New £5.5m Northern Impact Fund launches for social enterprises

Thursday 22 September, 2016

A new £5.5m fund, offering grant and unsecured loan finance to social enterprises has launched today across the North of England and the Midlands.

Key Fund, a long-standing investor in community and social enterprises, is delivering the Northern Impact Fund, aimed at new and early stage enterprises who are seeking finance to support growth.

Matt Smith, CEO of the Key Fund, said: “With this fund we’re offering finance of up to £150k, but typical investments will be around £50k, with up to 20% of the amount available as grant. The Key Fund was one of the early pioneers in this space, and our original model was based on a grant and loan mix, so we’re really excited to be going back to that original model. It’s long been our belief that grants can play a very important role in helping new and smaller social enterprise become more robust.”

The Northern Impact Fund is open to applications from social enterprises operating in the Midlands, North East, North West and Yorkshire and the Humber.

Matt said: “We have always believed small organisations can deliver big impact in disadvantaged communities. In this current economic climate, we are seeing good businesses struggling and access to finance and support has never been so crucial, so we’re delighted to be delivering the Northern Impact Fund.”

The grant is aimed to help cover the initial costs related to social impact, such as investing in training for young people and staff, as the enterprise gets up and running.

Key Fund has supported hundreds of social enterprises – businesses that put people before profit – for over 15 years. One of its first grant/loan investments was in Barnsley Community Build, which delivers training and employment in the construction industry for young people and those disadvantaged in the labour market. It was established in 2001 and with Key Fund’s support, has now evolved into a self-sustaining social enterprise. It also provides housing for vulnerable adults, and is a social landlord supporting a wide-range of charities in Barnsley, as well as running a community café with meals on wheels for the elderly.

Matt said: “Barnsley Community Build is living proof that passion and determination, matched with the right blend of financial support, can and does make a significant difference to the development of sustainable enterprises. Our founding mission is to break down the barriers that hinder the growth of local economies and communities, for a fair society.”

The Northern Impact Fund has received support from the Growth Fund, which is an initiative of Access – the Foundation for Social Investment. The Growth Fund has been designed to increase the availability of small, affordable, unsecured loans for charities and social enterprises. The Growth Fund totals £45m and provides a blend of loan from Big Society Capital and grant from the Big Lottery Fund, to social investors across England. This allows those social investors to offer smaller loans and take much greater risk than some other lenders are able to.

Seb Elsworth, Access’s Chief Executive, said: “The blend of loan and grant, which we make available to social investors, like the Key Fund, means that they can provide smaller loans on affordable terms with appropriate support. We are also encouraging the development of partnerships which can help to open access to social investment for more charities and social enterprises to help them to sustain and grow their impact.”

Key Fund: http://thekeyfund.co.uk/

ENDS

Case Study: Barnsley Community Build

Building Better Futures for Barnsley

Who: Barnsley Community Build is a group of like-minded individuals that embodies the value of a

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society in which we care about each other. It delivers training and employment in the construction industry to those at risk or unlikely to achieve anything meaningful without support.

Why: Barnsley is a former industrial town centred on coal mining and glassmaking. As these industries declined the town was faced with the challenge of nurturing new industry and employment to address social disadvantage.

Their story:

Barnsley Community Build was created by Barnsley Development Agency and Barnsley Metropolitan Borough Council in 2001. It has since evolved into a self-sustaining social enterprise.

Their community based construction projects achieve a positive visual impact for the community and provide low cost office space and much needed living accommodation for those on the housing waiting list.

Its success is in adapting to meet the changing needs of those most in need - the long-term unemployed, those with a poor academic record, or from a troubled life, preventing them from securing employment, training, or to socially engage.

It boasts a staggering scheme for apprenticeships – with almost 30 apprentices on their books.

It also acts as a social landlord for a number of organisations that support the community, including Barnsley independent Alzheimer's and Dementia Society, Generate South Yorkshire and Homes Instead elderly care. The Dining Room café delivers meals on wheels and luncheon clubs offering good food and company for example to those at risk of isolation, such as the elderly.

The Results:

The range of services has grown over the years. Training is firmly imbedded in all the projects, strengthening job readiness. Each week 170 pupils at risk of exclusion attend its bespoke training centre, Moorlands College, providing a much-needed net for those destined for welfare dependency. Almost 1,000 adult learners have also benefited from the training and employment brokerage service.

BCB supports an ever-increasing number of charities, community groups and projects, with a focus on building stronger social foundations.

Testimonial:

"Without the Key Fund support, we'd be finished. They've handed us at least two 'get out of jail' cards. Without them we wouldn't be here today. I can't praise them enough. It's not just the financial support but the advice and support and great relationship with the staff, there's trust there.

"We're a diverse organization always in tune with what's happening around us - even more so with the economic uncertainties. We've dropped services and bought new ones in to support the people who most need it. I've been here over ten years and the connection with the Key Fund has put us where we are today. Alongside the Coalfields Regeneration Trust, they have been the backbone of Barnsley Community Build. We would not be here today without the Key Fund."

- Barnsley Community Build, Operations Manage, Steve Palmer

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