF Social Impact Fund July to September 2012 Report](#)

⁴⁵ [CAF investees case studies](#)

CAN Breakthrough

CAN Breakthrough “provides grant funding and management support to help established social enterprises scale up and maximise their social impact.”

This fund is currently closed to applications.

Focus: Charitable social enterprises.

Key Requirements: Organisations with a minimum turnover of £500,000, three years' trading history and a scalable business model.

Deal size: £25,000 to £200,000.

Type of Finance: Grant.

Investees: VoiceAbility, Cool2Care, HCT Group, FareShare, Teach First, Training for Life, Belu Water, WebPlay, British Youth Council, Build Africa⁴⁶.

Impetus – the Private Equity Foundation

Impetus Trust and the Private Equity Foundation merged in Spring 2013 to form a new charity, Impetus – the Private Equity Foundation. The new entity focuses on enabling charities to help society's most deprived children and young people.

It has a budget of between £10m and £12m to spend on programmes every year, and the flexibility to commit more pro bono business skills and management expertise, alongside funding, to charities or social enterprises while still backing a wider portfolio of organisations that show potential.

Focus: Charities and social enterprises.

Key Requirements: organisations working to improve the lives and prospects of children and young people, living in poverty in the UK

Deal size: Variable.

Type of Finance: Grant.

Investees: Ripplez, IntoUniversity, Working Chance, Blue Sky, City Year, Skills Force, ThinkForward, Place2Be⁴⁷.

Inspiring Scotland

Inspiring Scotland uses philanthropic capital to provide long-term funding and development support for charities based in Scotland. Within any one of its thematic funds, it develops a partnership of complementary organisations. Grants are paid out as milestones are reached.

14:19 Fund

The 14:19 Fund is aimed at increasing the number of young people who are able to make the transition into further education, training or employment after

⁴⁶ CAN supported organisations

⁴⁷ Impetus PEF portfolio

leaving school.

Focus: Organisations supporting young people after leaving school.

Key Requirements: Ventures working to reduce the number of people not making a successful transition from school.

Deal size: Determined on a case by case basis.

Type of Finance: Grant.

Investees: Hot Chocolate Trust, Street League, Move On⁴⁸.

Go2Play

The Go2Play Programme is an initiative to invest in play organisations in Scotland that provide opportunities for young children in disadvantaged communities.

Focus: Organisations with new ideas for providing play services that will positively impact children in Scotland.

Key Requirements: Please refer to their [criteria](#)

Deal size: Up to £15,000.

Type of Finance: Grant.

Investees: Jeely Piece Club, Playbusters, The Zone⁴⁹.

Link Up

Link Up aims to develop opportunities for communities to come together and encourage mutual community support, particularly in deprived areas. Link Up is working in partnership with a host organisation in each community.

Focus: Deprived communities in Scotland.

Key Requirements: No further requirements specified.

Deal size: Determined on a case by case basis.

Type of Finance: Grant.

Investees: Larkfield Community, hosted by Action for Children⁵⁰.

LGT Venture Philanthropy

"LGT Venture Philanthropy supports organisations in their growth and expansion phase which implement an effective solution to a social or environmental problem".

Focus: Organisations in Latin America, Africa, India, Southeast Asia, Europe and China that work in education, health, nutrition, renewable energy, resource management, water, and markets for social investments.

Key Requirements: Organisations must have a proven model, an established track record and be looking to scale their impact.

⁴⁸ 14:19 Fund [portfolio here](#)

⁴⁹ Go2Play [portfolio](#)

⁵⁰ LinkUp [portfolio](#)

Impact Ventures UK

Deal size: \$200,000 to \$1m.

Type of Finance: Grant and equity.

Investees: CO2 Bambu, Educate Girls, Rags2Riches, streetfootballworld⁵¹.

Impact Ventures UK (IVUK) is a growth capital impact fund managed by LGT Venture Philanthropy (LGT VP) in partnership with Berenberg. In December 2013 they announced the first close of the fund, after raising £20.8m from investors.

Focus: IVUK is a cross-sector fund which seeks to invest into enterprises in the UK that can achieve a significant positive social impact improving the quality of life for disadvantaged individuals. Alongside growth capital, IVUK also look to provide business networking and mentoring for these social entrepreneurs to help their business models scale successfully.

Key Requirements: None specified.

Deal size: From £500,000 to £5m.

Type of Finance: Debt and equity.

Investees: K10

Shared Impact

Shared Impact is a newly-launched debt re-financing platform to support charities and social enterprises using venture philanthropy funds. Please see its [website](#) for more details as they emerge.

Key Requirements: Not specified.

Deal size: £20,000 to £250,000.

Type of Finance: Loans (unsecured and secured) and quasi-equity.

Investees: Not specified.

Social Business Trust

Social Business Trust works with social enterprises capable of scaling up their operations on a regional and national level to become investment ready and attract funds from its corporate partners. Through its corporate partners, the Social Business Trust works with social enterprises to take a long-term view towards financial sustainability, skills development, due diligence, and investment. The trust aims to invest in five social enterprises per year.

Focus: To help transform the impact of social enterprises and thereby improve the lives of over a million of the UK's most disadvantaged people.

Key Requirements: Predominantly UK-based registered charities or organisations that demonstrate a clear charitable purpose that help at least 1,000 people a year through its goods or services (directly or indirectly), have a minimum turnover of £1.5m and at least one year's trading history.

Deal size: £10m of cash and in-kind support over three to five years.

⁵¹ [LGT portfolio](#)

Type of Finance: Grant.

Investees: Timewise, Inspiring Futures, Bikeworks, London Early Years Foundation⁵².

Venture Partnership Foundation

The Venture Partnership Foundation (VPF) works exclusively with social enterprises to help facilitate growth in order to maximise social impact through funding and professional guidance from the private sector.

Focus: High impact social enterprises.

Key Requirements: Organisations with a proven concept which addresses a social need, nearing growth stage and prepared to engage in partnership with other members.

Deal size: Grant between £15,000 and £35,000 per annum for three to five years, and social investment (estimated amount is not specified).

Type of Finance: Grant and investment.

Investees: MyBnk, Beatbullying, Homeless International, Riders for Health⁵³.

iv. Crowdfunding

Crowdfunding (or crowdfinancing, crowdsourcing) is where individuals and organisations raise funds and/or leverage support from their friends, professional networks and the wider public. Through collective cooperation and the pooling of small sums (whether through non-financial pledges, donations, revenue sharing arrangements, debt finance or equity investments), crowdfunding users use the goodwill, excitement, and enthusiasm for their endeavour to raise funds and support from as many people as possible. This process of ‘democratising finance’ is increasingly used for a variety of social and cultural causes from humanitarian relief, political campaigns, micro-finance, artists seeking patronage, to fans buying stakes in their sports clubs, citizen journalism or funding a start-up social venture.

The Financial Conduct Authority (FCA) regulations governing lending and borrowing through crowdfunding are complex and developments in the sector are changing at pace (currently equity crowdfunding is considered as a regulated investment activity). Thus, before considering this route as a finance mechanism for your social venture, closely examine the terms and conditions of any platform, and it is well worth seeking legal advice where necessary. In 2012 fourteen crowdfunding businesses formed the UK Crowdfunding Association (UKCFA) to promote crowdfunding within the UK. In the same year, the European Crowdfunding Network⁵⁴ (ECN) and the European Crowdfunding Association⁵⁵ (ECA) united to become one single body that intends to foster a transparent environment for crowdfunding within the EU. This sole European body will allow for an improvement in customer protection standards and will help contribute to a growth of opportunities for crowdfunding platforms trading within the EU.

⁵² Social Business Trust [portfolio](#)

⁵³ VPF [portfolio](#)

⁵⁴ ECN was formed in 2011 by crowdfunding industry professionals and platforms, in order to bring the European Crowdfunding Stakeholders together. It has local representation (so-called Ambassadors) in more than 10 countries in Europe, and gathers crowdfunding platforms and subscribers from the entire EU.

⁵⁵ ECA was conceived in early 2012 by a group of entrepreneurs and investors with the intention of providing a unified voice promoting crowdfunding as a source of capital to support the development and growth of for-profit businesses, social enterprises and other projects.

There has been a rapid growth in the number of crowdfunding platforms over the past five years and it has emerged as a viable way for entrepreneurs to raise capital. There are essentially four different models of crowdfunding platforms (some platforms use a combination):

1. Donation crowdfunding (e.g. Justgiving, Spacehive);
2. Reward crowdfunding (e.g. Indiegogo, Kickstarter);
3. Crowdfunded lending (e.g. Abundance, Buzzbnk); and
4. Equity crowdfunding (e.g. CrowdCube, Crowdmission, Seedrs).

The following list of platforms illustrates the rapid growth of this funding mechanism. To learn more about this field visit [Crowdsourcing.org](#) and [Crowdingin.com](#).

UK Crowdfunding Association

The UK Crowdfunding Association, or UKCFA, was formed in 2012 by fourteen crowdfunding businesses.

Region: UK.

Industry: Any.

Focus:

- Promote crowdfunding as a valuable and viable way for UK businesses, projects or ventures to raise funds.
- Be the voice of all crowdfunding businesses in the UK (donations, loans and equity) to the public, press and policymakers.
- Publish a code of practice that is adopted by UK crowdfunding businesses, that protects those participating in crowdfunding.

Model: Reward crowdfunding.

Abundance

"The first regulated community investment platform that makes it possible for people to earn cash return by investing in renewable energy projects in the UK."

Region: UK.

Industry: Renewable energy.

Focus: Linking up communities and individuals with renewable energy projects.

Model: Crowdfunded lending.

Babyloan

"The first European social micro-lending platform."

Region: Global.

Industry: Small businesses.

Focus: Generating micro-loans to support small scale businesses.

Model: Crowdfunded lending.

Bank to the Future

"The world's first 'peer-to-peer' market to allow businesses to raise debt, equity or donations from consumers and investors in one place."

Region: Any.

Industry: Any.

Focus: Bringing finance and investment to entrepreneurs, business and investors.

Model: Reward, Lending, Equity.

Better Place

"betterplace.org is a large online donation platform."

Region: Global.

Industry: Any social sector organisation.

Focus: Providing a fundraising platform for social sector projects.

Model: Donation crowdfunding.

Buzzbnk

"Positive people backing great ideas."

Region: UK bias.

Industry: Any social venture organisation.

Focus: Raising donations and loans, as well as non-financial support for social ventures.

Model: Crowdfunded lending.

CrowdCube

"The world's first equity-based crowdfunding community dedicated to business investment."

Region: UK.

Industry: Any.

Focus: Raising equity for UK businesses.

Model: Equity crowdfunding.

CrowdMission

"The world's first equity-based crowdfunding platform for socially-driven businesses."

Region: UK.

Industry: Social and environmental.

Focus: Raising equity for socially-driven businesses.

Model: Equity crowdfunding.

Ethex

“Non-profit ethical investment club.”

Region: UK.

Industry: Ethical businesses with share capital.

Focus: Generating equity investment for ethical businesses.

Model: Equity crowdfunding.

Funding Circle

“Fast, flexible business loans.”

Region: UK.

Industry: Any.

Focus: £5,000 to £500,000 fully flexible business loans for well-established UK businesses.

Model: Crowdfunded lending.

Indiegogo

“The world’s funding platform.”

Region: Global.

Industry: Any.

Focus: Raising funds for campaigns.

Model: Donation and reward crowdfunding.

JustGiving

“The UK’s first online fundraising business.”

Region: UK.

Industry: Any.

Focus: UK-registered charities or organisations with a GiftAid number, including schools, churches, community amateur sports groups and scout and guide groups.

Model: Donation crowdfunding.

Kickstarter

“Fund and follow creativity.”

Region: US and UK.

Industry: Creative and media.

Focus: Artists, designers, filmmakers, musicians, journalists, inventors, explorers, etc.

Model: Reward crowdfunding.

Kiva

"Loans that change lives – connect people through lending to alleviate poverty."

Region: Global.

Industry: Any.

Focus: "Empowering people around the world with a \$25 loan."

Model: Crowdfunded lending.

MarketInvoice

"Flexible working capital finance – on the best terms."

Region: UK.

Industry: Any.

Focus: Companies generating revenues between £250,000 and £50m.

Model: Crowdfunded lending.

Neighbourly

Neighbourly is a social network which connects community projects and charities with companies ready to help.

Region: UK.

Industry: Any.

Focus: Neighbourly works by bringing in company resources to any kind of community project, and giving them the tools to make it easy.

Model: Crowdfunded resources and donations from corporate clients.

Project Dirt

"Project Dirt is the UK's most active network connecting and resourcing environmental and community projects."

Region: UK (with plans to become international within two years).

Industry: Community projects with green and social benefits.

Focus: Project Dirt aims to be the central resource helping individuals, charities, communities, local authorities and companies make a huge impact on all the social and environmental challenges associated with their local area.

Model: Online social network for community based projects to find funding, volunteers, equipment and event space.

Seedrs

"Makes investing in start-ups simple and rewarding."

Region: UK.

Industry: High-growth technology-driven ventures, retail stores, restaurants and professional services firm.

Focus: Raising up to £150,000 in equity capital for new businesses.

Model: Equity.

Spacehive

"Spacehive helps communities transform their local public spaces."

Region: UK.

Industry: Projects for the community.

Focus: Projects based in a public space or somewhere freely accessible to the community.

Model: Donation and reward crowdfunding.

Sponsume

"A creative way of funding creativity."

Region: Global.

Industry: Creative.

Focus: Raising funds and support for creative and entrepreneurial projects.

Model: Reward crowdfunding.

Start Some Good

Connects social entrepreneurs, changemakers and not-for-profit organisations with people who want to help.

Region: Global (US bias).

Industry: Any.

Focus: Raising donations and support for social entrepreneurs with bright ideas.

Model: Reward crowdfunding.

Ulule

"Make good things happen."

Region: Global (Europe bias).

Industry: Creative, innovative or community-minded projects.

Focus: Raising funds for creative and innovative projects⁵⁶.

Model: Donation crowdfunding.

⁵⁶ Ulule [successfully funded projects](#)

Yimby

Yimby is a crowdfunding platform run by JustGiving focusing on individuals, entrepreneurs or community initiatives who want to raise money for a project, as opposed to fundraising for a charity.

Region: Global (UK bias).

Industry: Any.

Focus: Raising donations for community based projects and individuals.

Model: Donation crowdfunding.

Zequus

"The world's free fundraising platform."

Region: Global (UK bias).

Industry: Any.

Focus: Raising donations for ideas from all sorts of people and varying fields such as music, film, fashion, charity, publishing, and more.

Model: Donation and reward crowdfunding.

v. Community Shares

Community Shares are the issue of equity shares to the local community and broader public - rather than targeting investment from high net worth individuals and/or institutional investors. Typically, community share issues are used as a vehicle to raise investment from the very people who will stand to benefit (socially, environmentally, and economically) from the activities of the issuing organisation. To date this method of financing has been popular and effective for local community renewable energy projects, buildings, shops, pubs, local food schemes, sports clubs, and other local enterprise initiatives.

Over 150 social enterprises⁵⁷ have raised over £15m in community share issues from over 15,000 people and many more are being started. Activity is widespread throughout the UK with hotbeds of activity in the South West and South East of England. Community share projects tend to be rooted in the local community from which they spring forth, and feature heavily in the financing of Industrial Provident Societies (Co-operative and Benefit Community legal entities) where financial regulatory requirements are less onerous and ownership of the 'business' can be equitably distributed amongst shareholders.

Support to learn about Community Shares and ultimately raise investment is growing. The Community Shares Unit, run by Co-operatives UK and Locality and set-up and funded in 2012 by the Department for Communities and Local Government is at the forefront of this activity - and an invaluable resource for social entrepreneurs and community groups going down this path. They also run Microgenius – a platform for raising investment from the public through community share issues.

Investors and intermediaries active in this field include:

⁵⁷ See Community Shares directory for detailed information: <http://communityshares.org.uk/directory>

Community Share Underwriting Fund

“Run by Resonance, The Community Share Underwriting Fund has been developed in response to the growing number of Community Benefit Societies seeking to raise funds through community share issues. It is operated by our community lending vehicle, Community Land & Finance CIC.”

Focus: Community Benefit Societies

Key Requirements: Projects approved for support from the Fund will be able to draw down up to 50% of the community share issue target. They will be able to advertise this underwriting support on launch of the share issue, which helps to boosts confidence among potential retail investors and encourage higher uptake.

Deal Size: undisclosed

The Co-operative Community Shares Fund

“A dedicated fund set up to support communities wanting to raise investment by a community share issue.”

Focus: Organisations intending to raise finance for a community-owned enterprise by issuing shares.

Key Requirements: Eligible applicants must be incorporated as Industrial and Provident Societies and include a copy of the rules of their society in their enquiry.

Deal Size: £50,000

Pure Leapfrog

“Pure Leapfrog is a business led charity that is the leading social investment provider within the community energy sector. We provide low cost finance to UK projects, drawing on a credit facility from Big Society Capital. We also support international carbon reduction projects via carbon offsetting”

Focus: Community-led energy projects including solar PV, LED replacement and biomass boilers

Key Requirements: Evidence of strategic planning, business planning and financial projections. Eligible organisations include Industrial Provident Societies, Community Interest Companies and Companies Limited by Guarantee. Companies Limited by Shares must prove that a proportion of profits are re-invested in carbon reducing initiatives or to relevant beneficiaries.

Deal Size: Minimum £10,000.

vi. Social Banks and Ethical Lenders

There are certain lenders who seek to provide finance to those organisations which aim to make a difference to society and focus on lending to businesses established in disadvantaged areas, and/or to charities, voluntary organisations, community groups, social enterprises and businesses.

One such group of lenders is Community Development Finance Institutions (CDFIs) which lend money to businesses, social enterprises and individuals who struggle to get finance from high street banks and loan companies. They help deprived communities by offering loans and support at an affordable rate to people who cannot access credit elsewhere.⁵⁸ There are over 50 CDFIs spread

⁵⁸ [Community Development Finance Association](#)

across the UK. The [Community Development Finance Association](#) (CDFA) is the umbrella body for CDFIs and provides a comprehensive resource on their website to help you find the right organisations to contact for your social venture. Investors into CDFIs may benefit from Community Investment Tax Relief.

Visit the [Finding Finance](#) resource tool for more information on CDFA lending.

The [Global Alliance for Banking on Values](#) is an independent network of banks using finance to deliver sustainable development for unserved people, communities and the environment.

Additional social and ethical lenders, some of which are also CDFIs, include:

[Charity Bank](#)

"Charity Bank finances social enterprises, charities and community organisations, with the support of depositors and investors who want to use their money to facilitate real social change, while earning a financial return." The bank's ultimate mission is to maximise impact on society, not to maximise profit.

Focus: Third sector organisations requiring funds to further social change⁵⁹.

Key Requirements: Organisations that are constituted with social objectives and are non-profit distributing to private individuals; or for-profit companies if the loan is exclusively for charitable purposes.

Deal Size: £50,000 to £1m loan funding (larger facilities may be arranged in partnership with other lenders).

[Ecology Building Society](#)

The Ecology Building Society provides specialist mortgages for projects which minimise environmental impact or help promote sustainable living.

Focus: Environmental organisations using green techniques or carrying out renovations in a sustainable manner⁶⁰.

Key Requirements: Established businesses, registered charities and voluntary organisations, community-owned enterprises, fair-trade businesses and ecological property developers. It will not provide loan finance to start-ups.

Deal Size: £1m maximum.

[Shared Interest](#)

Shared Interest is an 'ethical investment co-operative' providing finance to businesses in Europe, the US, Australia and the developing world. It is currently the world's only 100% fair-trade lender.

Focus: Loan finance and credit facilities to fair-trade producers and buyers⁶¹.

Key Requirements: Businesses should be members of [WFTO](#) (or a local or regional affiliate) or [FLO](#)-certified, have at least three years' trading history and a positive balance sheet.

Deal Size: Loan sizes are not outlined, but there are limits on how much can be lent to certain regions, countries or products, which will determine the loan size at

⁵⁹ Charity Bank [2012 portfolio](#)

⁶⁰ Ecology Building Society commercial mortgage [portfolio](#)

⁶¹ Shared Interest [portfolio](#)

the time of any one application.

Triodos

Triodos is a socially-driven bank, investing solely in ethical businesses, social enterprises, charities, and community and voluntary groups that deliver positive social, environmental and cultural change. As of February 2012, Triodos has lending and commitments in excess of £625m, making its social banking activities the most extensive in the UK.

Focus: Individuals and organisations striving for a more sustainable future through nature and the environment, culture and society, or social business⁶².

Key Requirements: Organisations that benefit society and the environment.

Deal Size: £25,000 to £15m loan funding per project (may consider larger amounts on a case by case basis) and equity investments in sustainable businesses through 'Triodos EIS Fund'⁶³ and renewable energy opportunities through 'Triodos Renewables'⁶⁴.

Unity Trust Bank

Unity Trust Bank is a specialist provider of financial services to civil society, social enterprises, councils, trade unions, community interest companies (CICs)⁶⁵ and small businesses. It provides a diverse range of flexible financial products and services, from bridging loans to property development funding.

Focus: Civil society, social enterprises, CICs, councils and trade unions.

Key Requirements: Some loans require organisations to be a registered charity, umbrella organisation or development organisation.

Deal Size: £250,000 to £6m loan funding.

Please also cross-refer to Social Venture Funds in section 3.3.ii and the following section on Community Banking for additional sources of social and ethical lending.

vii. Community Banking

There has been an increase in the level of engagement in providing finance to organisations generating social impact from the mainstream banks recently. Under the terms of Project Merlin, Barclays, HSBC, Lloyds Banking Group and Royal Bank of Scotland have agreed to invest permanent equity of £50m each in Big Society Capital (BSC). They made this commitment in the context of wider discussions (known as the 'Merlin' agreement) with the government on "increasing their positive contribution to society and to economic recovery". Specific social funds and initiatives of retail and investment banks are listed below.

⁶² Triodos portfolio

⁶³ Triodos EIS Fund portfolio

⁶⁴ Triodos Renewables portfolio

⁶⁵ See CIC regulator

Barclays Community Finance Fund

The Community Finance Fund aims to provide CDFIs with the capacity to deliver affordable credit to SMEs that are otherwise unable to obtain credit. Since 2010 Barclays have committed over £1m through its Community Finance Fund to support the development of the affordable Credit sector.

The fund is currently not running.

Deal size: Grants up to £50,000.

Key Requirements: Organisations must be a CDFI or credit union (i.e. a member of Transact), an operational business or has received final FCA approval to begin operations and operational in the UK.

Co-operative Group Ltd

The Co-operative Group Ltd has a wide variety of retail businesses and it is co-operatively run and owned by its members. It is the largest organisation of this type in the UK, with over six million members.

Co-operative Community Shares Fund

The Co-operative Community Shares Fund provides underwriting services to community-owned enterprises seeking to raise investment through a community share issue (see section 3.2.vi).

Co-operative Bank Community Banking

The Co-operative Bank has a long history of ethical finance, co-operative business support and community finance services. Community Directplus gives charities, community groups, voluntary organisations and social enterprises an ethical way to bank for free.

Deal size: £500 to £1,000 from the Customer Donation Fund⁶⁶.

Key Requirements: Applicant must be a Community Directplus account holder.

Co-operative and Community Finance

The Co-operative and Community Finance provides supportive loan finance to help people take control of their economic lives and create social benefit.

Deal size: Loans from £10,000 to £75,000, with a £150,000 total lending cap.

Key Requirements: Organisation owned and democratically controlled by its members (i.e. either employees, customers or members of a community).

Lloyds Banking Group

See section 3.3. ix Lloyds Banking Group and School for Social Entrepreneurs Programme.

⁶⁶ Co-operative Customer Donation Fund winners

Royal Bank of Scotland Group

MicroFinance Fund

RBS runs the following funds which have relevance for social entrepreneurs.

The RBS Group MicroFinance Fund (MFF) has been set up to provide loans to potential and existing social entrepreneurs who do not qualify for mainstream bank lending. The fund offers financial support for the purpose of starting or expanding a community-based business.

Deal size: £30,000 to £1m in loan funding.

Key Requirements: Charities, social enterprises, CICs and co-operatives that are sustainable, deliver high levels of social value and are investment ready. Organisations must have clear social or environmental objectives and reinvest profits for a social purpose; be established, located and trading in the UK; and have been declined a loan by a mainstream bank.

Inspiring Women Enterprise

Inspiring Women Enterprise offers grants to help build the capacity of organisations that encourage and support women who are not yet in business to explore enterprise. It will support both new and existing programmes led by not-for-profit organisations.

Applications for the fifth round will be open from Monday 6 October – Friday 17 October 2014 (noon).

Deal size: Annual funding pot of £500,000. Grants up to £50,000.

Key Requirements: UK organisations with innovative ideas to inspire women into enterprise.

Inspiring Youth Enterprise

Inspiring Youth Enterprise invests in both new and existing programmes, led by not-for-profit organisations, supporting young people aged 13-30 years old.

The fifth round of applications for Inspiring Youth Enterprise funding will be open from Monday 30 June – Friday 11 July 2014 (noon).

Deal size: Grants up to £50,000⁶⁷.

Key Requirements: UK organisations with innovative ideas to inspire young entrepreneurs.

viii. Foundations and Trusts

A growing number of charitable trusts and foundations are showing interest in social enterprise, and some have made social investments as well as conventional grants. However, much of this work is embryonic and limited primarily to the work of a few notable foundations.

Despite this growing interest and the revisions made to Charity Commission guidance CC14 which helps to clarify the types of investment strategies that charitable foundations may undertake⁶⁸, the

⁶⁷ Inspiring Youth Enterprise successful first round organisations

⁶⁸ K. Hill (July 2011) 'Investor Perspectives on Social Enterprise Financing', ClearlySo (prepared for the City of London Corporation, City Bridge Trust and the Big Lottery Fund), p52 para 2

vast majority of trusts and foundations are not yet engaged in social investment and need significant information, resources and reassurance on their fiduciary duties to do so.

Below is a non-exhaustive list of foundations that have either begun to invest in social enterprises or have expressed an interest in doing so. Also included in the list are those foundations which have awarded grants to charitable social enterprises in recent years.

Specific advice on accessing grant funding from charitable foundations is available in '[Applying to a charitable trust or foundation](#)' from the Association of Charitable Foundations (ACF). However, in all cases, please determine the exact procedure for applying to these Foundations as most do not welcome unsolicited approaches for funding.

A Team Foundation

Focus: Improving food access, quality, education, research and environmental stewardship through funding inspired projects and charitable organisations with like-minded goals.

Key Requirements: Funding will be granted to registered charities, not-for-profit and non-governmental organisations (NGOs), universities and colleges in the UK and Ireland. The Foundation looks to support a mixture of practical projects, research and policy work. Proposals should incorporate methods for measuring impact, monitoring and evaluation and demonstrate the possibility of lasting impact on policy or practice.

Finance Available: Not specified.

Type of Finance: Grant.

Deal Size: Not specified.

Grantees: 2011 Food Issues Census.

Arthur Guinness Fund

Focus: Identify and support social entrepreneurs across the markets where Guinness operates.

Partners: Ashoka, Social Entrepreneurs Ireland, UnLtd, British Council Indonesia, Virgin Unite, UP Singapore.

Key Requirements: Not specified.

Finance Available: €7.4m.

Type of Finance: Grant.

Deal Size: Not specified.

Grantees: The March Hill Co-op, TCA, CV Outreach, CV Fruitanol⁶⁹.

⁶⁹ Arthur Guinness Fund [case studies](#)

Barrow Cadbury Trust

Focus: Supporting vulnerable and marginalised people in society. The Trust's work is divided into three programme areas: criminal justice, migration and Europe, and poverty and inclusion⁷⁰.

Key Requirements: Programme dependent.

Finance Available: £3.5m for social investment⁷¹.

Type of Finance: Grant, loan, social impact bond (SIB), equity and quasi-equity investment.

Deal Size: £50,000 to £250,000 investment.

Grantees/Investees: Social Justice Centre, Nationwide Learning, Anawim, Key Birmingham, Women Acting in Today's Society, Peterborough SIB.

Bill & Melinda Gates Foundation

Focus: Global development (agriculture, financial services for the poor, water, sanitation and hygiene, urban poverty, and emergency response), global health, and US programmes such as high schools, homelessness and libraries.

Key Requirements: Impactful and well-run social ventures.

Finance Available: Social investment fund with £252m to invest.

Type of Finance: Grant and investment.

Deal Size: Not specified.

Grantees/Investees: Inigral, Sidai Africa Ltd⁷², Liquidia Technologies.

Bulldog Trust

Focus: Financial and advisory assistance to charities. The Trust has pledged to start match funding campaigns, offers interest-free loans to help charities through cash-flow crises, funds innovative pilot projects that could not access funding elsewhere and facilitates scholarships and bursaries in fields it believes are overlooked. It also runs two separately administered, smaller educational grants funds⁷³.

Key Requirements: Not specified.

Finance Available: £200,000 per annum⁷⁴.

Type of Finance: Grant.

Deal Size: Not specified.

Grantees: Humanitarian Aid Relief Trust, The Prince's Trust, University of Winchester.

⁷⁰ Barrow Cadbury programmes

⁷¹ Just over £1m has been committed, at time of writing

⁷² FARM Africa Annual Review 2010-2011, p10

⁷³ The Bulldog Arts Fund offers grants to innovative arts projects. The Bulldog Educational Grants Fund makes small grants towards special educational needs.

⁷⁴ Bulldog Trust has donated £3m to date

Bulldog Trust and Golden Bottle Trust Funding Initiative

Focus: The Funding Initiative, in collaboration with Golden Bottle Trust (see below), is a ‘revolutionary “criteria-free” grant-making scheme’.

Key Requirements: No criteria, but the project should be charitable and the support should benefit the beneficiaries of a project and the longer-term running or development of the organisation itself.

Finance Available: £300,000 over three rounds in 2013 and 2014.

Type of Finance: Grant.

Deal Size: £1,000 to £30,000 over a maximum of three years.

Grantees: Not specified.

Calouste Gulbenkian Foundation

Focus: 3 strategic aims: To help improve people's perceptions of each other by providing opportunities through culture and between cultures, to assist the most disadvantaged in society to fulfil their potential by building connections and developing opportunities and to help in the development of a society which benefits from a more sustainable relationship with the natural world and understands the value of its resources.

Key Requirements: Not-for-profit organisations based in the UK or Republic of Ireland.

Finance Available: £300,000 over three rounds in 2013 and 2014.

Type of Finance: Grant.

Deal Size: Grants are likely to average between £10,000 and £30,000.

Grantees: Not specified.

Calvert Foundation

The Calvert Foundation created the Community Investment Note over 15 years ago on which subsequent social financial instruments have developed. When purchasing a note, the full value of the principal is lent out to help underserved communities. As loans are repaid, the capital is lent out again, multiplying the social impact that the investment has created. At maturity, capital is returned with interest.

Focus: Established community organisations serving as financial intermediaries (microfinance, affordable housing, CDFIs) and organisations worldwide providing affordable housing, microfinance, environmental sustainability, job creation and community development.

Key Requirements: Organisations must have three years of operating experience, a solid base of net assets or net worth with minimum total assets of \$10m, evidence of good operating performance, audited financial statements, a track record of raising and repaying debt capital, and strong management.

Finance Available: Not specified.

Type of Finance: Loans are limited to 10% of applicant's total assets and are repayable over one to five years. No grants.

Deal Size: \$50,000 to \$2.5m.

Investees: Oikocredit, Alterfin, Equal Exchange⁷⁵.

City Bridge Trust

The City of London Corporation is the sole trustee of City Bridge Trust.

Focus: Supporting charitable activity that benefits people living in Greater London.

Key Requirements: Beneficiary organisations must be properly constituted, not-for-profit third sector organisations⁷⁶.

Finance Available: Over £15m per annum.

Type of Finance: Grant.

Deal Size: Grants for large capital projects will not usually exceed £50,000, but there is no maximum or minimum grant. The Trust will not usually be an organisation's largest funding provider.

Grantees: Hackney Community Transport, Primetimers, Charities Evaluation Services⁷⁷.

⁷⁵ [Calvert Foundation portfolio](#)

⁷⁶ This includes registered charities, CICs, industrial and provident societies and community amateur sports clubs

⁷⁷ [City Bridge Trust recent grants](#)

Coutts Charitable Trust and Foundation

Focus: Supports organisations that work for charitable purposes. Clients include private charitable trusts and museums, as well as educational, religious and medical causes.

Key Requirements: Not specified⁷⁸.

Finance Available: Not specified.

Type of Finance: Grant and investment.

Deal Size: Determined on a case by case basis.

Grantees/Investees: The Peabody Trust⁷⁹.

The Dulverton Trust

Focus: The Trust is an independent grant-making charity established to provide funds for charitable institutions or purposes, ranging from youth opportunities, general welfare of disadvantaged people and communities, conservation of wildlife habitats and peace and humanitarian support.

Key Requirements: National or multi-regional registered charities or organisations with charitable status that operate in England, Scotland or Wales.

Finance Available: Not specified.

Type of Finance: Grants over a one year period, but occasionally longer-term support of up to three years.

Deal Size: Not specified, but previous grants range from £5,000 to £90,000.

Grantees: Changemakers, Emmaus UK.

⁷⁸ Interested parties should contact Coutts directly as specified [here](#)

⁷⁹ [ThePeabody Trust](#)

Education Endowment Foundation

The Education Endowment Foundation (EEF) is an independent grant-making charity. The EEF is funded by a £125m grant from the Department for Education to the Sutton Trust as the lead charity in partnership with Impetus Trust.

Focus: Raising the attainment of disadvantaged pupils in English primary and secondary schools.

Key Requirements: Projects run by schools and other not-for-profit organisations that aim to raise the achievement of disadvantaged children in the country's most challenging schools. A particular focus on innovation and on scaling-up projects which are cost effective and replicable.

Finance Available: £125m.

Type of Finance: Grant.

Deal Size: £50,000 minimum.

Grantees: Success for All, Creative Futures UK, School 21, Shared Maths⁸⁰.

East End Community Foundation

The East End Community Foundation (EECF) was formed in 2012 following a merger of the Isle of Dogs Community Foundation and St Katharine & Shadwell Trust. They cover four boroughs in London's East End: the City of London, Hackney, Newham and Tower Hamlets.

Focus: Provide grants and capacity building support to grassroots organisations that deliver programmes which increase employability, educational achievement and community wellbeing. See a list of their grants [here](#).

Key Requirements: EECF distributes grants to voluntary and community sector organisations.

Finance Available: Not specified.

Type of Finance: Grant.

Deal Size: Maximum grants are £10,000

Grantees: None specified.

⁸⁰ [EEF EEF awarded projects](#)

Eleos Foundation

Focus: The Foundation invests in and partners with social entrepreneurs that effectively implement high impact, early stage, pioneering market-based solutions to eradicate extreme poverty.

Key Requirements: Not specified.

Finance Available: Not specified.

Type of Finance: Investment.

Deal Size: Not specified.

Investees: None specified.

Esmée Fairbairn Foundation

Focus: The arts, education and learning, environment and social change. Esmée Fairbairn's Finance Fund makes social investments for property purchases, other asset or equipment purchases, working capital, development capital and/or risk capital.

Key Requirements: Work must be 'legally charitable', but the organisation itself does not need to be a registered charity.

Finance Available: Main fund provides approximately £40m of grants per annum. Finance Fund has £21m allocated to it.

Type of Finance: Grant and investment (loans, quasi-equity and equity).

Deal Size: Not specified.

Grantees/Investees: Social Investment Scotland, The London Orchard Project Ltd, Food From The Sky, Full Body and the Voice Ltd, Ethical Property Company, UnLtd, Social Impact Partnership, East Lancashire Moneyline, Buzzbnk⁸¹.

Food Strand

Focus: Supports work that demonstrates the important role food plays in wellbeing and that connects people to the food they eat. It seeks to bring about more sustainable food production and consumption policies and practices.

Key Requirements: Large-scale strategic interventions or innovative local work.

Finance Available: £5m over three years from January 2013, although it may be extended for a further two years pending a review during 2015.

Type of Finance: Grant and investment (loans, quasi-equity and equity).

Deal Size: Not specified.

Grantees/Investees: See above.

⁸¹ Esmée Fairbairn Foundation grantees and investees

Friends Provident Foundation

Focus: Excluded people, particularly those on low incomes or otherwise vulnerable to market failure.

Key Requirements: Organisations should be working to support the financial inclusion of disadvantaged groups.

Finance Available: A funding programme, 'Toward a Resilient Economy'⁸² which does not have financial inclusion objectives⁸².

Deadlines are Monday 4th August (noon) and Monday 3rd November (noon).

Type of Finance: Grant and investment.

Deal Size: Not specified.

Grantees/Investees: MyBnk, Ethex, Bromley by Bow Centre⁸³.

Golden Bottle Trust

Focus: The arts, community, education, environment and wildlife, health, microfinance and the developing world.

Key Requirements: Not specified.

Finance Available: £8.34m.

Type of Finance: Grant and investment.

Deal Size: Not specified.

Grantees/Investees: Forum for the Future, Migratory Salmon Foundation, Peterborough Prison Bond, Training for Life, Opportunity International⁸⁴.

⁸² Friends Provident Foundation Toward a Resilient Economy

⁸³ Friends Provident Foundation projects

⁸⁴ Golden Bottle Trust 2011 review

Guy's & St Thomas' Charity

Focus: The Charity is a catalyst for health and healthcare improvement in the London boroughs of Lambeth and Southwark. It supports innovation in order to create world-leading healthcare in Guy's and St Thomas' NHS Foundation Trust; to improve the physical and mental health of the local population; and to fulfil the vision of King's Health Partners.

Key Requirements: None specified.

Finance Available: The Charity has around £100 million to invest in innovation in health in any five year period.

Type of Finance: Grant, loan or other forms of investment.

Deal Size: Not specified.

Grantees/Investees: None specified.

Joseph Rowntree Charitable Trust

Focus: Individuals and projects undertaking work in the UK and Ireland to promote peace, political equality and social justice.

Key Requirements: Work must be legally charitable and fall within the Trust's main programme areas⁸⁵. Social investments will be made into organisations with size, scale and measurable social returns.

Finance Available: Grants of around £5m per annum. Total social investments will not exceed 5% of all funds.

Type of Finance: Grant and investment.

Deal Size: No fixed limits. Past grants ranged from £2,000 to £150,000.

Grantees/Investees: 1990 Trust, Action from Ireland, Africa Centre, Social Stock Exchange⁸⁶.

⁸⁵ Peace, racial justice, power and responsibility and Quaker concerns

⁸⁶ Joseph Rowntree Charitable Trust grants database

Kent Big Society Fund

The Kent Big Society Fund is funded by Kent County Council (KCC) and administered by the Kent Community Foundation (KCF).

Focus: Existing and newly created social enterprises that benefit the local community and address economic, social and environmental needs in Kent.

Key Requirements: Social enterprises that operate within the KCC administrative area that utilise the finance to benefit Kent residents, demonstrate clear social aims and community benefit, and have trading activities that form a significant part of income.

Finance Available: £3m.

Type of Finance: Loan.

Deal Size: £10,000 to £100,000.

Investees: Turner Cars, Beach Creative.

LankellyChase Foundation

Focus: Bringing about change to improve the quality of life of people who face the persistent clustering of social harms such as homelessness, substance misuse, mental and physical illness, extreme poverty and violence and abuse.

Key Requirements: Must be registered charities, industrial and provident societies, exempt charities and CICs or organisations applying for charitable status.

Finance Available: £5m available as a Social Investment Fund (approximately 5% of the value of its endowment).

Type of Finance: Secured and unsecured loans.

Deal Size: £50,000 to £500,000.

Investees: Charity Bank, East Lancashire Moneyline, Peterborough Social Impact Partnership, Ethex, Bristol Together⁸⁷.

Montpelier Foundation

Focus: The objective of the Foundation is to improve the lives of disadvantaged people, primarily in developing countries and the UK. Provides support for projects having an impact in the areas of education and training, health, infrastructure, social justice and livelihood improvement.

Key Requirements: Not-for-profit organisation or an organisation engaged in an endeavor which has a clear public benefit meeting the charitable objectives of the Foundation.

Finance Available: Not specified.

Type of Finance: Grants and loan or equity investments.

Deal Size: Not specified.

Investees: Milaap, Social Finance USA, Lumni, Midlands Together, Action Tutoring UK, Greenhouse UK etc.

⁸⁷ Projects funded by LankellyChase. By December 2013 the Foundation had made eleven social investments totalling 2.7m, ranging from £30,000 to £600,000

National Endowment for Science, Technology and the Arts

National Endowment for Science, Technology and the Arts (Nesta) is an independent charitable foundation with a mission “to help people and organisations bring great ideas to life by providing finance through programmes, investments and grants, and mobilising research, networks and skills.”

Nesta pilots actions to support social innovation and has been supportive of initiatives and research around social investment. It also runs the Centre for Challenge Prizes (see section 3.3.ix) and manages the Innovation in Giving Fund (see section 3.3.x).

Impact Investment

Focus: Investing to create new impact investment funds and products and funding the strengthening of social venture intermediaries who provide incubation, business support or corporate finance advice to innovative social ventures.

Key Requirements: Not specified.

Finance Available: £5m to build a current portfolio of 15 funds, incubators and advisory firms.

Type of Finance: Investment.

Deal Size: Not specified.

Investees: Bridges Ventures Social Entrepreneurs Fund, Shaftesbury Partnership, Bethnal Green Ventures, ClearlySo⁸⁸.

Nesta Impact Investments Fund

In October 2012 Nesta launched its impact investment fund, Nesta Impact Investments.

Focus: Health and wellbeing of an ageing population; educational attainment and employability of children and young people; and social environmental sustainability of communities.

Key Requirements: Early stage ventures with high potential social impact that can be evidenced, a financially viable business model capable of producing a return on its investment and based in, and supplying their products and services in, the UK.

Finance Available: £25m target fund size⁸⁹.

Type of Finance: Medium term equity, quasi-equity and debt investment.

Deal Size: £150,000 to £1m.

Investees: Not specified.

⁸⁸ Nesta Impact Investment [portfolio](#)

⁸⁹ £17.6m secured from Omidyar Network, BSC and Nesta in the first closing

Venture Investment

Focus: Nesta is an investor in innovation, from technology start-ups and public policy, to social enterprise and backing creative individuals. It works directly in supporting young, innovative businesses and indirectly by seeking to improve the environment within which early stage ventures can grow.

Key Requirements: Early stage ventures with a clear demonstrable impact in ageing well, children and young people and self-sustaining communities.

Finance Available: Not specified.

Type of Finance: Not specified.

Deal Size: Not specified.

Grantees/Investees: Plaxica, Camfridge, Cellnovo, Ashe Morris⁹⁰.

Nominet Trust

"Nominet Trust is spearheading the ways in which the internet and digital media can be used to stimulate positive social action at a grass-roots level."

Focus: Internet and digital media focused social enterprises in the UK.

Key Requirements: Projects must demonstrate how the internet can be used to improve the lives of individuals and communities.

Finance Available: Not specified.

Type of Finance: Grant.

Deal Size: Existing investments range from £2,500 over six months to £250,000 over two years. Applications for investments of over £100,000 are more likely to be successful if match funding has been secured from other organisations.

Grantees: 8fold, Wind Mill Hill City Farm, Age UK, Alzheimer's Society, Oxford Internet Institute⁹¹.

Social Tech Seed Fund

Social Tech Seed supports entrepreneurs that are focusing their talent and technology on tackling some of the big social issues in sectors including education, employability and health care.

The programme will offer up to £50,000 in funding, as well as business support, to nurture, develop and test early-stage ventures using digital for social impact.

The closing date for Stage 1 applications is Wednesday 2nd April 2014.

⁹⁰ Nesta Venture Investment [portfolio](#)

⁹¹ Nominet Trust [current projects](#)

Northern Rock Foundation

Focus: The Foundation gives grants to organisations which help people who are vulnerable, disadvantaged, homeless, living in poverty or are victims of crime or discrimination. The Foundation is supported by Northern Rock plc through a funding agreement to provide 1% of pre-tax profits. This is a two year rolling agreement from January 2011, which will be reviewed annually.

Key Requirements: Applicants' projects must correspond to one or more of the Foundation's specified focus areas.

Finance Available: £1 million fund.

Type of Finance: Grants.

Deal Size: Up to £50,000.

Investees: Community Campus, Vision Sense, Bell View, Props North East, Tyneside Mind.

Panahpur

Focus: The Foundation seeks to operate its capital holistically to achieve its charitable goals, which are rooted in the Christian faith and reflect a concern for all people, especially the excluded, marginalised and vulnerable.

Key Requirements: Not-for-profit organisations and social businesses 'democratising resources' in emerging economies to move them to long-term and independent sustainability and create positive social and financial outcomes.

Finance Available: Not specified.

Type of Finance: Not specified.

Deal Size: Previous investments range from £3,000 to £500,000.

Investees: Empower Community, Abundance, Metro Laundry, Tinder Capital, Mustard Seed⁹².

Paul Hamlyn Foundation

Focus: Maximising opportunities for individuals to experience a full quality of life; in particular, children and young people, and others who are disadvantaged. The Foundation has grant programmes in the arts, social justice, and education and learning and prefers to support work which others may find hard to fund.

Key Requirements: Must be a registered charity or not-for-profit organisation.

Finance Available: Not specified.

Type of finance: Grant.

Deal Size: £5,000 to £300,000.

Grantees: Languages Sheffield, The Place2be, Paddington Arts Ltd, Sorrel Foundation, Contact Theatre, Changing Tunes, Dance United⁹³.

⁹² Panaphur portfolio

⁹³ Paul Hamlyn Foundation previous awards

Plunkett Foundation

Focus: “Helps rural communities through community-ownership to take control of the issues affecting them” by helping them to set up and run community-owned shops, and promoting and supporting the development of community food and farming enterprises across England.

Key Requirements: Not specified.

Finance Available: Not specified.

Type of Finance: Combination of loan and grant finance.

Deal Size: Not specified.

Grantees/Investees: The Norton Co-operative Pub, Pengwern Arms, The Star Inn.

PURE the Clean Planet Trust

Focus: Provides funding to communities in the developing world, to reduce carbon emissions and improve quality of life, and the UK, to enable community groups to install renewable energy technologies and energy efficiency measures, reducing their carbon footprint and generating new revenue streams for their community activities.

Key Requirements: Projects located in the 50% most deprived areas as measured on the Indices of Multiple Deprivation. Applications from deprived areas are prioritised. The primary goal is to finance the installation of renewable energy technology that is eligible for Feed-in Tariff (FIT) or Renewable Heat Incentive (RHI) payments.

Finance Available: Over £2.8m.

Type of Finance: Low interest finance of up to £50,000 or 50% of the capital cost to part fund renewable energy projects.

Deal Size: Not specified.

Investees: Fenham Swimming Facility, Osprey Leisure Centre⁹⁴.

Rockefeller Foundation

Focus: Creating measurable impact for those living in poverty and vulnerable situations, including basic survival safeguards, global health, environment and climate change, urbanisation, and social and economic security.

Key Requirements: Projects based in Africa, Asia or the US (with exceptions).

Finance Available: Not specified.

Type of Finance: Grant.

Deal Size: Not specified.

Grantees: Villgro, Meridian Institute, Social Stock Exchange (UK), Forum for African Women Educationalists⁹⁵.

⁹⁴ PURE UK projects

⁹⁵ Rockefeller Foundation [grantee profiles](#)

Sainsbury Family Charitable Trusts

The Sainsbury Family Charitable Trust operates 18 grant-making trusts which are independently run by individual family members. The trusts relevant to social entrepreneurs with a clear charitable purpose are listed below.

Ashden Trust

The following three trusts are known to be interested in *social investing*:

Focus: Practical, local energy solutions that cut carbon, protect the environment, reduce poverty and improve people's lives. It has seven main categories of programmes: sustainable development international; sustainable development UK; sustainable regeneration; people at risk; arts and sustainability; social investment fund and low carbon fund.

Key Requirements: Must be a registered charity or not-for-profit organisation.

Finance Available: Not specified.

Type of Finance: Grant and loan finance.

Deal Size: A 2011 report suggests that in one year, a total of over £1m worth of grants were awarded to 45 organisations; sums ranged from £30,000 to £500,000. Social investments made in the form of loans ranged from £14,000 to £100,000 to finance solar or environmental initiatives.

Grantees/Investees: Aviation Environment Federation, Food Chain (North East CIC), Open University, Kingdom Bioenergy, Forum for the Future.

JJ Charitable Trust

Focus: Projects delivering literacy support to those with learning difficulties and ex-offenders, and environmental education in the UK and overseas (especially community-based agriculture initiatives).

Key Requirements: Must be a registered charity or not-for-profit organisation.

Finance Available: Not specified.

Type of Finance: Grant and investment.

Deal Size: Not specified.

Grantees/Investees: Social Impact Bond, Peterborough.

[Mark Leonard Trust](#)

Focus: Educating children and young adults in the UK on environmental matters such as sustainable agriculture and bio-diversity, sustainable transport, energy efficiency and renewable energy; and youth work that supports the rehabilitation of young people involved in anti-social or criminal activities, and helps remove the barriers to social inclusion.

Key Requirements: Must be a registered charity or not-for-profit organisation.

Finance Available: Not specified.

Type of Finance: Grant. May consider investment.

Deal Size: Not specified.

Grantees/Investees: Green Alliance, Sustainable Restaurant Association, The Ashden Awards.

The remaining Sainsbury Family trusts listed below support specific *environmental and social issues*:

[The Alan and Babette Sainsbury Charitable Fund](#)

Supports “ethnic minority and refugee groups, community-based health, education and employment projects in developing world, inclusive arts and education projects for young people, selected Southwark-based charities.”

[Gatsby Charitable Foundation](#)

Supports “plant science, neuroscience, science and engineering education, economic development in Africa, public policy, the arts, and mental health.”

[Headley Trust](#)

Supports a wide variety of projects ranging from those in arts, heritage and conservation in the UK to projects supporting the social welfare of the elderly, development projects based in Africa and projects supporting disabled people.

[Indigo Trust](#)

Funds “technology-driven projects to bring about social change, largely in African countries. The Trust focuses mainly on innovation, transparency and citizen empowerment.”

[Linbury Trust](#)

Supports projects in the areas of arts, education, environment and heritage, medical, social welfare and developing countries.

[Monument Trust](#)

Supports projects in areas ranging health and community care (e.g. HIV/AIDS projects in the UK and Africa, from social exclusion, sexual health of young people and hospices) to arts and heritage. Proposals for cultural projects which will make a major contribution to improving economically depressed areas are particularly welcomed.

The Staples Trust

Supports projects tackling gender issues such as domestic violence and women's rights. This extends to empowering women through overseas development, as well as, more generally, assisting disadvantaged communities, and encouraging sustainable agriculture.

The Three Guineas Trust

Funds projects in the field of autism and Asperger's syndrome. Many grants result from the trustees' own research and contacts with experts working in this field. The trustees do not make grants directly to individuals, or fund pure research.

True Colours Trust

"Supports the lives of children with special needs and their families, focusing on disability and palliative care (in the UK and Africa)."

Woodward Charitable Trust

Supports projects which assist children and young people "who are isolated, at risk of exclusion or involved in anti-social behaviour; minority groups including refugees, gypsies and travellers, prisoners and ex-offenders; disabled people; homelessness; arts outreach for disadvantaged groups; and environmental projects with an educational element."

Tellus Mater Foundation

Focus: UK-based charitable organisations attempting to "shift the rules of the game in political, economic and financial institutions."

Key Requirements: High risk projects with the potential to scale.

Finance Available: Not specified.

Type of Finance: Grant.

Deal Size: Not specified.

Grantees: Forum for the Future, Carbon Leapfrog, Volans, WWF-UK, European Climate Foundation

Trust for London

Focus: Supports work that provides greater insight into the root causes of London's social problems and how they can be overcome; activities which help people improve their lives; and work empowering Londoners to influence and change policy, practice and public attitudes.

Key Requirements: Must be a community and voluntary organisation, but does not need to be a registered charity. The projects should address issues in areas of employment, advice, social justice and violence.

Finance Available: £7m per annum.

Type of Finance: Grant.

Deal Size: No limit, but £75,000 is the average given.

Grantees: Cool2Care, Construction Youth Trust, Employability Forum, Women and Manual Trades⁹⁶.

The Trusthouse Charitable Foundation

Focus: Projects in the UK which address issues in rural communities and/or areas of urban deprivation, with a particular focus on community support (arts, education and heritage), disability and health care.

Key Requirements: Must be a charitable organisation (includes CICs, social enterprises, not-for-profits and voluntary associations) in England, Scotland, Wales and Northern Ireland.

Finance Available: £2m per annum.

Type of Finance: Grant.

Deal Size: £5,000 to £30,000.

Grantees: Forum for the Future.

Tudor Trust

Focus: Supports voluntary and community organisations and, in recent years, has made a number of investments in social enterprises and social investment products.

Key Requirements: UK organisations working with people "at the margins of society" and with an annual turnover of less than £1m.

Finance Available: The value of Tudor Trust's social investments on 31st March 2011 was £3.3m⁹⁷, representing 2% of the market value of the trust's total investments under management.

Type of Finance: Grant and investment.

Deal Size: No maximum or minimum grant amount.

Grantees/Investees: Venturesome, Ethical Property Company, Community Land Trust Fund, Gloucestershire Gateway Trust, Social Impact Partnership⁹⁸.

⁹⁶ Groups funded by Trust for London

⁹⁷ Tudor Trust annual report and accounts 2010-2011, p19 para 9

⁹⁸ Ibid

The Venture Partnership Foundation

Focus: The Foundation's expert due diligence identifies up-and-coming social entrepreneurs with a proven model and the ambition to scale, based on the record of their Members in backing winners in both the commercial and social sectors. Provides a combination of financial support and professional expertise from the private sector.

Key Requirements: None specified.

Finance Available: Not specified.

Type of Finance: Primarily unrestricted grants.

Deal Size: Not specified.

Investees: Afrikids, Basic Needs, Beatbullying, Changing Faces, Homeless Interntnl, MyBnk, PEAS, Riders for Health.

Wellcome Trust

Focus: Global charitable foundation dedicated to achieving extraordinary improvements in health by supporting the brightest minds.

Key Requirements: Projects must correspond to the Trust's specified focus areas.

Finance Available: £16.4 billion investment portfolio.

Type of Finance: Variety of funding schemes, including Investigator Awards, fellowships and Strategic Awards.

Deal Size: Not specified.

Investees: None specified.

ix. Social Venture Intermediaries

Social intermediaries are vital for making connections across the different stakeholders in the sector – especially between potential investor and investee. Many of these intermediaries provide investment readiness support before connecting finance with organisations. See [section 4](#) for further information on business support offered to entrepreneurs as many social venture intermediaries are listed there.

ClearlySo

ClearlySo advises social businesses, social enterprises and impact investment funds on raising capital. It is also an approved provider for the UK's Investment and Contract Readiness Fund (ICRF). Client focus is on social firms with capital raising ambitions of £500,000 to upwards of £10m.

Fair Finance

Fair Finance is a social business working with the financially excluded in London. It offers affordable financial products to ensure that vulnerable and disadvantaged people can access financial services without needing to rely on predatory lenders.

FranchisingWorks

FranchisingWorks is a social enterprise that tackles unemployment by helping to create new businesses and jobs through franchising. It provides independent advice and practical support to people interested in exploring franchising as a way into self-employment.

Future Participle

Participle designs, develops and takes to scale innovative solutions to the most pressing social challenges of our time. It connects the creative ideas generated at the community level with experts who can assist in the development of these ideas. It is the creator of the Southwark Circle, a membership organisation for older people which takes care of everyday worries and supports social networks.

Generation Community

Generation Community (GenComm) manage and structure renewable energy community development projects that alleviate fuel poverty, reduce the emission of greenhouse gases and re-invest surplus profits back into the local communities.

Pymwymic

Put Your Money Where Your Mouth Is Community (Pymwymic) is based in the Netherlands, but is active across the globe. Any 'for profit business' that demonstrates a positive social impact can potentially be supported by this community of families, philanthropists and angel investors which offers events, advice and capital raising opportunities. (See [section 3.3.i](#)).

Resonance

Resonance works with social enterprises throughout the UK, assisting them in their development strategies and providing investment readiness support. It connects socially-motivated investors with social enterprises which can demonstrate their ability to generate social impact at scale, as well as financial return. (See [section 3.3.ii](#) for more information on the funds managed by Resonance).

Shaftesbury Partnership

The Shaftesbury Partnership brings together stakeholders operating in the social enterprise sector and specifically assists organisations in scaling their operations through franchising and replication. It “brings together paradigm-shifting ideas and entrepreneurial, high calibre individuals to create new social enterprises” and has launched a number of social enterprises in areas including employment, faith communities, healthcare and reducing reoffending.

The Shaftesbury Partnership will lead on the brokering of powerful strategic networks for the [Big Venture Challenge](#) (BVC) winners and support the winners to manage these networks.

Social Finance

Social Finance supports social organisations to raise and deploy capital. It works with government to deliver social change and develop social investment markets and opportunities. It offers financial products to “forge essential links between the market, government and society for the greater good”. Some of its products/services include the first ever [Social Impact Bond](#) and an approved provider of the Investment and Contract Readiness Fund (ICRF). It also supports organisations working for positive social change in raising capital.

Social Stock Exchange

The Social Stock Exchange (SSE) aims to “allow investors to trade exclusively in shares of companies with social and environmental goals”⁹⁹. Its target sectors are smaller high growth companies in the health, educational and environmental markets. The exchange will function like any other, will be regulated by the UK’s Financial Conduct Authority (FCA), and could list up to 200 companies within five years. Anyone applying will be subject to a social audit. The development of the SSE has been supported by, amongst others, the Rockefeller Foundation and Big Society Capital.

Stepping Out

Stepping Out helps good public sector services become thriving social businesses and assists successful social entrepreneurs in the ‘spin-out’ phase. It offers a package of support for the transition stage, a range of consultancy services to ensure the business is operating efficiently and innovatively, as well as ‘post spin-out’ support to ensure sustainable growth and development.

⁹⁹ [Social Enterprise Dictionary](#)

Triodos Corporate Finance

The Triodos Corporate Finance team helps raise capital from institutional and retail investors for businesses or projects which bring positive social, cultural or environmental change. They work with owners and managers to help identify their funding requirements and which forms of capital are appropriate. They raise capital from both institutional and individual investors through full public offers and private placements.

x. Award Organisations

The following organisations are known to operate an award programme or competition:

Ashden

Ashden works to “promote local sustainable energy and a shift to a low carbon economy bringing green jobs, energy security, lower fuel bills and reduced fuel poverty” in the UK and developing world. The Ashden Awards have been developed to support and accelerate the work of organisations in these areas. Currently, Ashden have worked with over 140 organisations, ranging from an enterprise bringing clean stoves to rural Africa to a Cornish school embracing energy-saving across its learning and practice¹⁰⁰.

Ashoka

Ashoka “strives to shape a global, entrepreneurial, competitive citizen sector: one that allows social entrepreneurs to thrive and enables the world’s citizens to think and act as changemakers”. Ashoka supports social enterprises via their Venture mechanism. Once a social enterprise is found via Venture, the social entrepreneurs are made Ashoka Fellows¹⁰¹ and receive a living stipend for an average of three years, professional support, and access to a global network of peers in 70 countries. This allows the entrepreneurs to fully focus on building their institutions.

Ashoka Changemakers®

Ashoka Changemakers® support the development of social innovations. It has hosted over 50 online competitions to assist in the identification and support of innovative ideas to work for social change. Current competitions offering funding to assist in developing new initiatives are highlighted [here](#). Ashoka’s [prize page](#) also outlines further prizes that are available from their partners.

¹⁰⁰ 49 organisations and programmes from over 60 countries have been [shortlisted](#) for the 2013 Awards

¹⁰¹ Since 1981 Ashoka has elected almost 3,000 leading social entrepreneurs as Ashoka Fellows

Deloitte Social Innovation Pioneers

Deloitte's programme offers 30 UK social businesses with innovative ideas a package of support, including workshops and access to a Deloitte support team. The ultimate aim of the programme is to assist businesses in becoming investment ready and to scale their operations. Deloitte selected its first 30 Pioneers in March 2012¹⁰².

Echoing Green

Echoing Green offers a two year Fellowship to social entrepreneurs from all over the world. Selected fellows receive up to \$90,000 in seed funding to develop new initiatives; access to Echoing Green's network of more than 500 Fellows; leadership development opportunities; and one-to-one support and counselling.

LeapFrog Investments Global Fellows Programme

LeapFrog offers a professional development opportunity to entrepreneurial young leaders in the form of a two year immersion in impact investing and frontier financial services. Fellows work directly with LeapFrog's leaders to source and execute large-scale investment opportunities, to enable high-impact businesses to grow and succeed, and to expand access to financial safety nets and springboards in emerging markets in Africa and Asia.

LGT Venture Philanthropy iCats Fellowship

The iCats Programme aims to bridge the gap between social ventures in need of professional know-how and resources, and business professionals with the desire to apply their knowledge and experience to benefit the social sector. The selected iCats Fellows meet with their peers in Zurich, undertake orientation training before their assignment and receive intense mentoring support throughout their engagement. Since inception in 2009, 52 iCats Fellows joined the Programme to work for 11 months full-time in the field¹⁰³.

The Melting Pot Social Innovation Incubator Award

The Melting Pot's (see section 4.5) Social Innovation Incubator Award offers free desk space and assistance for 10 new not-for-profit start-ups. Starting in 2012, they welcomed 11 start-up Social Innovators to its 12 month programme¹⁰⁴.

Applications for 2014-15 programme are open.

¹⁰² Deloitte Social Innovation Pioneers

¹⁰³ iCats Fellow Alumni

¹⁰⁴ Social Innovation Incubator Award 2013-14 winners

Nesta Centre for Challenge Prizes

The Centre for Challenge Prizes, with and on behalf of partners, design and manage challenge prizes that will deliver beneficial innovations. Challenge prizes offer a reward to whoever can first, or most effectively, meet a defined challenge.

Nesta (see [section 3.3.vii](#)) announce challenges throughout the year. Previous challenge prizes include Giving Challenge Prizes, Social Innovation Competition, UNDP Challenge, Cycling Challenges and Big Green Challenge¹⁰⁵.

Santander Social Enterprise Development Awards

Social Enterprise Development Awards (SEDA) aims to support social enterprises and CICs looking to grow their business and improve their local community. Finance available is a development award of up to £50,000. Awards are targeted at established social enterprises, with two or more years of trading, which need a financial boost to help them develop their business. SEDA supported 15 social enterprises in its pilot year in 2011 and 60 during the national launch in 2012¹⁰⁶.

This year's awards opened in Spring 2014.

Schwab Foundation for Social Entrepreneurship

The Schwab Foundation is a not-for-profit organisation working to support the development of social entrepreneurship. It runs the global [Social Entrepreneur of the Year](#) competition in partnership with the World Economic Forum for the most accomplished social entrepreneurs. Winners¹⁰⁷ gain access to social entrepreneur networks and access to World Economic Forum meetings.

Skoll Foundation

The Skoll Foundation's mission is to drive large-scale change by investing in, connecting and celebrating social entrepreneurs and the innovators who help them solve the world's most pressing problems. It invests in social entrepreneurs through its annual [Skoll Award for Social Entrepreneurship](#) (see [Competitions and Challenges](#) below), makes grants to support social entrepreneurship, including the [Skoll Centre for Social Entrepreneurship](#) in Oxford, and connects social entrepreneurs through the annual [Skoll World Forum on Social Entrepreneurship](#).

¹⁰⁵ Also see the most famous [historical challenge prizes](#)

¹⁰⁶ SEDA [previous winners](#)

¹⁰⁷ Schwab Social Entrepreneur of the Year Award [previous winners](#)

Social Entrepreneurs Ireland

The Social Entrepreneurs Ireland Awards Programme “provides direct support to high potential social entrepreneurs, helping them to refine their solution, build their organisations, become effective leaders and increase their impact.”

The Impact Programme is an annual, two to three year programme that provides three social entrepreneurs with a support programme and investment of €130,000 in growth capital and capacity building funding (see section 4.4).

The one year Elevator Programme provides five early stage social entrepreneurs with €22,000 in growth capital and capacity building funding and training, mentoring and support¹⁰⁸.

Applications for 2014 programme open in March 2014.

Technology Strategy Board

The Technology Strategy Board’s (TSB) goal is to “accelerate economic growth by stimulating and supporting business-led innovation”. TSB runs a variety of regular competition programmes directed at providing funding to organisations delivering business innovation.

¹⁰⁸ Social Entrepreneurs Ireland previous winners

UnLtd

UnLtd is a charity whose awards are funded by the income generated from the Millennium Commission's investment of £100m. It supports people with vision, drive, commitment and passion who want to change the world for the better. UnLtd supports social entrepreneurs financially through its award schemes:

Do It: To get ideas off the ground, UnLtd provides one-to-one guidance from an UnLtd Award Manager, specialist advice from relevant experts and access to resources to help social enterprises get up and running.

Build It: To help you build your venture, UnLtd provides one to one support, confidence building, help with developing a team and a Board Pro bono, and networking opportunities

Fast Growth: For ventures that are less than five years old and need between £100,000 and £300,000 of growth capital in the next two years, UnLtd provides awards of up to £20,000 and support to raise larger sums of high-risk growth capital, from advice on operations and governance to replication and growth strategies. Star People: To improve your local area, UnLtd provides awards of between £500 and £15,000 and support to help develop ideas, understand budgets and gives opportunities to network and skills (see section 3.3.x BIG Local). From time to time UnLtd runs separate awards and competitions, and manages awards on behalf of others, for example:

Big Venture Challenge: See Competitions and Challenges below.

Live UnLtd: For people aged 11-21 years old who want to change their world for the better, Live UnLtd provides awards of up to £5,000 and support to launch their project.

Higher Education Support: UnLtd has partnered with over 50 universities to provide support to university staff, current students or recent graduates with a passion to create positive social impact.

UnLtd Care: For this initial pilot, UnLtd are looking to support 10 Award Winners from across the UK who have ideas that focus on older people and preventative services, offering a cash award of up to £20,000 and access to extensive non-financial support.

Wayra UnLtd: To help create social change using digital technology, UnLtd provides office space, specialist support from senior managers at Telefonica and a range of industry experts, help in taking your product to market, raising investment and gaining practical support in implementing an accelerated growth strategy.

Unreasonable Institute

The Unreasonable Institute unites 10 to 30 entrepreneurs (Unreasonable Fellows) each year from around the world to live in Colorado for six weeks and receive training from 50 mentors. Fellows form relationships with 25 investment funds, receive legal advice and design consulting, and pitch to hundreds of potential investors. The goal is to accelerate these ventures so they can scale to meet the needs of at least one million people each.

The Institute opened to teams for the first time ever in 2013. Applications for the summer 2014 programmes are now closed.

xi. Competitions and Challenges

Ben & Jerry's 'Join Our Core'

Ben & Jerry's 'Join Our Core' competition looks for businesses which are socially responsible and bringing about positive change in their communities.

Industry: Sustainable and socially-responsible businesses.

Who can apply: Anyone aged 18-34 years old with a business offering products that are in long-term demand in their local area and that have a positive social impact and environmental awareness.

Location: Entrants must live in the UK, Ireland, Denmark, Sweden or the Netherlands, but the business itself can run in any country.

Prize: €10,000 cash prize, six months of mentoring from Ashoka, 10 days of social business knowledge-sharing and working with local farmers in Uganda with VSO, and business advertisement on Ben & Jerry's new flavour of ice cream¹⁰⁹.

Big Venture Challenge

The thirdcycle of the Big Venture Challenge (BVC) programme run by UnLtd is designed to help 100 social entrepreneurs successfully raise investment and rapidly grow their ventures.

Applications will open again in January 2015 - with a focus on social ventures working in the Midlands and those working to help educate young people .

Industry: Any social enterprise.

Who can apply: Organisations based in England that are less than 5 years old and seeking investment funding of between £50,000 and £250,000 to achieve their ambitions.

Location: England.

Prize: Business support, expert connections and match funding of between £25,000 and £100,000 to help raise the high-risk growth capital.

¹⁰⁹ Join Our Core 2012 winners were Archipelago, Fairmail, Mattecentrum, Play 31 and Rubies in the Rubble

The Lord Mayor's Dragon Awards Award

The 'Community Partners' category of the awards recognises good practice and innovation by community-based organisations in working with businesses and facilitating their involvement in the community. It celebrates ways in which effective partnerships are built and maintained so that the benefits of corporate involvement (and employee volunteering) are maximised.

Industry: Corporate social responsibility. The Dragon Awards do not recognise or reward environmental initiatives.

Who can apply: Community organisations, schools and social enterprises.

Location: Greater London.

Prize: Dragon statuette, local and national press coverage and recognition amongst peers and competitors¹¹⁰.

Foster School of Business Global Social Entrepreneurship Competition

The Global Social Entrepreneurship Competition (GSEC) is an international student social business plan competition that challenges university-led students worldwide to use business principles to create sustainable, positive solutions to some of the developing world's most challenging issues.

Industry: Social venture plans that aim to alleviate problems in developing economies – poverty, health and development.

Who can apply: Social entrepreneurs worldwide.

Location: US-based (University of Washington).

Prize: Semi-finalist student teams travel to Seattle for a week of competition events and to present their ideas to investors and judges. GSEC 2014¹¹¹ will award at least \$34,000 in prizes plus in-kind awards, as well as coaching and mentoring from health, development and business professionals, and exposure to an extensive network of professionals and companies¹¹².

¹¹⁰ Dragon Community Partners Award previous winners include Pilotlight (2013), Guy Fox Project (2012), Body and Soul (2012), St Luke's Trust (2011), Hidden Art (2010)

¹¹¹ GSEC 2014 Teams

¹¹² GSEC previous winning teams

Global Social Venture Competition

The Global Social Venture Competition (GSVC) is a global social business plan competition to launch the next generation of social entrepreneurs founded by MBA students at UC Berkeley's Haas School of Business.

Industry: Any.

Who can apply: Social entrepreneurs worldwide.

Location: US-based (UC Berkeley).

Prize: \$50,000 in prizes (1st place: \$25,000; 2nd place: \$10,000; 3rd place: \$5,000; and remaining \$10,000 is distributed through a People's Choice award and special awards), mentoring and exposure¹¹³.

Goldman Sachs 10,000 Small Businesses Programme

The 10,000 Small Businesses Programme is “an investment to help entrepreneurs create jobs and economic opportunity by providing greater access to education, capital and support services” delivered through a network of local partners.

Industry: Any.

Who can apply: Small business and social enterprise leaders with scalable business models that want to grow their business and create local employment.

Location: London, Yorkshire, Midlands and North West England.

Prize: Practically-focused business and management education delivered over twelve sessions, lasting approximately 100 hours.

¹¹³ GSVC 2012 winning teams

Lloyds Banking Group and School for Social Entrepreneurs Programme

The School for Social Entrepreneurs (SSE) runs mentoring and networking programmes across the UK, focusing on training and early seeding support. The programme's total current investment of £14m¹¹⁴ means it will be able to double the number of areas it works in, helping 1,100 aspiring social enterprises transform disadvantaged communities, with the potential to create over £20m in social value and more than 4,000 jobs each year.

Industry: Any

Who can apply: Individuals who are leading ('Scale Up' grant) or planning ('Start Up' grant) to set up a project or social enterprise organisation which will create social change.

Location: UK.

Prize: A £15,000 'Scale Up' grant or a £4,000 'Start Up' grant will be awarded, in addition to a place on an SSE learning programme. The Lloyds Banking Group Social Entrepreneur of the Year Award, which includes a place on the national Scale Up SSE learning programme and a £25,000 grant, is given to a Scale Up applicant who demonstrates outstanding potential.

Skoll Awards for Social Entrepreneurship

The Skoll Award recognises social entrepreneurs whose proven innovations have demonstrated impact on some of the world's most pressing problems and whose organisation has the potential to be individually successful and catalyse large-scale, system-level change.

Industry: Deforestation; education and economic opportunity; effective development; healthcare access and treatment; smallholder productivity and food security; peace and human security; sustainable markets; and water and sanitation.

Who can apply: Social enterprises that have a track record of making significant impact and are positioned to continue to have influence on a large scale.

Location: UK-based.

Prize: Funding to grantees (sum not specified) to be paid over three years, connection to the Skoll network of more than 900 social entrepreneurs and innovators at the Skoll World Forum on Social Entrepreneurship and on the Skoll World Forum Online.

¹¹⁴ £5m investment from Lloyds on its launch, £2m from Nominet Trust and £6.9m from BIG in November 2012. These investments build on the original £6m investment from Lloyds with additional funding from social investor, the Nominet Trust.

xii. Public Bodies and UK Government Funds

In recent years, and particularly in the aftermath of the 2008 recession, government funding has become scarcer and more competitive to access. There are a number of public bodies, programmes, initiatives and funds which support social enterprises in various ways.

Big Lottery Fund

The Big Lottery Fund (BIG) is a non-departmental public body sponsored by the Cabinet Office. It is responsible for distributing 40% of all funds raised for good causes (about 11 pence of every pound spent on a Lottery ticket) by the National Lottery. This totals around £600m each year.

BIG awards grants from £300 to over £500,000 to organisations ranging from small local groups to major national charities. Since June 2004 BIG has awarded over £6bn to projects supporting health, education, environment and charitable purposes¹¹⁵. 80-90% per cent of its funding is awarded to voluntary and community sector organisations, others include the private and public sector and individuals. It delivers funding throughout the UK, mostly through programmes tailored specifically to the needs of communities in England, Scotland, Wales or Northern Ireland, as well as some programmes that cover the whole UK.

BIG Assist

BIG and the National Council for Voluntary Organisations (NCVO) "have come together for a new £6m initiative to help voluntary sector support and development organisations become more effective. The Assist programme is the first stage of BIG's Building Capabilities for Impact and Legacy approach. It is a new approach in providing capacity-building investments, as the majority of funding goes directly to local support and development organisations. These organisations are then be able to choose what support they need in order to adapt their services to changing needs, funding and expectations of frontline organisations."

Awards range between £2,000 and £7,000 and are given out in categories including strategy and planning, financial sustainability and developing strategic relationships.

Commissioning Better Outcomes and the Social Outcomes Fund

Big Lottery Fund and the Cabinet Office are working together to support the development of more innovative approaches to improving social outcomes. The focus is on payment by results (PbR) mechanisms, particularly those which involve social investment such as Social Impact Bonds (SIBs). The two funds - the Cabinet Office's Social Outcomes Fund and the Big Lottery Fund's Commissioning Better Outcomes are making up to £60m available to pay for a proportion of outcomes payments for these types of models in complex policy areas, as well as support to develop robust proposals.

BIG Fund

BIG Fund distributes non-Lottery funding on behalf of public bodies, such as the Department for Education and the Office for Civil Society.

Social Incubator Fund

Until 2015, BIG Fund is administering the £10m Social Incubator Fund for the Cabinet Office, which specifically targets social incubators to help them provide investment and support to early stage social ventures. Fund is currently closed for applications.

¹¹⁵ BIG's funded projects

Early Intervention Foundation

In November 2012 the Early Intervention Foundation (EIF) Consortium, led by 4Children and made up of 30 children's charities, was awarded £3.5m by the Department of Education to run the EIF for two years, after which it will become self-financing. The EIF will champion early intervention and provide advice and support to local commissioners on evidence, social finance and PbR, to help them choose early intervention programmes. It will also gather evidence and research for what works for early intervention in the UK.

Education Endowment Fund

See section 3.3.vii.

Energy Entrepreneurs Fund

The DECC allocated £35m to the Energy Entrepreneurs Fund, which will help innovators and entrepreneurs develop and demonstrate low carbon technologies. Applicants can apply for up to £1m funding, which they can then use to leverage additional funds from private sector investors, and are also able to get support from experts on how to bring their products to market.

The first and second phases, in which £35m of funding was available, are closed to applications.

A third phase was launched in January 2014 with the remaining £10m for projects up to 31st of March 2016.

Green Investment Bank Plc

The UK Green Investment Bank (GIB), formally launched in November 2012 after receiving state aid approval, is the "world's first investment bank solely dedicated to greening the economy".

GIB has been capitalised with £3bn to assist the UK's transition to a green economy and address market failures affecting green infrastructure projects in order to stimulate a step up in private investment. In December 2012 GIB made its first direct investment, loaning £45m to the owners of the Walney offshore wind farm^{[116](#)}.

Innovation in Giving Fund

The Innovation in Giving Fund, launched in September 2011, is a £10m fund established by the Office of Civil Society as part of a £34m package to increase levels of social action. The fund is managed by Nesta (see section 3.3.vii) and aims to invest in, support and grow innovative ideas that bring about a step-change in levels of giving and exchange and which have a credible route to being self-sustaining in the longer term.

¹¹⁶ GIB was one of the five banks brought in to lend a total of £224m re-financing OPW's 24.8% stake.

Mutual Support Programme

The Mutual Support Programme (MSP) is administered by the Cabinet Office and has made £10m available to provide mutual organisations or groups of staff with professional services with assistance in business development. Services to be purchased by the Cabinet Office include HR, legal, financial, tax and business planning, and will be particularly focused on organisations at the ‘pre spin-out phase’, though others will be considered.

In June 2012, the first awards from the fund were allocated to three public sector spin-outs for schools, arts and youth services¹¹⁷. Across England, more than 85 mutuals now deliver over £1 billion of public services. So far the programme has helped 67 mutuals – 16 of which are live and 51 in development – with support and training.¹¹⁸

Scottish Enterprise

Scottish Enterprise is supported by the Scottish Government and works to support the business environment in Scotland. It provides advice on the type of funding a business may be eligible for and guides entrepreneurs through the application process. It also provides services to assist business growth, such as improving efficiency and accessing new markets.

The SIB Group

The SIB Group (SIB) is made up of the charity, Adventure Capital Fund, and its social enterprise, The Social Investment Business

SIB brings finance, knowledge and expertise to help civil society organisations thrive – improving their infrastructure, increasing their capacity and helping them bid for, and win, public service contracts. It is a specialist fund manager and has made and managed over 1,300 investments in civil society organisations, ranging from under £5,000 to almost £7m. SIB invests in viable, non-bankable projects facilitating their move into more enterprising ventures; strengthening them, investing in excellence and bringing to scale the most innovative ideas.

See below for more information on funds managed by SIB¹¹⁹.

¹¹⁷ MSP contracts awarded

¹¹⁸ Mutuals Support Programme – 2 years one – Some Success Stories

¹¹⁹ TSIB managed funds

Big Potential

Big Potential, a BIG Lottery Fund grant fund, will deliver approximately £10m of grant funding over 3 years to eligible VCSE organisations with the aim of improving the sustainability, capacity and scale of VCSE organisations in order that they may deliver greater social impact.

Eligible VCSE organisations will be able to access specialist one to one support from the Big Potential programme partners before making an application for grants between £25,000 and £75,000 to undertake more in-depth investment readiness work with one of Big Potential's approved providers.

Big Venture Challenge

The Big Venture Challenge (BVC) supports ambitious social entrepreneurs with access to finance, business support and powerful connections to help them scale their ventures (see [section 3.3.ix](#)).

Applications will open again in January 2015 - with a focus on social ventures working in the Midlands and those working to help educate young people.

Community Assets and Services Grant

£26m is available to help voluntary organisations take over the running of public services in their communities or take over the management or ownership of land or buildings in community use. The Community Assets and Services Grants will complement the wider Community Assets and Services Support Programme which includes an advice service run by Locality (see [section 4.2](#)).

The programme is currently closed.

Investment and Contract Readiness Fund

The Investment and Contract Readiness Fund (ICRF) is a three year, £10m fund administered by SIB on behalf of the Cabinet Office. It aims to support organisations^{[120](#)} that seek to raise at least £500,000 investment, or bid for public sector contracts over £1m. An organisation's investment readiness needs must be assessed, costed and then applied for in partnership with a lead investment readiness support provider (see [section 4.2](#)). The fund supports these organisations to become investment or contract ready by providing grants of between £50,000 and £150,000 per partnership.

Grants are available on a rolling basis.

For a list of approved [services providers of this fund](#).

Please see [section 4](#) for more information about business support and investment readiness services.

¹²⁰ Social enterprises, social businesses, charities, voluntary and community organisations

Liverpool City Region Impact Fund

The £2m Liverpool City Region Impact Fund offers business support and simple finance to local charities and social enterprises, helping them to grow and scale up the impact they make in their communities.

The fund is financed by £1 million from the Social Investment Business Group, through its parent charity the Adventure Capital Fund, and £1 million from the European Regional Development Fund's 2007-13 programme. It expects to complete investments in about 20 charities and social enterprises by the end of 2014.

Modernisation Fund

The Modernisation Fund is a £9.5m fund, managed by SIB on behalf of the Office for Civil Society, which provides interest-free loans of between £30,000 and £500,000 to help organisations be more resilient to the impact of the economic downturn.

The fund is currently closed, but you can register interest with them.

SIB Loan Fund

New unsecured loan fund launched in early 2014 targeted at established organisations that would be interested in taking on loan investment from early 2014. You can register an interest in the fund to receive further information about expected criteria and terms.

The Social Action Fund

The Social Action Fund is a grant fund of over £20m run by SIB on behalf of the Office for Civil Society. The Fund aims to inspire organisations to create new social action opportunities through people giving what they have, be that their time, money, assets, knowledge or skills.

The fund is currently closed to new applications.

Social Enterprise Investment Fund

The Social Enterprise Investment Fund (SEIF) is managed by SIB and Local Partnerships (see section 4.2) on behalf of the Department of Health. The Fund has invested more than £100m in over 600 social enterprises involved in the delivery of health and social care services, including disability, mental health, substance misuse, carers' organisations and supporting people with long term conditions¹²¹. The SEIF investment package includes grants and loans and supports organisations at different stages, helping them become investment ready and then to scale up and grow.

All existing social enterprises working in health and social care, including public health and children's services, are eligible to apply. Right to Requests and Right to Provides working in health and social care that are yet to spin-out are also eligible.

The fund invested a further £19m and was open to applications until March 2013. It is currently closed to applications.

¹²¹ These enterprises include Jamie's Farm, Norcare, Jets Foundation and HCT Group.

The Social Investment Fund

In mid-2012, the Northern Ireland Executive launched an £80m fund designed to tackle economic deprivation and dereliction. The first phase of the fund will run until March 2016 and aims to support projects that reduce poverty and increase community services. It is being delivered in nine ‘social investment zones’: four in Belfast, one in Derry/Londonderry and four others aligned with the Health and Social Care Trusts, and Children and Young People’s Strategic Partnership boundaries.

Technology Strategy Board

See section 3.3.ix for discussion about competitions run by the Technology Strategy Board.

UnLtd

See section 3.3.ix for discussion about awards available from UnLtd.

There are a number of Government Contract Programmes which may be of interest to social enterprises, some of which are listed below:

- DWP Innovation Programme
- DWP European Social Fund Programme
- DWP Work Programme
- Ministry of Justice Re-offender Programme

All new central government contracts over £10,000 are published on Contracts Finder. Scotland, Wales and Northern Ireland have separate public sector procurement websites;

- Wales: Sell2Wales
- Scotland: Public Contracts Scotland:
- Northern Ireland: eSourcing NI

Other government initiatives that may be of assistance to social entrepreneurs include:

- Community Right to Bid and to Challenge, developed under The Localism Act 2011, gives community and voluntary groups and local authority employees the right to submit an interest in taking over a local authority service which must then be considered by the authority.

■ Community Right to Provide enables health and social care staff to deliver services through employee-led social enterprises, mutuals, joint ventures or partnerships.

■ Community Shares Unit supports the use of community shares and bonds, which will allow large numbers of people to invest small amounts of capital in local projects without the costly regulation involved in a standard share issue. It will aim to support 500 social ventures and back 200 share issues.

Additionally, a number of local authorities have developed their own initiatives to support social enterprises, such as the Kent Big Society Fund and the Essex County Council small grants fund for community service. Please check on websites of relevant local authorities for updates on such initiatives.

xiii. European Union Funds

At the end of 2011, the European Commission took a step towards setting the foundations for a strong European market for social investment funds. It proposed a series of actions under the

'Social Business Initiative' to support the creation and access to finance for social enterprises. These include:

- The creation of a European Union Social Entrepreneur Fund 'label': (EuSEF). This is a regulatory structure which acts as a form of 'EU Passport' for social investment funds. Registered EuSEF fund managers may gather capital from social investors across the EU to make fund investments into social enterprises within and beyond the EU. The objective is to stimulate the creation of easily identified, dedicated social investment funds, enabling them to be active across the whole of the European single market. The Financial Conduct Authority manages the process of registration for EuSEF structure.
- The creation of a series of EU financing initiatives to make an investment priority for social enterprises using the European Regional Development Fund (ERDF) and European Social Fund (ESF) regulations from 2014. One mechanism for the UK to make use of these EU financing opportunities for social enterprises is through the development of Local Impact Funds which, where they are established, will be administered by the Local Enterprise Partnerships (LEP). For further details contact your local LEP.
- EU Programme for Employment and Social Innovation (EaSI) is the new umbrella programme for employment and social policy. It merges three programmes from the earlier funding period (PROGRESS, EURES, MICROFINANCE and Social Entrepreneurship). EaSI has a total value of €919m over the seven year funding period from 2014 – 2020. Within this programme is a €90m European financial instrument, a fund of funds will be set up to facilitate access to funding for start-up, development and expansion of social enterprises.

4. Business Support and Investment Readiness Services

There is a wide range of organisations offering different types of support to social enterprises and businesses. Whilst some are specifically focused on preparing organisations to be ready to seek social investment, others offer more general business services and support to help build sustainable social enterprises. We have sub-divided these according to key function, but many organisations provide a number of different support services.

4.1. Training and Mentoring

- arc is a Business in the Community initiative connecting social enterprises with expert support and business opportunities to help them grow. arc aims to help social enterprises create 1,000 jobs in East London by 2015.
- Baker Brown Associates offers training programmes and research and development support to the social economy.
- ClearlySo Tea Time is a free, monthly session for budding or fully fledged social entrepreneurs and mid-career professionals with an interest in the sector. It is designed as a networking and 'group therapy' session where attendees can learn from ClearlySo staff and their peers.
- City Action is a City of London Corporation programme which is a free matchmaking service that links skilled volunteers from City businesses with community organisations and social enterprises in the city and its neighbouring boroughs.
- Exemplas works in partnership with individuals, business and the government to get people into employment, up-skill employees for the future and improve business performance.

- **Finance Matters (NI)** is an independent financial planning consultancy in Northern Ireland. Its core business is providing high-level independent advice on investment management, retirement and succession planning, pensions (personal and corporate, including auto enrolment), taxation, trust and estate planning and financial protection.
- **Firstport** supports new and emerging social entrepreneurs across Scotland. It works to identify, advise, connect, encourage and seed fund new start social entrepreneurs. It also provides a full package of support and resources from funding, advice and practical tools, and runs Evolve skill-sharing days which bring in expertise from professional volunteers.
- **Future Business** is a charitable organisation and social enterprise based in Cambridge providing business support and advice, coaching, impact measurement and affordable workspaces across East England. Future Business is an initiative of Allia (see section 3.3.ii).
- **Give What You're Good At** provides knowledge and expertise to build up the infrastructure of charitable organisations. They provide a free matching service where charities and social enterprises are introduced to professionals who are passionate about their cause. Organisations can upgrade to access their powerful search engine containing details of over 10,000 companies who support causes financially.
- **GLE Group** (see section 4.2)
- **Impact Lab** provides a structured mentoring programme that offers corporate professionals the opportunity to collaborate with early stage entrepreneurs in order to build their social ventures.
- **Mowgli Foundation** is a not-for-profit organisation that provides mentors who inspire, support and empower entrepreneurs in achieving their business and personal potential.
- **Ogunte** is a social innovations development company focused on women-led social ventures. It is a network of advisors and angels that provide learning programmes, connections, business support programmes and access to equity finance, to put women at the forefront of the social economy. Ogunte boosts the pre due diligence, investment and commissioning processes by clarifying and assessing social enterprises' proposals, developing entrepreneurs, and helping them articulate their social impact.
- **On Purpose** is a leadership programme that "equips [On Purpose] Associates with the experience, skills and networks they need to make a real difference in purpose-driven organisations and to become future managers, leaders, employers and innovators in the sector." During the programme, Associates are paid £20,000 per year pro rata to work four and a half days a week on two different six month placements with purpose-driven organisations, such as Comic Relief, JustGiving and O2. Every Friday afternoon, all Associates come together for half a day's training; this involves elements of peer development and self-development, but also a formal programme covering commercial and social topics that is delivered by professionals from a range of private and social sector organisations.
- **Social Enterprise Europe** provides training packages, consultancy services and a series of guides on all aspects of social enterprise. It works with a number of partners across Europe and provides a service to those in Asia and Africa interested in developing social enterprise.
- **Social Enterprise Solutions CIC** supports the start-up, development and growth of social enterprises primarily in North West England, with expertise in the spin-out process. They also work with and advise many private sector organisations as they seek to understand and engage with the social enterprise business model.
- **Social Traders CIC** is a social enterprise in Cornwall that provides business start-up advice, consultancy services and training programmes supporting social entrepreneurs, social enterprises, charities, public sector organisations,

community organisations and other local businesses.

Striding Out provides leadership, business and career coaching services for 16-30 year olds that are supported by training, networking and work placement services.

The School for Social Entrepreneurs (SSE) runs practical learning programmes aimed at helping develop the individual entrepreneur and their organisation simultaneously. See the [list](#) of all the SSEs in the UK and around the world. (Also see [section 3.3.x Lloyds Banking Group and School for Social Entrepreneurs Programme](#)).

The Wise Group is a social enterprise conducting projects across Scotland and the North East England to meet social needs. It also offers learning services and training programmes for businesses and social enterprises, local authorities and third sector organisations through [WiseLearning](#).

4.2. Advisory Services and Consultancies

Bates Wells & Braithwaite London LLP is a commercial law firm servicing a wide range of commercial, statutory, charity and social enterprises. In particular, it has a social finance practice and offers advice on legal structures.

Beacon CIC is a social enterprise that works at all levels of government and with voluntary organisations and charities to enhance their impact and effectiveness in achieving positive change.

Buzzacott provides accounting services to charities and voluntary groups, and runs training courses for trustees, finance personnel and others.

Charities Evaluation Services provides support and advice on quality and evaluation systems for the voluntary sector and has a wide range of tools and resources available on its website.

Eastside is a professional services firm that advises on the development, funding and growth of civil society organisations through three areas of activity: providing support services, building social innovations through its ventures and sharing knowledge and profits back into the sector through its Foundation.

Ethical Investors offers IFA service with a track record in providing investment products for clients that offer social and environmental returns as well as financial returns.

The Ethical Investment Co-operative, 3 times winners of the award for 'Best IFA' in the Guardian/Observer Consumer Finance Awards, is a firm of Independent Financial Advisers dedicated to ethical and socially responsible investment.

Future Business (see [section 4.1](#))

Gaeia is a firm of IFAs and specialists in environmental and ethical investment.

GLE Group is a provider of services, products and investment in finance for business, enterprise development, business accommodation and consultancy services.

Impact Investment Partners (IIP) is an investment and advisory services firm specialising in impact investing within the critical goods and services sectors (healthcare, education, water, housing, agriculture, clean energy). The firm has offices and teams in the UK and in India and draws on a broad network of advisors and associates with deep sector and investment expertise.

Inspire2Enterprise is a service provided by [The University of Northampton](#) and delivered by [Exemplas](#) (see [section 4.1](#)). It is a free-to-access service for the social enterprise sector providing information, specialist advice and support from start-up through to initial growth and beyond. This service is available to social enterprises in the UK.

Investing Ethically Ltd is a company of Ethical Independent Financial Advisers

- specialising in socially responsible, environmental and ethical investment.
- new economics foundation (nef) is an independent think tank. nef consulting is the social enterprise and strategic consultancy arm of nef and is involved in well-being measurement, social valuation into cost-benefit analysis and hard economic evaluation.
 - New Philanthropy Capital (NPC) is a consultancy that helps charities and philanthropists find solutions to the challenges they face; whether they are trying to work more effectively, exploring new ways of working, or setting out to prove their worth. NPC's consulting services include strategic advice, research, impact measurement, grant making support and training.
 - Numbers4Good provides innovative and sustainable financing solutions for the funding of sustainable businesses. It provides capacity building services to social enterprises and sustainable businesses such as business and financial consultancy, financial innovation and new product development and fundraising support. As an approved ICRF provider they partner with PKF Littlejohn LLP, an independent firm of chartered accountants and business advisors.
 - Partner-up is a matching service for civil society with the aim to create an independent marketplace where charities, social enterprises and housing associations can explore partnership options and receive support in making decisions regarding which organisations to speak with, and how.
 - Social Enterprise Europe (see section 4.1)
 - Social Finance Ltd offers due diligence services to investors considering specific investments. It also provides advisory services on social investment, product creation, and the use, application and implementation of Social Impact Bonds (see section 3.2).
 - Social Traders CIC (see section 4.2).
- Social Value Lab is a national hub for social sector research and action. It works across the UK and internationally conducting research, gathering evidence, influencing policy, creating new social ventures and supporting others to do the same.
- Thomson Reuters TrustLaw is a global hub for free legal assistance. TrustLaw Connect was launched in June 2010 with the aim of spreading pro bono work globally and helping lawyers put their professional skills to work for NGOs and social entrepreneurs with limited means. Social entrepreneurs apply to TrustLaw to become a member of the community and then send in their legal request through the site. TrustLaw then refines the request before it is shared with the lawyers.
- The following organisations are also approved ICRF providers (see section 3.3.x). Social ventures can only apply to the fund in partnership with an approved provider.
- Association of Chief Executives of Voluntary Organisations (ACEVO) supports, develops, connects and represents third sector leaders and offers a variety of services to its members including access to a wide range of professional publications, management consultancy services and free helplines covering areas such as HR, fundraising and accountancy.
 - Action Planning is a leading provider of training, mentoring and consultancy to the not-for-profit sector. Our mission is to help not-for-profit organisations succeed. Our staff team are expert practitioners and are committed to delivering high-quality value for money work that meets the needs of our clients, every time.
 - Advantage Business Agency is a firm of chartered certified accountants and business consultants providing expert advice to social enterprises with an ambition to grow and innovate. Its business development services are designed to meet all stages of an organisation's growth.
 - ATQ Consultants LLP is an expert in public services and government contracting markets. It helps organisations bid successfully for contracts and raise capital to finance them, especially where

payments are linked to outcomes through PbR or SIBs. Banks Cannell LLP is a mutual that specialises in providing business development packages to people in the public sector (health, social care and education), so they can become successful social enterprises.

- Bates Wells & Braithwaite London LLP (see above).
- Baxendale (the new name for Baxi Partnership) is an innovative employee owned business with a 13-year track record in providing business advice and investment. To date they have supported more than 50 fast growth business that generate a positive social impact in the private and social enterprise sectors to win and deliver new contracts.
- BE Group are a national business services specialist, with expertise in Supply Chain Development, Business Improvement, Events and Publishing. Our aim is to help businesses to succeed and grow, and we are particularly proud of our strong social purpose, which runs through everything we do. We have supported many Social businesses and organisations to become more sustainable through 1:1 consultancy, mentoring, and practical training support.
- Bidright UK provides a full contract readiness package including end-to-end bidding services, consortia development and contract set-up or management. Its areas of expertise include public sector contracts, regeneration and disadvantaged groups, including NEETs, the disabled and offenders.
- Bridge Consulting provides organisations in the public and third sectors with practical solutions and addresses areas such as leadership, strategy, management, market focus, market entry, internal systems, financial structuring, raising finance and investor and contract readiness.
- CAN offers a range of services, experience and advice including business and financial modelling, investment readiness, strategy, impact measurement and governance to social enterprises and trading charities from across different industries and geographical locations.
- Claridge Capital is an advisory business providing solutions for small companies seeking investments of less than £5m. It offers services to allow social enterprises to become investment-ready, which comprises of strategic advisory including the preparation of all necessary documentation, corporate finance including structuring deals and financial modelling, and investment mediation.
- ClearlySo provides corporate finance and financial advisory services to social businesses and enterprises to strengthen and articulate an investment case to raise capital. It offers an investment brokerage service between social businesses and enterprises that are raising capital and investors. Its investor distribution network encompasses High Net Worth Individuals and leading institutional investors, including foundations, impact investment funds, banks and corporates.
- Cogent Ventures is a provider of business advisory support to social enterprises and charities that provide health, social care, housing or other community-based services. Core areas of expertise include strategy, business planning, business development, bid management, partnership development, corporate finance, financial modelling, capital projects, governance, policy development, executive coaching and team development.
- Deloitte Social Innovation Pioneers (see section 3.3 ix).
- Eastside (see above).
- Entrust is a not-for-profit CLG and one of the oldest business support organisations in the country. It offers a range of loan and investment capital and business development services which provide entrepreneurs and businesses, including in the third sector, with funding, strategic insight and financial know-how to overcome challenges. We provide advice and guidance to help organisations with financial remodelling.
- Equity Development helps early stage social ventures build sound business models that are appropriately resourced and helps them attract external investment

so they can realise their social and economic potential.

- The FSE Group (FSE) is an experienced fund management group which is FCA authorised (via its 100% owned subsidiary, FSE Fund Managers Ltd) and also a social enterprise (CIC-CLG) in its own right. FSE's primary purpose is to provide tailored funding solutions and support services for ambitious social enterprises and SMEs, to help them achieve their maximum potential and to support economic and social impact. FSE achieves this through management of funds and angel networks, provision of training/consultancy and investment readiness services.
- Gecko Programmes Ltd provides services in developing partnerships, project plans, tenders, project implementation and evaluation with a focus on educational, cultural and community-based organisations.
- Hogan Lovells LLP is a global law firm that provides legal advice with the aim of contract or investment readiness on issues relating to corporate structure, intellectual property, funding, employment, property and environmental law.
- Impetus Trust - The Private Equity Foundation (see section 3.3.iii).
- Inspire2Aspire (see above).
- Investing for Good (see section 3.3.viii).
- Locality is a UK network for community-led organisations that helps people to set up locally owned and led organisations. It supports existing organisations to work effectively through peer-to-peer exchange of knowledge and best practice on community asset ownership, community enterprise and collaboration, commissioning support, social action, community voice, community rights and regeneration. It also produces the 'Community Land Trust (CLT) Handbook' – a complete A-Z of how to start, build and run a CLT project. (Also see section 4.4.i).
- Local Partnerships manages the Social Enterprise Investment Fund and provides guidance, support and funding to social organisations working in the health sector. (Also see section 3.3.x).
- Mutual Ventures is a socially-focused consultancy dedicated to innovation, efficiency and sustainability in public and local community services. As a leading provider to the Cabinet Office's Mutual Support Programme, we have particular expertise in supporting the sustainable development of public service mutuals. We have supported a wide range of organisations to develop growth strategies, win new contacts and secure investment.
- Numbers4Good and PKF Littlejohn are working in partnership to offer investment readiness to social ventures. (see above)
- PwC provides a range of services to support social entrepreneurs deliver public services, create and measure social impact and create a sustainable agenda. PwC runs the Social Enterprise Club in collaboration with the School for Social Entrepreneurs and Social Enterprise UK and operates the Fire Station in co-located premises. (Also see section 4.5).
- Pulse Regeneration is a UK consultancy specialising in the development of social ventures and providing investment and contract readiness support to start ups, SMEs and private businesses.
- Resonance (see section 3.3.ii). The Social Enterprise Support Centre (SESC) delivers support services to the social enterprise sector through its networks, events, communications, workshops and consultancy. It specialises in business planning, strategic development, market development, marketing and sales and branding.
- Social Finance (see section 3.3.viii).
- Stepping Out (see section 3.3.viii).
- Triodos Bank (see section 3.3.v).

Listed below are some examples of consultancies that help organisations with social impact measurement.

- CAN Impact provides Social Return on Investment (SROI) reporting and helps organisations account for their achievements, attract funding and maximise their social impact.
- Economic Change provides management solutions to help organisations improve their efficiency, sustainability and socio-economic impact.
- Head & Heart Economics provides short-term consultancy for social issues using analysis to uncover insights for central and local government, criminal justice agencies, social enterprises and charities.
- Intentionality provides consultancy, support and advisory services to social enterprises in order to enhance their service provision, increase their sustainability and measure their social impact.
- Keystone helps organisations develop new ways of planning, measuring and reporting on their social change results.
- Make It Happen Consultancy supports UK organisations in income generation and social value and impact. It also sits on the UK council for the SROI network.
- nef consulting (see 'new economics foundation' above)
- NPC (see 'New Philanthropy Capital' above)
- Pro Bono Economics matches economist volunteers with charities who want to address questions around measurement, impact and results.
- Social Impact Consulting is an affiliated network of researchers and consultants experienced in understanding social problems and delivering social impact in the public, private and third sectors.
- Social Value Lab (see above).
- The Social Investment Consultancy (TSIC) is an international consulting firm that uses models of social enterprise, revenue generation, impact investment and venture philanthropy to help businesses, charities and philanthropists maximise their impact.

4.3. Accelerator and Incubator Programmes

This section lists those organisations that run programmes and initiatives to develop start-up social businesses. See section 3.3.ix for additional information.

- Accelerator is a business incubator specialising in business development programmes for high value, innovative, growing businesses in information and communication technology, interactive media, e-learning and design. It offers a fairly loose incubator programme, either 'physically', providing office space for start-up businesses, or 'virtually' providing training and networking events and some limited business support services.
- The Social Incubator Fund provides intensive support to start-ups to enable them to take advantage of social investment opportunities so they better serve communities and people most in need. Start-up social ventures are now able to access intensive support through this new £10m fund launched by the Cabinet Office in July 2012.
- Berti Green Accelerator selects three businesses in the cleantech sector annually for the Berti Green Accelerator programme to receive six months business support and expertise from Hamilton Bradshaw Impact Partners and the opportunity to receive funding of up to £1m each from Berti Investments.
- Bethnal Green Ventures is an accelerator programme for social technology start-ups. Once a year, it selects and works with a group of very early stage companies and provides them with up to £15,000 of investment and a three month programme of support. The programme supports a range of organisations including healthcare, education, unemployment and technology to generate alternative energy.
- Deloitte Social Innovation Pioneers (see section 3.3.ix).

- Emerge Venture Lab supports student social entrepreneurs in developing their ventures. Founded in 2009 by the Skoll Centre for Social Entrepreneurship and Student Hubs at Oxford University, it enables students to gain access to an extensive network of business professionals, seed investors and peer entrepreneurs. It delivers a highly selective, mentorship-based accelerator programme to an annual cohort of entrepreneurial students and recent graduates. They launched their first sector specific vertical, Emerge Education in January 2014. Emerge Education is a London-based, 3-month accelerator programme for startups intending to improve educational outcomes in the UK and beyond. On top of a £15K living stipend, workspace and business support, selected companies will receive extensive non-financial support. The programme runs twice per year, starting in January and September.
- FSE recently launched The Social Impact Accelerator Loan Scheme ('SIA'), supported by initial investment from Big Society Capital. Flexibly structured loans of between £250,000 and £1,000,000 will be provided to regulated social sector organisations to support their expansion strategies.
- Fund Invest and Grow (FIG) offers a pragmatic new approach to investing in young entrepreneurs. FIG works with young entrepreneurs, specifically undergraduates and graduates of the past five years, to see them crystallise their ideas, support them through the development of their business plans and introduce them to suitable investors. FIG holds events which are aimed at both attracting and supporting the young entrepreneurs and catering for the FIGureheads at the Pitch to Investor (PTI) events where they are able to meet carefully selected entrepreneurs and see their pitches.
- Global Accelerator Network provides a seed-stage, mentorship-driven accelerator model and includes over 50 accelerators from six continents around the world. Its members and founders receive support, networking opportunities and access to new talent and ideas via its application system.
- Growth Accelerator provides support for high growth businesses. It has a nationwide network of 800 experts who provide advice in innovation, business development, access to finance and leadership skills.
- Make a Wave - Pre-Incubator is a learning and co-mentoring programme run by Ogunte (see section 4.2) which selects 12 women social entrepreneurs to benefit from six visits and access to women angels and impact investors. In addition, participants connect with a personal angel and receive over 30 hours contact time with professionals and peers for a business development opportunity.
- Nexters is the Big Society Network's (see section 4.5) programme to support the UK's best social entrepreneurs. Backed by foundations, philanthropists, businesses and social investors, the programme provides finance, mentoring and business development support for entrepreneurs who are building scalable, high impact and sustainable businesses. It has identified 20 enterprises as the first Nexters. All Nexters are developing new ways to enable people to either give (time, expertise, money) or engage democratically with public services and civil society. All are using networked technologies (web, mobile or games) to ensure their services can scale for maximum impact and be accessible to everyone in the UK.
- RSA Catalyst provides grants of up to £7,000 and non-financial support for new or early stage RSA Fellow-led ideas that aim to have a tangible and positive social impact. (Also see section 4.4).
- Sarah Dodds Enterprise Accelerator (SDEA) matches early stage social initiatives with high-quality MBA graduate calibre individuals for internships that will focus on capacity-building and investment readiness.
- The Accelerator by Young Foundation Ventures is a four month programme intended to accelerate small but successful social enterprises; combining tutoring, business support and social investment.

Ventures currently being incubated include Young Advisers, The Philosophy Foundation and The Giving Machine.

- Wayra is a Telefónica Digital initiative whose main aim is to promote innovation and identify talent in Latin America and Europe in internet and new information and communication technologies. Its global project acceleration model helps entrepreneurs develop, providing them with technological tools, qualified mentors, a cutting edge working space and the financing required to accelerate their growth.

4.4. Business Networks

Social ventures are developing across the world, on every continent and in many countries – our directory evidences this growing movement. Activity is intensifying and changing pace. A diverse and extensive community of business networks has emerged to give social entrepreneurs a collective voice, accelerate collaboration, exchange successes and failures and provide professional services. Below is an extensive breakdown of those networks and support organisations that are serving this dynamic and diverse sector.

i. UK and Ireland

- 3SC is a membership organisation that aims to promote members' services around employability, skills, social housing and health care to commissioners, customers and wider society. It also unites a range of local civil society delivery organisations to bid for and deliver public service contracts through innovative solutions and effective partnership working.
- Big Society Network supports and develops talent, innovation and enterprise to deliver social impact.
- Buy Social Directory - supports businesses who are looking for ways to diversify their supply chain, engage communities and demonstrate their responsible business credentials. Developed by the City of London, Cabinet Office, Social Enterprise UK and Aspire Group, it aims to help buyers across the UK to find top-quality, innovative and price competitive social enterprise suppliers.
- CIC Association connects the Community Interest Company (CIC) (see section 6) community thereby enabling communication between all CICs and building a single online marketplace from which to trade, attract investors, raise awareness levels and disseminate information and best practice.
- Clinks supports, represents and campaigns for the voluntary and community sector working with offenders in England and Wales.
- Co-operatives UK is the national trade body that campaigns for co-operation and works to promote, develop and unite co-operative enterprises. It works to promote the co-operative alternative across many sectors of the economy from high street consumer-owned co-operatives to pubs and football clubs, healthcare to agriculture, credit unions to community owned shops.
- Eco-connect is the UK's cleantech trade association and connections hub. It offers business support, investment, networking and collaboration throughout the green industry and cleantech sector through networking forums, workshops, introductions to capital, grant funding support, educational resources and news.
- Goldman Sachs 10,000 Small Businesses Programme provides high-quality, practical support to the owners and leaders of established small businesses and social enterprises as they seek to grow. It brings together leaders of small businesses from across industry sectors and creates unique networking and peer learning opportunities.
- Green Monday is an independent platform that helps companies to build more sustainable businesses from the perspective of core business strategy. The Green Monday debate is for those interested in changing your business model to beat rising commodity prices, executing a 'green change management' programme or want to know what the leaders are doing.
- Guardian Social Enterprise Network (see section 7.2).

- i-Probono is an online network that connects organisations in need of legal assistance with lawyers and students who want to use their legal skills for the public good.
- Invest Northern Ireland provides a guide to where social enterprises can go for support in developing their businesses¹²².
- Locality operates a nationwide network of settlements, development trusts, social action centres and community enterprises. Members gain access to a network of expertise, hands-on support from Locality staff and help shape the national voice of community-led organisations.
- National Council of Voluntary Organisations (NCVO) is the “largest umbrella body for the voluntary and community sector in England, [giving] voice and support to civil society”. See also its KnowHow NonProfit website.
- Plymouth Social Enterprise Network is a focal point for the social enterprise sector within Plymouth. It provides a way for social enterprises to exchange information, ideas and expertise and helps to strengthen the sector.
- Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA) is a network and membership-based organisation committed to finding innovative practical solutions to today's social challenges. It holds various events, runs projects, pilots social innovation ideas and encourages cross-disciplinary thinking through its global network of 27,000-strong members (called Fellows). (Also see section 4.3).
- Social Entrepreneurs Ireland identifies, invests in and supports social entrepreneurs and the organisations they launch. It also works with social entrepreneurs' network, partners and supporters to promote social entrepreneurship at local, regional and national level throughout Ireland.
- Social Enterprise UK publishes research, provides information and tools, shares knowledge, builds networks, raises awareness and campaigns to create a business environment where social enterprises can thrive. Those involved are Social Enterprise UK members, consisting of social enterprises as well as private businesses, charities and public sector organisations who support their vision – where social enterprise is the usual way of doing business. Individual regional networks are listed below. It provides a range of online tools, resources, events, training courses and advice and research links of interest.
- Social Enterprise Works offer expert guidance, support and training to help social enterprise grow, develop and succeed. They offer business advice, training and consultancy across the region and work with a wide range of clients including CICs, Charities, Coops, Community Associations and the Public Sector.
- Social Firms UK is the national support organisation for the development of the Social Firm and Work Integration Social Enterprise (WISE) sector in the UK. It carries out lobbying and awareness-raising activities, research and practical initiatives to increase the number and ensure the quality of Social Firms in the UK. Star Social Firm is a quality standard for Social Firms awarded to Social Firms that have proved the quality of their business and the employment they provide for disadvantaged people.
- SROI Network promotes the use and development of the Social Return on Investment methodology internationally (see section 5.1). The SROI Network is a membership organisation and a company limited by guarantee and it offers training and consultancy by accredited practitioners of the network.
- Third Sector Research Centre (TSRC) is led by the Universities of Birmingham and Southampton, with Middlesex University leading on social enterprise and contributions from the University of Kent on theory and policy. TSRC conducts research

¹²² Invest NI (Oct 2011) ‘Social Enterprise Advice and Support Network: Financial support’

to provide knowledge and better understand the value of the third sector.

ii. Europe

- **EMES** is a European research network of established university research centres and individual researchers whose goal is to gradually build up a European interactive knowledge base of third sector issues.
- **Euclid Network** is a growing community of civil society professionals who want to connect across borders for a stronger, more innovative and sustainable European civil society. Membership is open to leaders of the third sector, social economy and the not-for-profit sector including NGOs, social enterprises, grant makers, foundations and cooperatives. Members gain access to their network, expertise, advice, events, workshops and a bi-weekly newsletter.
- **European Economic and Social Committee (EESC)** is a consultative body that gives representatives of Europe's social and economic interest groups, and others, a formal platform to express their points of views on EU issues. Its opinions are forwarded to the European Council, Commission and Parliament. It has been active in developing position papers on the EU's Social Business Initiative. (Also see [section 3.3.xi](#)).
- **European Venture Philanthropy Association** is a membership association made up of organisations interested in or practising venture philanthropy across Europe. Its mission is to promote the expansion, effectiveness and impact of venture philanthropy and social investment in Europe.
- **Social Firms Europe** is a European network of social firms, social co-operatives, NGOs and organisations that all share the objective of creating paid work for disabled and disadvantaged people. Members can “learn from others, network across borders, share skills and experience, trade and enthusiasm”.

iii. International

- **Global Accelerator Network** (see [section 4.3](#)).

- **International Co-operative Alliance (ICA)** is an independent, NGO that unites, represents and serves co-operatives worldwide. ICA members include national and international co-operatives in agriculture, banking, fisheries, health, housing, industry, insurance, tourism and consumer co-operatives. It provides members with key information, best practice and contacts.
- **International Society for Third-Sector Research (ISTR)** is an international association promoting research and education in civil society, philanthropy and the not-for-profit sector. ISTR membership is open to any individual researcher, practitioner, student or organisation supporting the ISTR mission. Members gain benefits such as access to regional networks, conferences and *Voluntas* (ISTR's academic journal).
- **Net Impact** is an international not-for-profit organisation with a mission to inspire, educate and equip MBA students, alumni, professionals, chapters, companies and the interested general public to use the power of business to create a more socially and environmentally sustainable world.
- **Social Capital Markets (SOCAP)** is an organisation dedicated to the flow of capital towards social good. It runs annual events, usually in Europe and the US, that connect global innovators with investors, foundations, institutions and social entrepreneurs. (Also see [section 7.5](#)).

4.5. Co-Working Spaces

- **CAN Mezzanine** is a charity that provides fully-serviced office space exclusively to charities and social enterprises. They currently have two central London locations.
- **Ethical Property Company (EPC)** buys properties and develops them as centres that bring charities, social enterprises and community and campaign groups together. It supports innovative and progressive

organisations working for social change by providing affordable office and work space and fair and transparent property management. EPC currently owns 15 centres in England and Scotland and a further two in Belgium.

- Innovation Warehouse is a membership-based community set up with support from the City of London Corporation, which offers 100 fully-serviced desks, hot-desks, meeting rooms, seminar spaces and a members-only professional services centre.
- Meanwhile Space provides consultancy, brokerage and guidance for landlords, local authorities and others interested in innovative interim uses for empty property and sites so everyone can share in cultural, environmental, economic, community and social benefit until the spaces are reclaimed for more conventional longer-term commercial use.
- The Melting Pot aims to stimulate and support social innovation by providing co-working space for individuals and organisations who are working for a better world. It also provides a Social Innovators Incubation Award and a peer-to-peer learning network (see section 3.3.ix).
- PwC Fire Station is a building regenerated by PwC to “house a unique combination of public, private and charitable organisations to let social enterprise flourish”. Organisations based in this building gain access to physical working space and PwC staff who can offer advice and mentoring.
- Tech Hub provides affordable workspace to tech start-ups and brings together international entrepreneurs to an existing cluster of tech start-ups.
- The Hub has the ambition to become a global network of connected communities that enable collaborative ventures for a better world. There are three co-working spaces in London and more than 25 worldwide. The Hub holds events and provides an online network for members.

5. Measuring Social Impact

5.1. Business Methodologies

Whether you’re a social entrepreneur just starting your venture or a social business that has been running successfully for years, understanding the impact you’re making is both a valuable exercise in helping you meet your business objectives as well as an essential reporting requirement of most social investors, trustees, commissioners and other stakeholders.

With this in mind, every social entrepreneur needs to look at what he or she is doing to change people’s lives and protect or restore our environment. To do this, you must judge what information - both qualitative and quantitative - is important to collect, what information is feasibly collectable in the short and long-term, and what directly reflects the most important impact(s) that your business makes.

However, in beginning this process of choosing a methodology for measuring impact, bear in mind the two audiences that your impact needs to be communicated to:

1. **Internally**, your business needs to understand your social impact, see it materialise and improve the efficiency and scale of this impact in the future.
2. **Externally**, investors and key stakeholders need to understand the intended social impact, see it materialise and capture the impact of an action now and in the future.

There are a number of tools, guides and resources that can help you find the impact methodology that fits your objectives. In general, these developed from three different perspectives: those of businesses, investors and third parties. The list below describes the key ones used currently. Note that this is an area of great attention globally and is constantly developing.

i. Social Key Performance Indicators (KPIs)

In the mainstream business world, KPIs are used to inform management of indicators that are affecting the overall economic performance of a business. However, they can also be used by social businesses and enterprise to help management execute and improve upon social and environmental performance. The most important thing to consider when choosing to use KPIs is to align them as closely as possible with your core business goals: vision, mission, objectives and strategy.

ii. Social Accounting

Social accounting is a process for communicating the social and environmental outcomes that are produced from economic behaviours. Social accounting is now commonly used in the mainstream business world to produce corporate social responsibility (CSR) reports, but the method is applicable to any organisation, which has income and expenditure. The clearest advantage commonly cited in favour of social accounting is the involvement of an independent and external auditor or panel. This process involves understanding an organisation's social impact through consultation with its various stakeholders, rather than a self-assessment which can lead to the accusation of bias and misinformation.

A good place to start to learn more about social accounting is [The Social Audit Network](#). Other resources include [Proving and Improving](#) and the social accounting consultancy. Also of interest is Prince's [Accounting for Sustainability Project](#).

iii. Impact Scorecard

Another way of considering social impact is to view it from the perspective of the social investor. For example, [Bridges Ventures](#), a social private equity firm, reports to its investors on the social, environmental and economic impacts of its investments using the Impact Scorecard approach.

This process begins with a 'social screen' where a clear set of impact criteria are selected, based on the location and industry in which a social business or enterprise operates. Investees' social impact is assessed against an 'impact scorecard' to look for ways to "improve their community and environmental impacts while also increasing the value of the businesses."

For more information on social impact measuring from the perspective of a social investor visit [Bridges Ventures](#).

iv. Social Return on Investment (SROI)

SROI is a method for measuring social value by attributing a financial cost benefit to various social and environmental outcomes. Through assessing the costs of social, environmental and economic activities, one can use SROI to evaluate what any given financial investment produces in terms of social and environmental value.

For example, and very simply put, if it costs £5,000 to invest in a training programme which enables a young person (who has been struggling to find work) to gain meaningful and sustained employment at a salary of £20,000, then SROI will assess that for every £1 invested in the programme, £4 of social value has been created.

There are a number of organisations, which provide support services and evaluations for social ventures wishing to explore SROI for assessing their social impact. Examples of such providers include:

- [CAN Impact](#) (see [section 4.2](#)).
- [Make It Happen Consultancy](#) (see [section 4.2](#)).
- [nef consulting](#) (see [section 4.2](#)).
- [Social Value Lab](#) (see [section 4.2](#)).
- [SROI Network](#) (see [section 4.4](#)).
- [Intentionality](#)
- [Economic Change CIC](#)

v. Social e-evaluator™

The social e-evaluator™ is an online tool, developed by Noaber and others, to enable organisations to manage, measure and communicate both financial and non-financial outcomes. This online tool is based on the principles of SROI and can guide organisations through the process of making their social impact tangible. A demonstration of the programme is available [here](#).

vi. Global Impact Investing Rating System (GIIRS)

GIIRS sets a standard for environmental and social performance for companies and funds. It provides a company or fund with a rating measurement, using the IRIS framework, described below.

vii. Impact Reporting and Investment Standards (IRIS)

IRIS is a common language for understanding the social and environmental performance of an organisation. IRIS was developed by The Global Impact Investing Network (GIIN) which is a not-for-profit organisation dedicated to increasing the effectiveness of impact investing.

The IRIS system provides a set of common metrics for organisations to use when reporting their impact, utilising a range of 'indicators' which measure against performance objectives. These are broken down by industry sectors such as financial services, agriculture and energy. In much the same way that financial accounting standards work, IRIS provides a standardised reporting methodology which organisations can access from IRIS's library.

PULSE is the technology tool that the Acumen Fund uses to measure its social and environmental impact. PULSE adheres to the GIIN's and IRIS categorisations.

To clarify the links between these organisations: GIIN is the network, GIIRS is the

system for impact measurement, IRIS provides the standards for GIIRS and PULSE provides the tool for IRIS.

5.2. Social Impact Reports from Social Enterprises

A good way to get an understanding of social impact reporting is to have a look at those social enterprises that report on their impact and see how their approach might work with your social business or enterprise.

Below is a brief list of some well-known social enterprises exploring different ways of measuring and reporting on their impact and some useful references on measuring impact. We also include other documents and guides, which help share best practice.

- Ethical Property Company's (EPC) annual report: The report includes EPC's social and environmental performance and external social audit results. EPC supports innovative and progressive organisations working for social change by providing affordable office and work space and fair and transparent property management.
- FRC Group's social impact report: FRC Group is a leading social business, running commercial businesses that produce financial profits and create a social dividend by giving people in poverty and unemployment the opportunity to change their lives.
- 'The Good Analyst': A must read guide on impact measurement, written by Adrian Hornsby. In July 2013, The Good Analyst was appointed as Impact Advisor to the City of London Corporation's Social Investment Fund. ([See section 3.3.vii](#))
- 'Guidelines for How to Measure and Report Social Impact': Investing for Good outlines the key processes involved in creating an impact measurement system and sets out a framework for an impact report. (Also see [section 3.3.viii](#)).

- **HCT Group's impact report:** HCT Group is an award-winning social enterprise and rapidly growing provider of public transport and related training services in the UK.
- **Impetus Trust's social impact report:** Impetus Trust (see [section 3.3.iii](#)) publishes an impact report every year. The report highlights the key impacts made by the charities they support in an easily accessible and transparent manner.
- **NPC's research report:** 'A journey to greater impact: Six charities that learned to measure better' outlines the social impact measurement experience of six charities who are leaders in the social impact field.
- **Traidcraft's annual review and social accounts:** Traidcraft runs development programmes in some of the poorest countries in the world and campaigns in the UK and internationally to bring about trade justice.

5.3. Developments in Social Impact Reporting

As the social enterprise and social investment sectors mature, a growing emphasis is being placed on the importance of social impact reporting. Within this, the need for a common language or standardised framework has been raised by entrepreneurs, investors and intermediaries as an important issue that needs addressing.

As we enter 2014 collaborative efforts are leading to the development of a social impact measurement framework.

To put this change in context, "ten years ago, critics dismissed impact measurement as too difficult, misleading, or simply not important. Today, 75% of charities measure some or all of their work, and nearly three-quarters have

invested more in measuring results over the last five years."¹²³

Some of the major developments in the space include:

- In February 2014, [The Centre for Social Impact Bonds](#) at the Cabinet Office published a number of resources to support social impact measurement, with specific relevance to the emerging Social Impact Bonds market in the UK.
Of particular relevance is their [Unit Cost Database](#), which brings together more than 600 estimates of financial cost that certain areas of public service provision (crime, education, health etc.) cost the state.
- In November 2013, Big Society Capital published their ['Outcomes Matrix'](#) that attempts to map social need within the UK. The framework plots a number of outcomes and indicators against a total of 9 general 'outcome areas', such as Employment, Training and Education; and Physical Health.
- In January 2013, Big Society Capital (BSC) launched an [impact reporting framework](#) that it developed with 14 social sector organisations, including Bridges Ventures, Big Issue Invest, The SIB Group and Nesta. The framework seeks to reach a consensus within the social investment sector on impact strategies, such as impact reporting and monitoring. It includes guidance on developing an impact plan for charities and social enterprises seeking investment and an outcomes matrix that standardises definitions for key outcome areas, themes and beneficiary groups.
The launch of [Inspiring Impact](#); a ten year plan to encourage and develop impact reporting in charities and social enterprises. The programme was developed by a coalition of eight impact measurement organisations with the support of UK government. It will encourage the adoption of common outcomes and shared

¹²³ D. Pritchard, E. Ogain and T. Lumley (Oct 2012) '[Making an impact](#)', NPC

approaches to measurement, and will develop appropriate impact measurement data and tools.

6. Legal and Taxation

6.1. Legal Structures

When setting up a social enterprise, the legal structure adopted is important because it determines the governance structure of an enterprise, the types of investment it can attract and the arrangements relating to any profits generated from the business. It also has tax implications for the business.

For detailed information on how to incorporate your social enterprise and the different legal structures refer to:

- [‘Keeping It Legal’ \(sections 3 and 4\) by Social Enterprise UK \(see section 4.4 i\).](#)
- [‘Which Legal Structure is Right for my Social Enterprise? A guide to establishing a social enterprise in England and Wales’ by TrustLaw \(see section 4.2\).](#)
- Bates, Wells and Braithwaite ([see section 4.2](#)).

Below is a brief summary of the legal structures and status conditions available for social enterprises.

Charitable Status

Charitable status sits on top of a legal form of an organisation – it is not a legal form in itself. Over 60% of social enterprises have charitable status. It is only possible to gain this status if the purposes of your organisation are exclusively charitable and are for the public benefit. Charitable purposes include advancing education or religion and relieving financial hardship. Examples include the Sutton Trust and Barnardo’s. Over many years, a host of other charitable purposes that benefit the community have been recognised as charitable by the courts or the Charity Commission. See the [Charity Commission’s guidance](#) for a full description of eligible purposes.

Social enterprises as registered charities

There are organisational restrictions on a social enterprise operating with charitable status. Any profits or surpluses made by the organisation must be invested back into it and used to

support its charitable purposes and must not be paid out to members of the charity.

Legal forms of charities

The most common legal structure for charities is as a Company Limited by Shares (CLS) and a Company Limited by Guarantee (CLG)¹²⁴, which, like a CLS, is registered at Companies House. A CLG may take loans, debt or quasi-equity (see [section 3.2](#) for definitions). If a company is to issue equity to investors it must be incorporated as a company limited by shares.

Many social enterprises also choose these legal forms because they offer limited liability and are very flexible when it comes to governance and investment. To ensure that a company is a *social* enterprise (rather than a generic enterprise) it will need to ensure it has an ‘asset lock’ and/or its social mission written into its Articles of Association, including, for example, a statement of how it will reinvest its profits. Charities using this legal form currently have to register both at the Charities Commission and at Companies House.

Charitable Incorporated Organisation (CIO)

The CIO is a new legal form for a charity created in response to requests from charities for a new structure which could provide some of the benefits of being a company, but without some of the burdens. CIOs are structured as an incorporated form of charity, which is not a company, and only have to be registered with the Charity Commission. Like companies a CIO can enter into contracts in its own right and its trustees will normally have limited or no liability for its debts. It will still have the ‘asset lock’ that charities have and the restriction on profit distribution will remain.

As of 10th December 2012, the Charity Commission is accepting applications to register new organisations and existing charities as CIOs. For further guidance please visit the Charity Commission’s [website](#).

¹²⁴ The only example in the UK of a charity set up as a company limited by shares (and therefore able to offer equity) was Charity Bank.

Community Interest Company (CIC)

CICs are also established as companies limited either by guarantee or by shares, but with the addition of a 'community benefit status' requirement, which identifies that the company is not operating purely for private advantage. This is achieved by a 'community interest test' and the status creates an 'asset lock'. This ensures that the CIC is established for community purposes and most of the assets and profits are dedicated to these purposes. Registration of a company as a CIC has to be approved by the CIC Regulator who also has a continued monitoring and enforcement role. This is a parallel mutually exclusive status to charitable status : a charity cannot be a CIC, nor can a CIC be a charity¹²⁵.

Industrial and Provident Societies (IPSSs)

IPSSs are societies, not companies, and they can take two forms: community benefit societies and co-operative societies. The difference between the two is in the stakeholder groups that the society is set up to benefit. A co-operative is set up to benefit its members, whereas a community benefit society is set up for the advantage of the community more widely, whether people are members or not.

Cooperative Society

A co-operative is the more usual form of IPS and is democratically controlled by its members in order to ensure their involvement in the decisions of the business¹²⁶. A co-operative can raise and issue shares to the community. No individual is permitted to own more than £20,000 of capital in any society. A co-operative cannot gain charitable status and it is regulated by the FCA.

Community Benefit Society (BenCom)

A BenCom¹²⁷, like a co-operative, can raise and issue shares to the community. Unlike a

cooperative, a BenCom can be established as a charity, providing it has exclusively charitable objects that are for the public benefit, allowing it to raise capital through public grants and charitable trusts. If approved, a BenCom is known as an 'exempt charity' – currently reporting to the FCA, not the Charity Commission.

Limited Liability Partnership (LLP)

A limited liability partnership is used by some social enterprises, but it is a for-profit structure and the social enterprise would need to have its social mission written into its constitution. It retains the organisational flexibility of a partnership and is taxed as a partnership, but members have the benefit of limited liability. Unlike sole traders and partners of ordinary partnerships, the LLP itself, not the individual members, is responsible for any debts that it runs up, unless individual members have personally guaranteed a loan to the business¹²⁸. These organisations can offer equity or take on debt. It is a flexible and potentially suitable structure for social ventures if the social mission is securely embedded in the constitution of the LLP.

Social Enterprise Limited Liability Partnership (SELLP)

This structure does not exist yet but may develop if a demand develops for its creation. A SELLP would be similar to the new US hybrid legal structure known as a Low Profit Limited Liability Company, or L3C. Under this model, companies would have to have a social aim as their primary goal but they can be run as regular profitable businesses. The SELLP would be used by charities and commercial firms that want to work together to advance a social purpose¹²⁹. It is still at proposal stage and is not yet in operation.

Mutuals

Mutuals describe the ownership structure of a company, not their legal structure. A mutual ownership arrangement can apply across the range of legal structures described above,

¹²⁵ Unless it converts to a CIO

¹²⁶ SE UK, 'What are the legal structures for social enterprises?'

¹²⁷ BIS (Nov 2011) 'A Guide to Legal Forms for Business'

¹²⁸ (Companies House (Oct 2012) 'Limited Liability Partnerships Incorporation and Names')

¹²⁹ T. Mason (21 March 2011) 'Stephen Lloyd moots new legal structure for hybrid social businesses', Civil Society

although some structures lend themselves more readily to this approach than others (e.g. partnerships and IPSs). For further information see the '[BIS Guide to Mutual Ownership Models](#)'.

The Cabinet Office also runs an online [Mutuals Information Service](#) offering expert, in-depth advice on mutual for staff, commissioners and suppliers. The website includes an interactive map that plots the 65 live public mutual services that are delivering around £1bn worth of public services across England.

6.2. Tax Incentives for Investment in Social Enterprises

Social entrepreneurs may find they can attract potential financiers if tax incentives apply to an investment. However, this is commonly overlooked by social entrepreneurs, often from a misplaced assumption that there are no tax incentives relevant for investment in social enterprises, and, as a result, opportunities to encourage such investment may well be lost.

There have not been any tax reliefs specifically available for social enterprises until the introduction of the Social Investment Tax Relief (SITR), which is available for investments made after 4th of April 2014. SITR is only available to investors in social enterprises which are registered charities, CICs or BenComs, as described in more detail below. Prior to SITR the closest to a specific scheme was the Community Investment Tax Relief (CITR), which is described in more detail below. However, other tax incentives that apply to SMEs can in principle also apply to social enterprises, but their relevance will depend on the legal structure of the social enterprise and the type of capital it seeks.

Most of the SME tax regimes listed below (EIS, VCT, SEIS) are relevant only for equity investments, but SITR and CITR are available for debt investments. Many social enterprises cannot offer share equity, as their legal structures prohibit this – a CLG cannot offer equity, unlike a CLS (see [section 6](#)). Increasingly, CLGs seek to offer ‘equity-like’ risk capital investment into their social

enterprises but the existing tax regime has a ‘blind spot’ when it comes to recognising such financing. It should be noted that EIS, CITR, SITR and SEIS reliefs cannot be claimed in relation to the same investments.

The tax regimes listed below are operative as of March 2014 with the exception of SITR, which is available from April 2014.

Social Investment Tax Relief (SITR)

SITR aims to help social enterprises raise capital by providing relief on unsecured debt as well as equity investments by individuals (many social enterprise structures prohibit the social enterprise from issuing shares to private individuals). The relief will only be available to social enterprises which are CICs, BenComs or charities with less than 500 employees and under £15m of gross assets. The maximum amount of qualifying investment for each social enterprise will be c £280,000 over a three year period. An individual can invest up to £1m in social investments and 30% can be set against an investor’s income tax liability. Gains on disposals will not be subject to Capital Gains Tax (CGT) if these are reinvested in to other social enterprise investments. Investors cannot hold more than 30% of the loan and equity capital of the SE. Investments must be held for three years or more. HM Treasury are considering the way that SITR might apply to indirect investments and to Social Impact Bonds, and are expected to provide further guidance on this later in 2014.

Community Investment Tax Relief (CITR)

Currently, CITR provides relief on income or corporation tax to individuals and corporations investing in Community Development Finance Institutions (CDFIs) (see [section 3.3.v](#) for a definition) with debt or equity. The recipient CDFI must satisfy certain criteria regarding the form and timing of onward investment, which must be made into enterprises in “disadvantaged communities”. The CITR scheme encourages such investment communities by giving tax relief of up to 25% of the amount invested over five years to investors who invest in accredited CDFIs. The relief is available to individuals and companies who invest in accredited CDFIs investing by debt or equity. For further information on the

CITR relief and guidance on the scheme see the [HMRC website](#).

Enterprise Investment Scheme (EIS)

The EIS is designed to help smaller higher-risk mainstream trading companies to raise finance by offering a range of tax reliefs to investors who purchase new shares in those companies. EIS is available to individuals only on an aggregate maximum of £1m of investments annually in shares. The shares must generally be held for three years from the date the shares were issued. 30% of qualifying investments can be set against income tax and any gain on disposal is free from CGT.

Seed Enterprise Investment Scheme (SEIS)

The is similar to EIS but is focused on smaller, early stage companies carrying on, or preparing to carry on, a new business in a qualifying trade. The scheme provides income tax relief to investors at a rate of up to 50% (up to an annual investment limit of £100,000) who subscribe for shares and have a stake of less than 30% in the company. Again, this relief could be offered in principle to social enterprise start-ups offering share capital to individual investors. For further information and guidance on the scheme see [HMRC website](#).

Venture Capital Trust Scheme (VCT)

The VCT scheme is designed for the mainstream SME, but in principle is applicable to social enterprises that offer equity. It allows investors to set 30% of the cost of shares in a VCT (a listed company which then invests in debt and/or equity in unquoted SMEs) against individual income tax liability, as well as relieving the income tax burden on dividend income and making disposals exempt from CGT. Apart from in the area of renewable energy, VCT investment into social enterprises has been very limited.

Gift Aid

Although Gift Aid does not provide tax relief on any investments, merely on donations to a charity, it is a powerful relief that charities use when trading. A common structure in the UK is for a charity to establish a trading arm (which could be in a variety of legal forms, as discussed above). The income generated from this trade is then 'gift-aided' back to the 'topco'

(top company). In this way, it is exempt from paying tax on its income generated through trade.

Future possibilities – pensions and savings plan social investments

In the future, we hope that there will be opportunities to offer social investments in pension schemes and ISAs. The principles of these are outlined below, more by way of information than because of any imminent opportunity they offer.

Self Invested Personal Pension Scheme (SIPPS)

SIPPS can be used to gain tax relief on a wide range of assets including bank deposits, bonds, shares, pooled funds such as unit and investment trusts, Open-Ended Investment Companies (OEICs), Exchange Traded Funds (ETFs), commercial property, hedge funds, foreign currency and warrants. An investment under SIPPS has to be administered by an authorised provider to gain tax relief from HMRC but the individual holding the SIPPS decides what it buys and sells and when. In principle, a social investment could be created which could qualify for SIPPS tax relief, if an authorised provider felt assured of its capacity to generate necessary levels of return.

Individual Savings Accounts (ISAs)

ISAs can be held in stocks, shares or cash. In principle, an ISA could be a social investment. An individual holding an ISA pays no tax on any of the income received from an ISA savings and investments. This includes dividends, interest and bonuses.

6.3. Access to Capital and Relevant Tax Structures

The summary table on the following page shows the relationship between legal forms, types of capital that can be provided and whether there is a relevant tax relief scheme that an investor can benefit from.

	DEBT	EQUITY	SITR	CITR**	EIS, VCT, SEIS
CLG Charity	✓	✗	✓	✓	✗
CLG non-charity	✓	✗	✗	✓	✗***
CLS non-charity	✓	✓	✗	✓	✓
CLS charity*	✓	✓	✓	✓	✓
CIC/CLG non charity	✓	✗	✓	✓	✗
CIC/CLS non charity	✓	✓	✓	✓	✓
IPS charity	✓	✓	✓	✓	✓ (EIS)
IPS non charity	✓	✓	✓	✓	✓ (EIS)

* Very rare, Charity Bank was one example

** CITR is subject to sector and geographical restrictions (and investments must be made into CDFIs)

*** VCTs can make onward investments in CLGs but the investment in the VCT itself must be an equity investment

7. Tools for Social Entrepreneurs

7.1. Directories for Social Enterprises

Provided below is an overview of directories which may be of interest to social enterprises.

- **Big Society Capital** (see section 3.3.ii) has established a comprehensive directory of organisations providing finance and support to the social sector. You can filter the organisations by the type of support provided, size and type of investment, country and region.
- **BuySE.co.uk** is a business directory to help find products and services supplied by social enterprises across the UK.
- **ClearlySo** provides a directory listing over 3,500 social enterprises and businesses from all over the world.
- The **CIC regulator** lists all registered CICs.
- **Startbright** is a directory run by **Firstport** (see section 4.1) providing a list of organisations and social enterprises in Scotland by area, sector and type.
- **Guardian Social Enterprise Network** (see section 7.3) is not only a rich media blog about social entrepreneurship but one of the UK's largest online networks of social entrepreneurs.
- **Just Buy** is a directory of products and services that can be supplied by Social Firms (see section 4.4) to anywhere in the UK.
- **Run Native** is an online social enterprise marketplace.
- **Social Enterprise UK** (see section 4.4) provides a directory of its social enterprise member organisations.
- **Social Enterprise Mark** "awards social enterprises with a Mark that assures customers that they are driven by social or environmental objectives and are trading to

benefit the people and planet". The directory identifies Mark holders located in regions on an interactive [map](#).

- **Social Finance Ltd** (see section 4.2) created two directories to "search for finance providers and advisory services according to the type and/or scale of finance, and type of services, they provide".
- **Social Impact** is an interactive web application that searches for social enterprises close to your current location and plots them on a map. There is also an iPhone app version, which is free to [download from iTunes](#).
- **Social Traders CIC** (see section 4.2) provides a directory of UK social enterprise networks and several social enterprise [maps](#) "showing locations of offices, sites, members and networks".
- **SROI Network** (see section 4.4) provides a directory of information on members listed by category.

7.2. Online Tools and Resources

Listed below are online tools which may be of particular interest to social entrepreneurs.

- **Dictionary of Indicators**, provided by **Investing For Good** (see section 3.3.iii), is a resource primarily for social-purpose organisations looking to develop their own impact measurement capabilities.
- **Funding Central** is "a website funded by the Cabinet Office which offers free services for charities, voluntary organisations and social enterprises. The website is home to numerous tools and resources to assist organisations with fundraising, developing infrastructure and tendering and negotiating contracts".
- **Good People** is a website that helps match talented individuals with social impact causes that matter to them.

- [j4bCommunity](#) provides information on over 3,000 grants dedicated to the voluntary and community sector.
 - [KnowHow NonProfit](#) is “the place for not-for-profit people to learn and share what they have learnt with others”.
 - [Proving and Improving](#) is a quality and impact toolkit for charities, voluntary organisations and social enterprise written by nef (see [section 4.2](#)).
 - [Social Enterprise UK Guides and Publications Library](#) provides access guides, business manuals, knowledge cards and top tips from experts in social enterprise.
 - [Social Impact Scotland](#) is a web resource dedicated to supporting third sector and public sector organisations, funders and investors. The site provides information on a “range of philosophies, methodologies, tools and approaches to understanding and measuring social impact, as well as information on outcomes, approaches to commissioning, designing and improving services and projects within communities”.
 - [Startbright](#) is a website developed by Firstport that contains practical information and tools for start-up social enterprises in Scotland. (Also see [section 4.1](#)).
 - [WikiVOIS Database](#) (Value, Outcomes and Indicators for Stakeholders) is a resource created by the SROI Network (see [section 5.1](#)) to “develop a database of values, outcomes and indicators for stakeholders, and to encourage debate and dialogue about use of these”.
-
- [Alliance Magazine](#) provides “news and analysis of what’s happening in the philanthropy and social investment sectors across the world. It also acts as a forum for exchange of ideas and experiences among practitioners.”
 - [Beanbags and Bullsh!t](#) is a candid blog written by the founder of Social Spider CIC, David Floyd. Floyd writes that ‘the aim of this blog is to look at what’s happening in (mainly) UK social enterprise in a way that gets beyond the hype and attempts to work out what’s really being said and what’s really been happening
 - [ClearlySo Social Business Blog](#) keeps readers up to date with all the latest developments in the world of social business and enterprise.
 - [Dowser](#) is a global blog providing exposure to the unsung heroes solving the world’s problems.
 - [Guardian Social Enterprise Network](#) is an “online space where professionals working in or with social enterprise can talk to one other, get advice and insight from peers and industry experts and grapple with the challenges that face the whole sector”. It is open to anyone who is “a social entrepreneur, social enterprise leader, local authority, service commissioner, social investor or from private business”.
 - [Huffington Post Impact](#) – whilst not dedicated to social entrepreneurship *per se*, this segment of HuffPo’s editorial output is constantly growing in quality and readership.
 - [Pioneers Post](#) is arguably the UK’s widest read social entrepreneurship online magazine. Providing news, blogs and video content; their regular newsletter is well worth subscribing to.
 - [Startacus](#) is a “platform with a mission to help self-starters, innovators, start-ups and creatives to connect, collaborate and bring ideas to life.” It also provides a [business toolkit](#) for start-ups.
 - [Third Sector](#) offers coverage of a whole range of voluntary sector concerns through

7.3. Sector News and Commentary

Below is an overview of key sources for up to date news and developments within the sector.

- [Acumen Blog](#) provides not only news and updates from Acumen but stimulating debate and comment.

the printed magazine, the website and a range of conferences and events.

7.4. Social Media

i. Top Practical Tips

Managing your social enterprise's online editorial output can be important to how you are perceived by competitors, customers and investors.

Here are our top five tips for effectively managing your social media.

1. Use a social media dashboard

Twitter.com isn't the most efficient way to stay on top of multiple topics that people are tweeting about. When a Tweet is sent, it is globally accessible by any application that wants to retrieve the data. This means that there are a whole host of different Twitter interface clients that can offer functionality beyond the native twitter.com application.

One of the best dashboard options out there is Hootsuite, which is free to use. Twitter's own Tweetdeck is also worth checking out.

Dashboard apps such as these allow you to simultaneously watch a number of different lists, topics and interactions through a multi-columned layout as opposed to Twitter's one column feed structure. They also allow you to schedule tweets (see below).

2. Use a blog/news/term aggregator (including Twitter, Feedly, Google Alerts...)

Earlier we mentioned using Twitter to stay in touch with the conversations going on in and around the sector. However there are other services you can use to specifically monitor blog content. Two to be recommended are Feedly and Google Alerts.

Feedly allows you to subscribe to many sources of news and comment on a topic, meaning you don't have to visit hundreds of blogs every morning to stay up to date.

Google Alerts allows you to receive email notifications if Google's search bot stumbles upon a new web source that mentions a keyword you specify (for example, your company's name).

3. Schedule your content

Smart phones make it increasingly easy to Tweet on the move but manually reaching your potential exposure is going to quickly become a challenge.

Services like Hootsuite and Tweetdeck offer scheduling capabilities, meaning that you can queue up drafted Tweets to fire when you are away from your desk. This is particularly useful for maximising your exposure during weekends.

4. Don't just talk about yourself (become a commentator about your industry)

Social media offers you an outlet for sharing those inspiring articles you've read.

Using the suggested news aggregators (Feedly and Google Alerts) you'll have a readily available list of articles that may be of interest to your followers. By circulating other people's material, you can offer added value to your own output as well as reaching a wider audience than just your direct followers.

5. You do not have to be on every single network (*although you may want to land grab your name*).

Different social networks respond differently to various types of content. For instance, it may be inappropriate to focus your B2B marketing efforts through Facebook due to the nature in which users use this network.

In the past year, LinkedIn has made a concerted effort to become more of a content hub than just a professional network. There are a growing number of different content channels (including one for Social Impact) which are user led.

Lastly, never forget that 'content is king' and therefore blogging is probably your greatest social media arsenal. Twitter is primarily a distribution tool rather than a content generator; there's only so much you can say in 140 characters. Use these

services to broadcast about your rich content. Try to blog regularly and split your content between thought pieces and news.

ii. Social Enterprise on Twitter

There are a variety of hashtags that you should keep an eye on and a few key commentators in the sector who you should consider following. Below are just a few suggestions.

In addition, The Guardian published in April 2013 [a list of the top 50 influential twitter accounts in the world of social enterprise.](#)

Social enterprise hashtags:

#cleantech
#impinv
#microfinance
#nonprofit
#socap
#socent
#socinn
#socinv
#sri

Active social enterprise Twitter users:

@AlexaClay @aogdennewton @AshokaUK
@BallsForAfrica @BaxiPartnership @benmetz
@bg_ventures @BigIssue @BigLotteryFund
@BigSocietyCap @BigSocietyLive
@BigVentureChall @blackmatty @BlendedValue
@buzzbnk @CAFVenturesome @CANenterprise
@changemakers @ChestofDrawers @ClearlySo
@CommonCapital @Crowdcube @Dai_HCT
@dallant @danlehner @DeloittePioneer
@echoinggreen @EdCearns @emergelab
@EmployeeOwned @escthecity @EuclidNetwork
 @_EVPA_ @faiselr @FastCoExist
 @Fusion21CEO @GuardianSocEnt @hubislington
 @hubkingscross @hubwestminster @Inspire2E
 @investmentsuk @JeremyANicholls
 @j0nathanjenkins @JustGiving @KeyFund
 @kiwanja @LiamABlack @MikeMomi
 @minforcivsoc @Montero @mrsimoncohen
 @NACUE @NCVO @nef @nesta_uk
 @NextBillion @nickhurdmp @nicktemple1
 @nominettrust @NPCthinks @OnPurposeUK
 @patrickjbutler @pch083 @peteholbrook
 @PeterWanless @PioneersPost @PrincesTrust
 @prospect_us @PYMWYMIC @recyclinglives
 @Renaissi @rodneyschwarz @SallySocialEnt
 @SchSocEnt @schwabfound @SE100
 @SE_Alley @semagreporter @SESCICUK
 @SkollCentre @SkollWorldForum
 @SocEntAcademy @SocEntLdn @socfinuk
 @socialfirmsuk @socinvestscot @SocialValueLab

@Spacehive @steve_coles @thebigsociety
 @theGIIN @TheSocBiz @ThirdSector
 @thirdsectordave @unitytrustbank @UnLtd
 @volanschar @yearhere @YFAccelerator
 @zanne2

7.5. Key Events in the Sector

Below is an events calendar. It is not exhaustive but provides some highlighted events and when they have traditionally taken place in the year.

When	Event Name	Event Type	Where	Organizer
<i>Mar</i>	<u>Harvard Social Enterprise Conference</u>	Conference	Boston	Harvard University
	<u>SOCAP Soul</u>	Conference	Boston	SOCAP
	<u>Global Entrepreneurship Congress</u>	Congress	International	Global Entrepreneurship Week, The Kauffman Foundation and Moscow City Government
	International Conference for Startups	Conference	London	KPMG, Ravensbourne
	<u>The Real Deal: Social Enterprise and Social Investment</u>	Conference	London	Berenberg, Brownrudnick, Kingston Smith, LGT Venture Philanthropy
	<u>Responsible Business Week</u>	Conference	London	Business in the Community
<i>Apr</i>	<u>SKOLL World Forum</u>	Conference	Oxford	Skoll Foundation
	<u>Oxford Jam</u>	Parallel to SKOLL World Forum (as a fringe conference)	Oxford	
	<u>Social Enterprise Summit</u>	Congress	USA	SE Alliance
<i>June</i>	<u>EBAN Congress</u>	Congress Of European Business Angel Network	Europe	EBAN
	<u>International Conference on Entrepreneurship, Innovation and Regional Development</u>	Conference	Europe	UCY, iceird, The University of Sheffield, CITY College

	(ICEIRD)			
	<u>Evolve</u>	Conference	London	NCVO (National Council for Voluntary Organisations)
Sep	<u>SOCAP USA</u>	Conference	San Francisco	SOCAP
	<u>International Social Innovation Research Conference (ISIRC)</u>	Conference	Northampton	Northhampton University, Ashoka UK, AshokaU, the Skoll Centre for Social Entrepreneurship at the University of Oxford (2013 host), University of York (2015 host)
Nov	<u>TBLI CONFERENCE™ EUROPE</u>	Conference	Europe	TBLI
	<u>Global Entrepreneurship Week</u>	Campaign	UK	Kauffman Foundation
	<u>Good Deals</u>	Conference	London	Matter & Co

7.6. Franchising

Franchising is the practice of replicating successful business models in other geographical localities. The franchisor (the owner of the original business) licenses the use of its business operations and systems (the franchise) to a franchisee in exchange for a licence fee, and royalties on either the revenues or profits of the franchisee's operation. In this way the franchisee buys in simple terms 'a business in a box'.

A great deal of information on franchising can be found via the British Franchise Association. For the social entrepreneur, social franchising¹³⁰ can be an efficient way of scaling your social and/or environmental impact with a proven business model that you have developed. A wealth of advice and support is developing for social organisations wishing to

replicate their activities. Below is a list of some of the organisations operating in this field.

- CAN support social enterprises that are wishing to set up franchise operations or replicate successful programmes.
- European Social Franchising Network "was born out of links made between social franchises established by the EU's Equal programme. It was established because members felt there was a need to promote the concept of social franchising [it] facilitates the development of best practice in social franchising and in our membership and creates a positive environment for the development of social franchising."
- Firstport (see section 4.1) "plays an active role in replicating and scaling successful social enterprise models across Scotland and beyond".
- FranchisingWorks is "an innovative social enterprise that tackles unemployment by

¹³⁰ See the European Social Franchising Network

helping create new businesses and jobs through franchising. It provides independent advice and practical support to people interested in exploring franchising as a way into self-employment.”

- [International Centre for Social Franchising](#) tackles the issue of scale; its mission is to help the most successful social impact projects replicate. It assists organisations looking to replicate their social impact. They have a network of members, trusted social and commercial sector consultants, and pro-bono experts, carefully selected on a project-by-project basis. Some of their clients include FoodCycle, Big Society Capital and GlaxoSmithKline.
 - [The School for Social Entrepreneurs](#) (see section 4.1) runs courses on social franchising. Further information on upcoming courses can be found online.
 - [Social Enterprise UK](#) (see section 4.4) runs frequent business support courses to social enterprises around the United Kingdom. For details on their social franchising programme, click on the link above. Social Enterprise UK has also written a comprehensive guide to social franchising, ‘[The Social Franchising Manual](#)’ with reference to numerous case studies of social enterprises employing this methodology. Further research and resources on the topic is also available in their website.
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**Do you think your organisation should be in
this guide?**

Have we got things wrong about you?

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