



# THE DEVELOPMENT OF A SOCIAL INVESTMENT MARKET

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# THE UK SOCIAL INVESTMENT MARKET SO FAR

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# MARKET BUILDING

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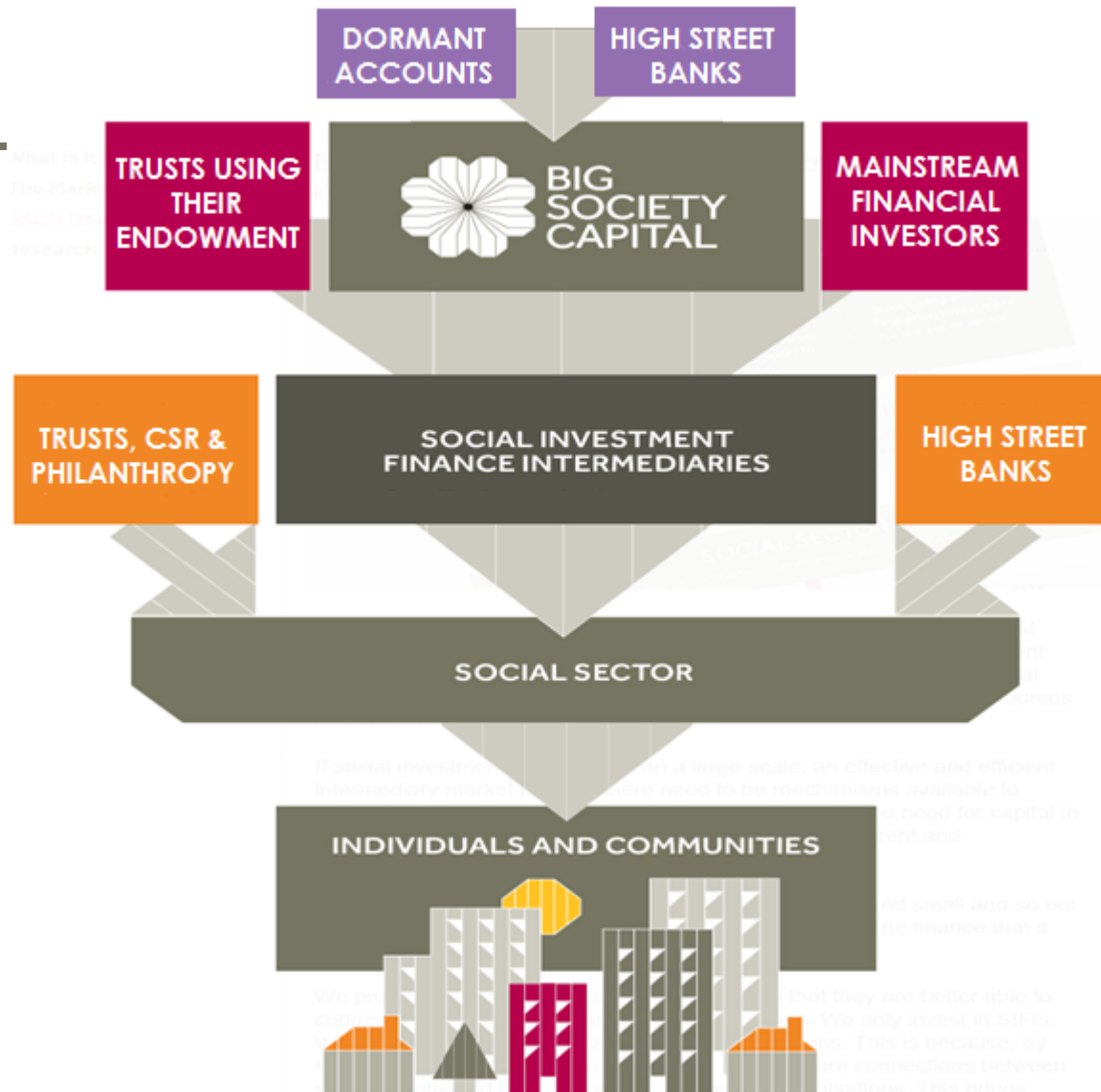
- Total new funds (including match) available to frontline organisations ≈ £225million
- Over 100 enterprises have benefitted
- There are now a growing number of funds over £20million in size:



Impact Ventures UK



# A SOCIAL INVESTMENT WHOLESALER



# WHAT WE'VE BEEN DOING AT BIG SOCIETY CAPITAL

## As a market champion

- Improving understanding of social investment
- Creating a better environment for social investment
- Encouraging more investors to become social investors
- Increasing awareness among charities and social enterprises that might benefit from social investment



## As an investor

- £165 million of investment commitments so far
- General and specialist funds: loans, equity, regional, social issue, community
- Social Impact Bonds
- Social Banks
- Charity Bonds
- Supporting market infrastructure



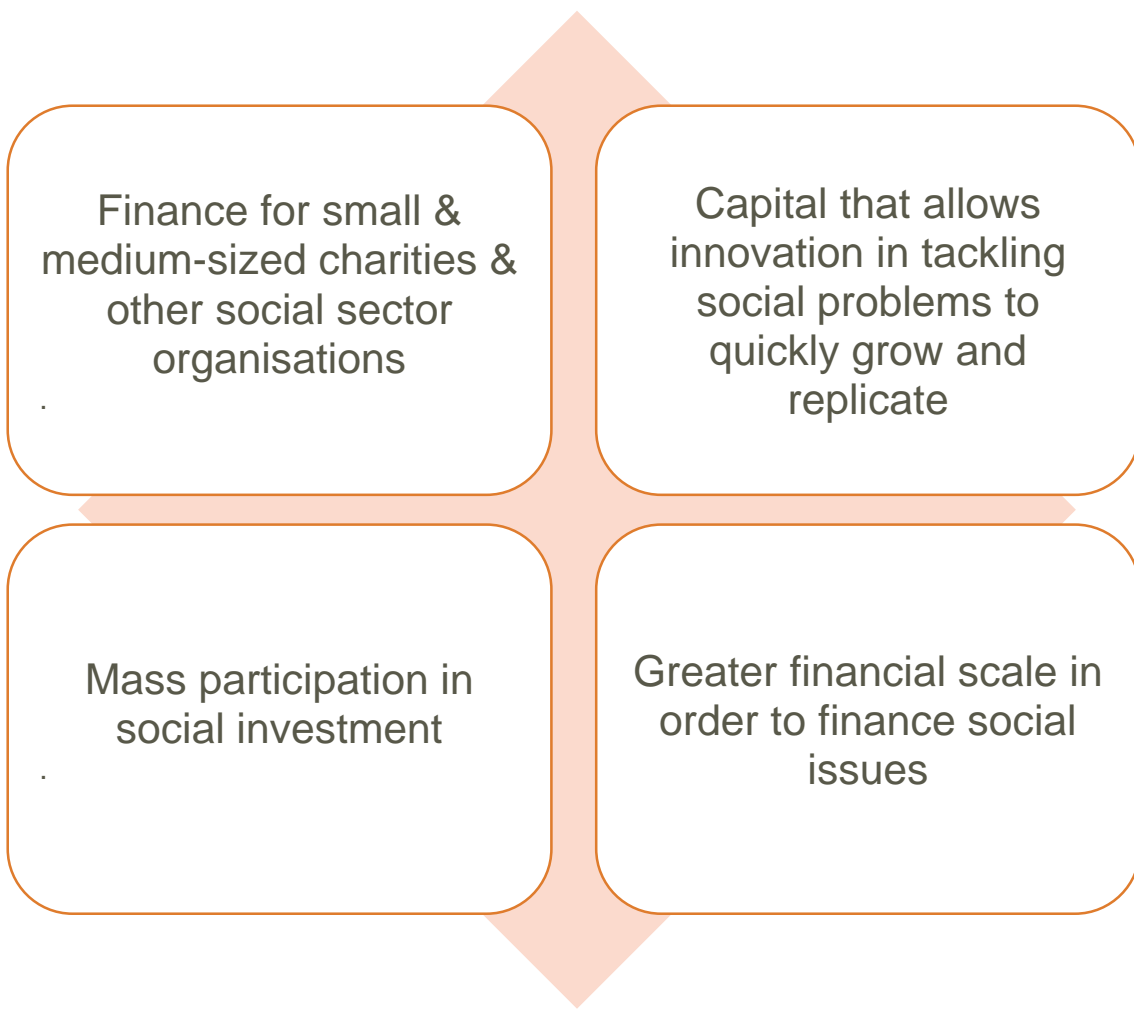
# WHAT IS THE FUTURE OF UK SOCIAL INVESTMENT?

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# OUR VISION FOR THE SOCIAL INVESTMENT MARKET

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Finance for small &  
medium-sized charities &  
other social sector  
organisations

Capital that allows  
innovation in tackling  
social problems to  
quickly grow and  
replicate

Mass participation in  
social investment

Greater financial scale in  
order to finance social  
issues

# SMALL & MEDIUM-SIZED CHARITIES

Ensuring every social organisation for which repayable finance is appropriate can access a range of simple, sustainable products

## WHAT WE'VE DONE SO FAR



## HOW SOCIAL INVESTMENT IS BEING USED

Furnistore, Redhill  
Loan to secure a property



“We’re able to reach out to more people and say come to us, because we know we’re going to be here for some time.”

Jenny Barrett, Furnistore

“We assess loans on two criteria: the financial viability, and the social impact of the loan.”

Jaishree Mistry, Charity Bank

## WHAT WE WANT TO SEE

- Uptake of available social investment products
- Greater availability of smaller-size investments, enabled via ‘blended’ capital
- Greater flexibility on security & terms



# INNOVATION

We want to support social entrepreneurs to access the capital they need to tackle the most entrenched social problems and support the most vulnerable beneficiary groups.

## WHAT WE'VE DONE SO FAR

ClearlySo

cvaa uk  
Consortium of Voluntary Adoption Agencies

BSC

adviza  
brighter futures

Nesta  
Impact  
Investments

iaam  
it's all about me

ThinkForward

Triodos New Horizons

## HOW SOCIAL INVESTMENT IS BEING USED

Oomph!

Equity investment for growth



“Social investment has taken Oomph! from a small business in Scarborough to a national business”

Ben Allen, Oomph!

“Our fund seeks to invest in talented entrepreneurs who are solving big social problems.”

Katie Mountain, Nesta Investments

## WHAT WE WANT TO SEE

- More capital targeted on specific social outcomes or issues
- Easier access to growth capital for innovative social organisations and interventions

# MASS PARTICIPATION

We ultimately want to see millions of people contributing to social change through their own personal finance choices, and thousands of grassroots organisations being able to access the finance they need to support their local communities.

## WHAT WE'VE DONE SO FAR



## HOW SOCIAL INVESTMENT IS BEING USED

Greenway Centre, Bristol

Used a loan to install solar panels



*“Social investment has enabled us to reduce our overheads so we can do more good stuff.”*

Alex Kittow, Greenway Centre

*“Conventional banks will not look at the projects we fund. They’re unhappy with the risks.”*

Rob Rabinowitz, Pure Leapfrog

## WHAT WE WANT TO SEE

- More retail investors involved in social investment
- More grassroots or community projects able to access capital

# SCALE

We believe that many social organisations could grow in scale and the social economy as a whole should play a larger part in the overall economy. Mainstream financial institutions can play a much greater role by providing and channeling capital to social causes.

## WHAT WE'VE DONE SO FAR

**reallettings**

**RATHBONES**  
Established 1742

## HOW SOCIAL INVESTMENT IS BEING USED

Real Lettings Property Fund  
Properties let to St Mungo's  
Broadway



*"It gives our tenants access to previously unattainable, quality private rented accommodation."*

Susan Fallis, Real Lettings

*It's a highly scaleable and replicable model providing a risk adjusted return whilst not compromising on its impact."*

Daniel Brewer, Resonance

## WHAT WE WANT TO SEE

- Greater use of social investment in capital-intensive sectors and products
- More institutional capital attracted to social investment

## OTHER KEY DEVELOPMENTS

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### Tax Incentives

- Social Investment Tax Relief passed into law
- Potential to attract £0.5 billion from High Net Worth Individuals

### Community Shares

- +200 projects have raised finance, with total value of £40 million

### Charity Bonds

- 11 new charity bond issues since 2012
- Golden Lane Housing became 1<sup>st</sup> charity bond listed on LSE

### Cabinet Office Initiatives

- Centre for Social Impact Bonds
- Social Outcomes Fund
- Investment and Contract Readiness Fund

### Big Lottery Fund

- Big Potential
- Power to Change

[www.bigsocietycapital.com](http://www.bigsocietycapital.com)

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