



Social Innovation in the UK

Chris Dadson
Business Development Manager

About the Social Investment Business in 2014

**Social
Investment
Business**
FOUNDATION

- Pioneer in community investment.
- Catalytic investor.
- Mission to help develop the social investment market.

**Social
Investment
Business**
LIMITED

- Social enterprise trading arm.
- Manages Government funds.
- Specialist provider of grants.



- SIB's partner.
- FCA authorised and regulated fund manager.
- Simple finance to charities and social enterprises.

**Social
Investment
Business**

Social Investment before the 2008 economic crisis

The money...



adventure
capital fund



SOCIAL
ENTERPRISE
INVESTMENT
FUND



...connecting to...

Social
Investment
Business

*Simple finance for
extraordinary charities &
social enterprises*

...the needs
of the sector.



Social
Investment
Business

Focus on providing 'simple finance for extraordinary charities & social enterprises'

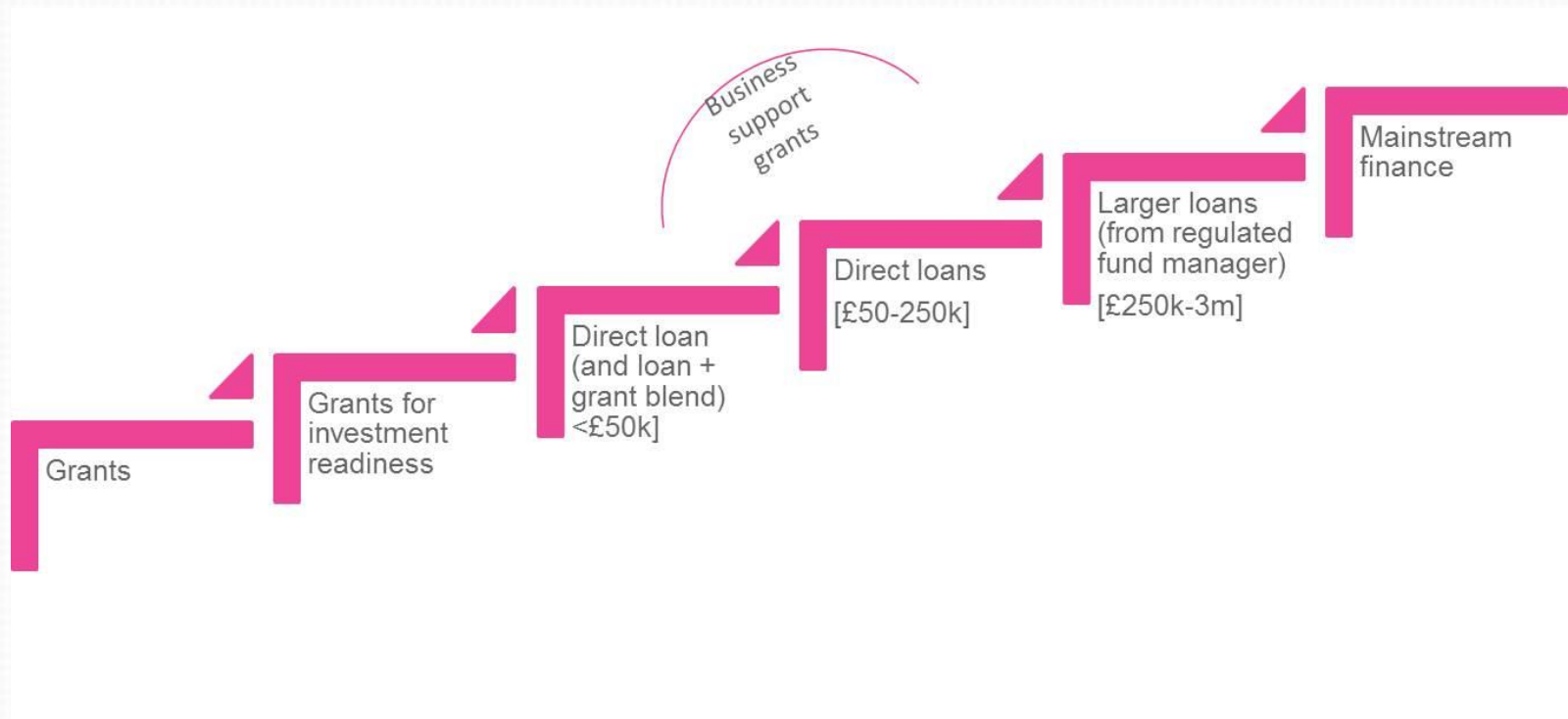
**Social
Investment
Business**

*Simple finance for
extraordinary charities &
social enterprises*



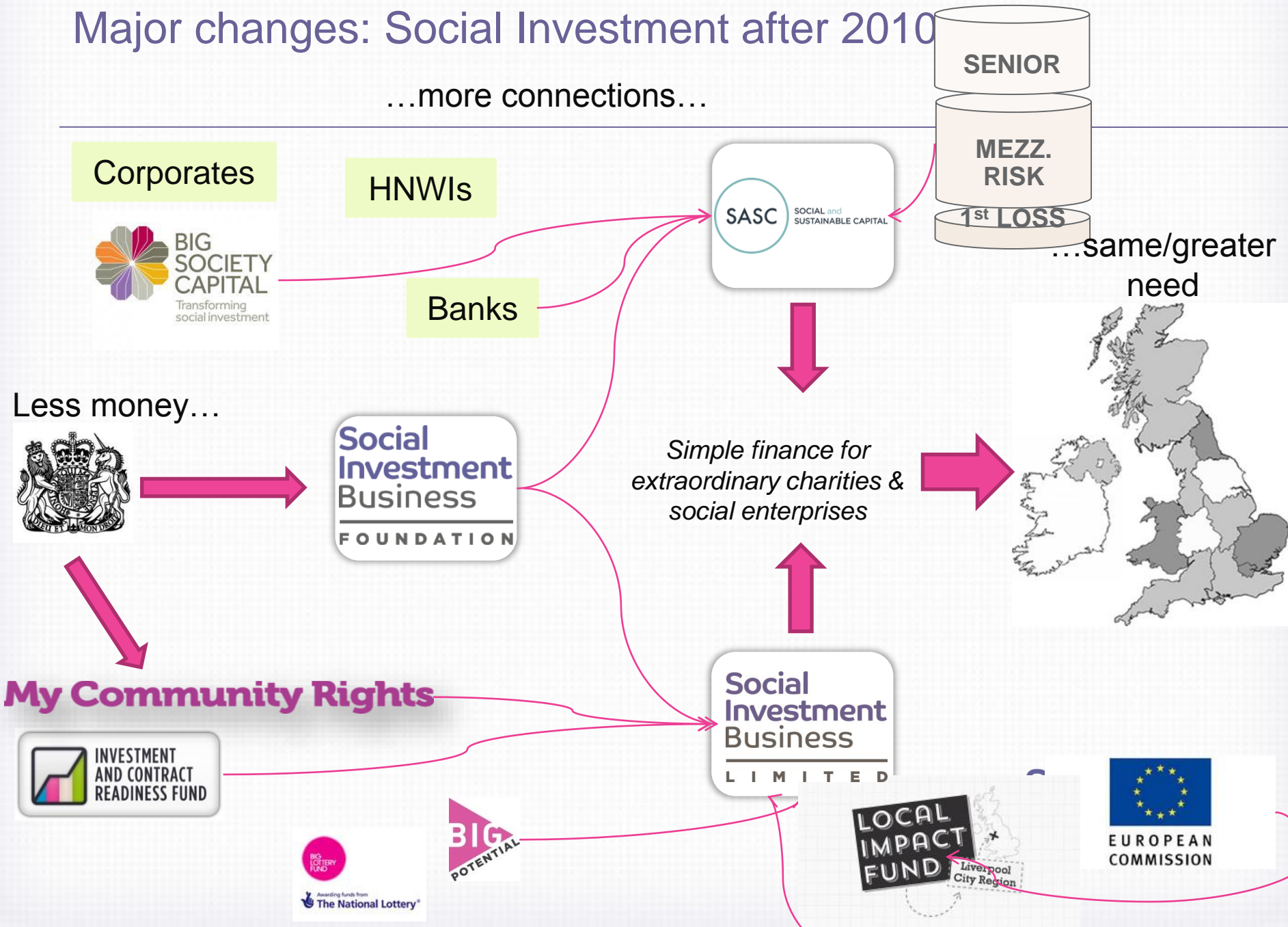
**Social
Investment
Business**

Supporting multiple stages of the investment journey



Major changes: Social Investment after 2010

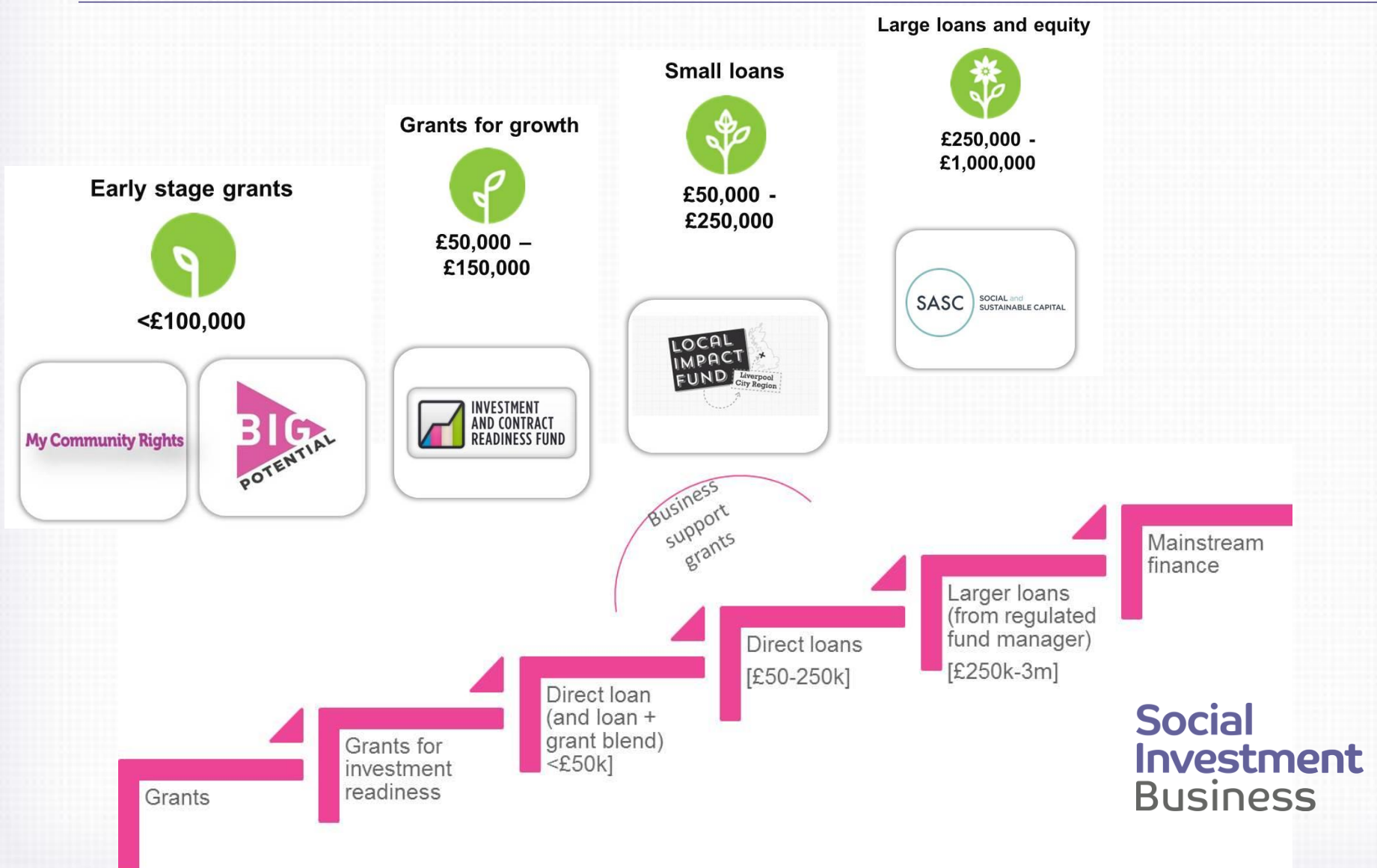
...more connections...



Social Investment after 2010



Supporting all stages of the investment journey



Local Impact Funds: a Financial Instrument for ERDF

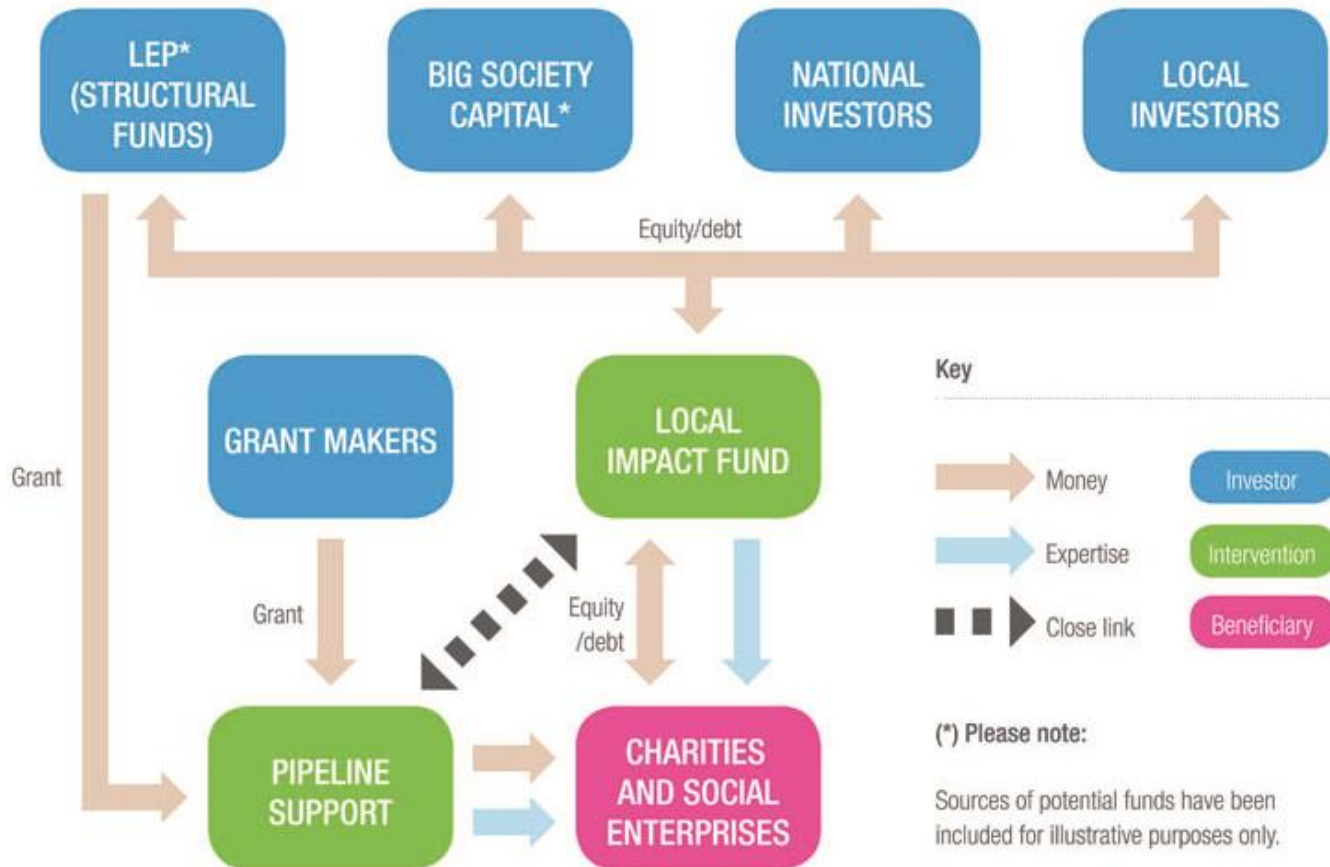


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Overview

- Local Impact Funds direct investment into local areas to increase jobs and growth, grow a social economy and support social entrepreneurship.
- Key characteristics are that they:
 - Combine wrap around business support with growth investment.
 - Connect EU, national and local supply with local demand for finance.
 - Support local economic and public services strategies.
- We launched a £2m pilot in the Liverpool City Region in partnership with Social Enterprise North West in January 2014.

Local Impact Fund model



- Size of loan fund TBC
- Simple unsecured loans
- £25k - £250k
- Legacy for region
- Size of support TBC
- Start up, growth support, investment readiness (TBC)

(*) Please note:

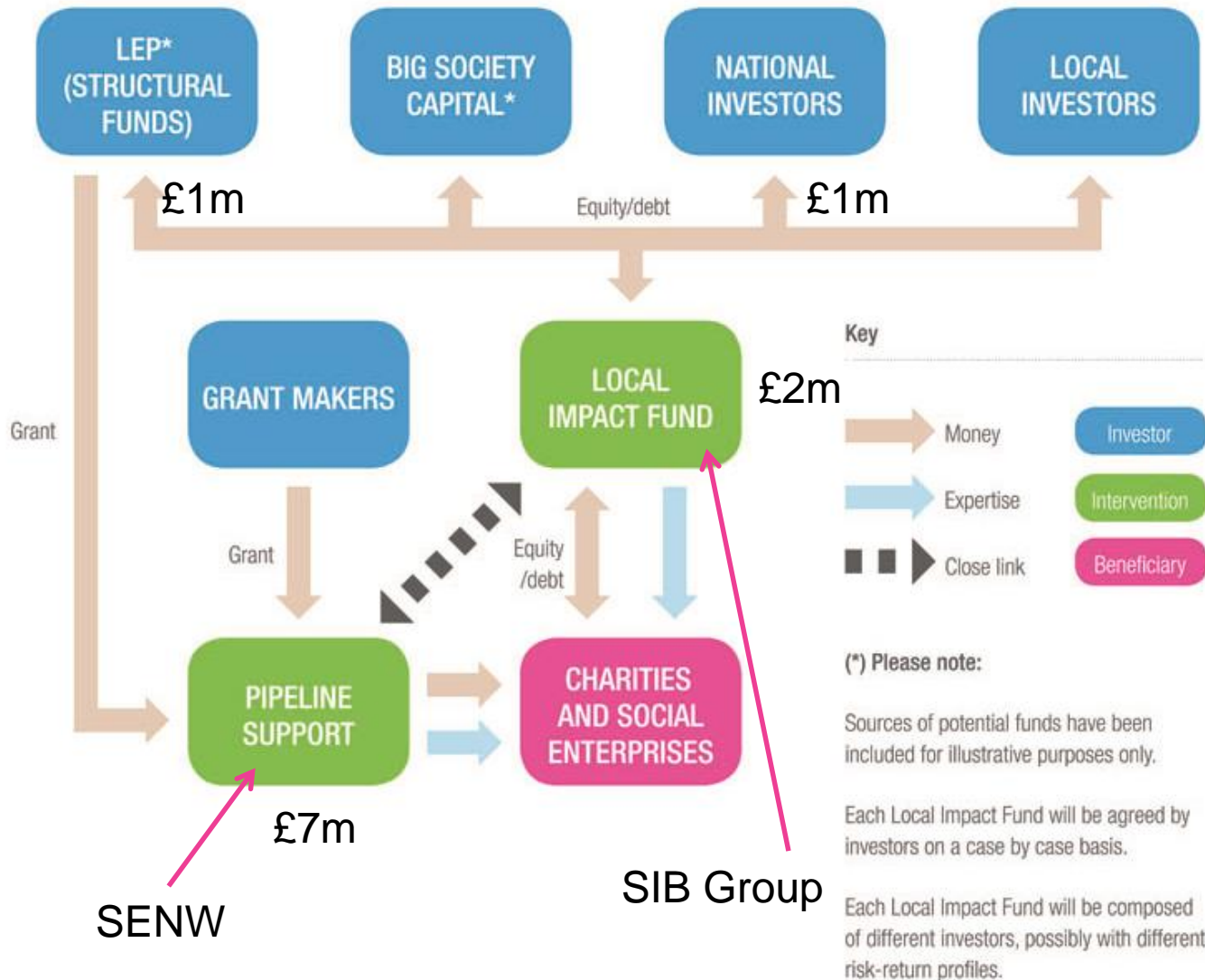
Sources of potential funds have been included for illustrative purposes only.

Each Local Impact Fund will be agreed by investors on a case by case basis.

Each Local Impact Fund will be composed of different investors, possibly with different risk-return profiles.

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Liverpool City Region Impact Fund: the pilot



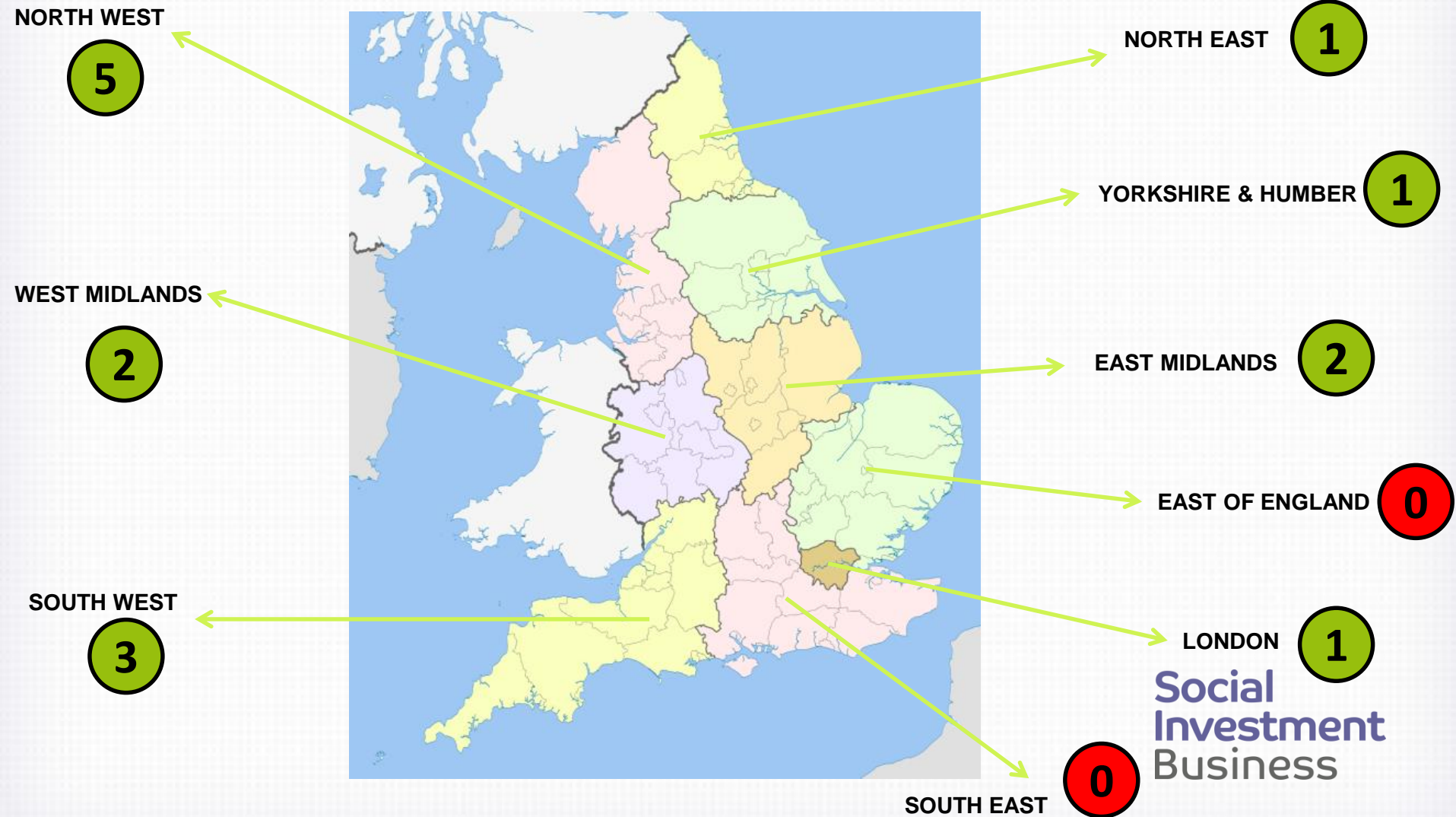
- £1m ERDF
- £1m CB
- £2m LCRIF
- £50k - £250k
- c.20 simple loans
- Legacy for LCR
- £7m BEiC
- £1.2m applications to date...

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Business**

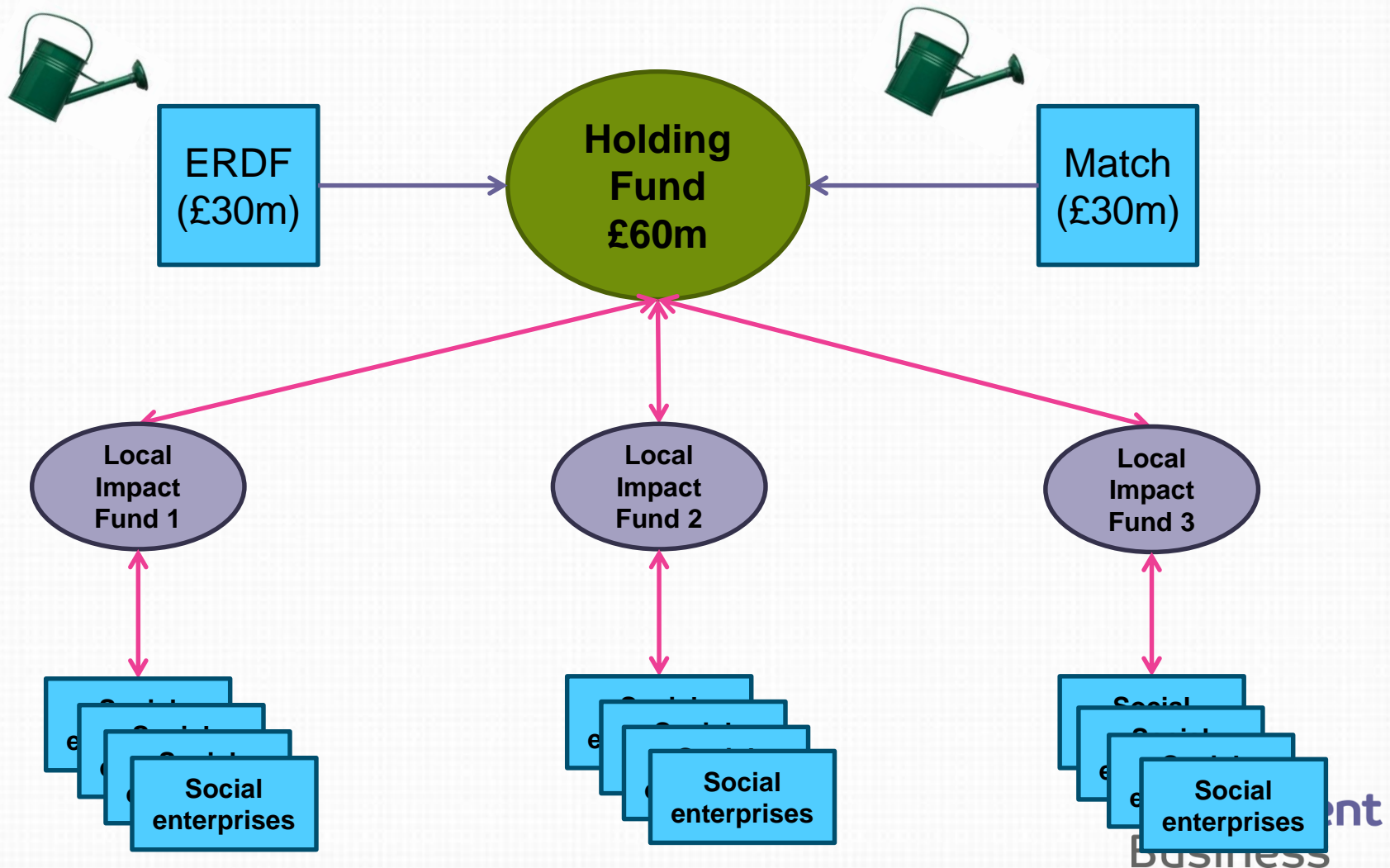
Kinds of support required for charities and social enterprises

Activity area	Description
1) Outreach	<ul style="list-style-type: none">• Mapping, identifying new / emerging sectors, surveys, data, desk research
2) Start up	<ul style="list-style-type: none">• Grants to help individuals set up social enterprises
3) Incubation / acceleration	<ul style="list-style-type: none">• Space, networks, connections and money (grant, equity and investment) to scale up and support recently incorporated social enterprises
4) Co-production / design	<ul style="list-style-type: none">• Space (and money incentive) to bring in commissioners and social enterprises to design a new service, or big business to consider how a social enterprise could deliver a service in its supply chain
5) Development / capacity building	<ul style="list-style-type: none">• Grants to buy in resource, to buy in systems, equipment, to train / recruit the right people, to conduct detailed feasibility work
6) Investment readiness	<ul style="list-style-type: none">• Grants for social enterprises to buy in expert business support to become investment ready
7) Post investment support	<ul style="list-style-type: none">• What are your support needs having received investment from a LIF or elsewhere?

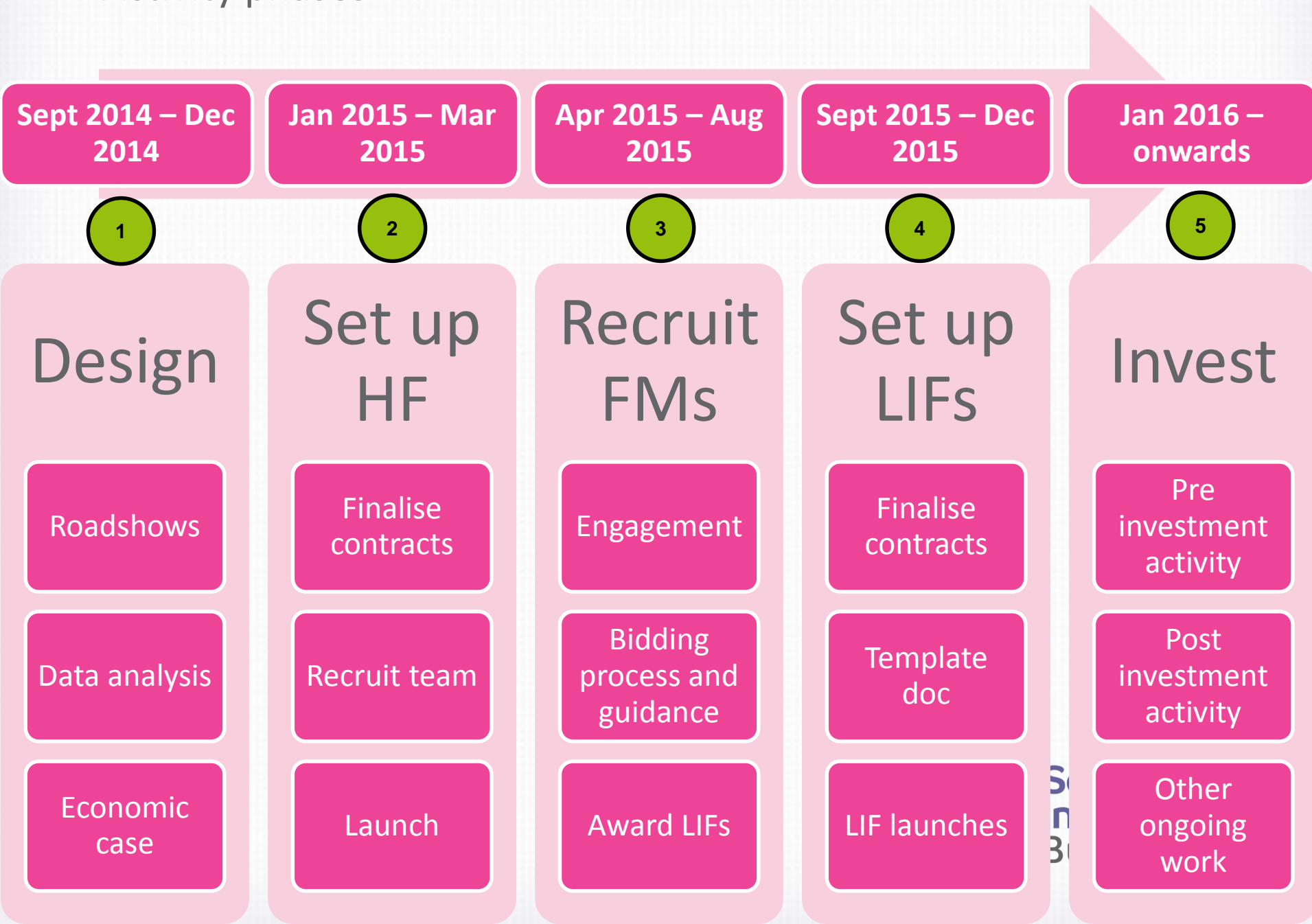
The next 15...



Local Impact Asset Management (LIAM) : a structure for Local Impact Funds?



Activity phases



Thank you

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