



Impact Report

2021/22

Foreword

This impact report gives an insight into all the different aspects of our work at Social Investment Business - all in the pursuit of our mission to use finance and support for a more equal society. The report also reflects how we go about that work in line with our values: collaborating in genuine partnerships, reporting our data and insights openly, and staying curious about how we can improve and be most effective.

It has been an exceptionally busy and productive year - from the ever-expanding cohort of the Enterprise Development Programme to the first wave of investments made on the Recovery Loan Fund; from the management of a combined portfolio of £90m grants and loans to providing leading-edge data collation and analysis; and from established initiatives like the Reach Fund to pioneering work on the Future Camden Fund. To these, we have added the Youth Investment Fund, having been selected by the Department for Digital, Culture, Media and Sport to manage

the fund of over £300m which aims to build, renovate or extend 300 facilities, providing at minimum 45,000 additional positive activities for young people between 11 and 18 - in the parts of the country where new spaces and new opportunities are most needed.

We believe the Youth Investment Fund can provide a springboard for our strategy as a whole, as it brings together the four key strategic areas in combination - reach to new geographical areas, financial and environmental resilience, credibility through partnership, and strengthening our ability to influence.

We sincerely hope you find this report insightful and informative. We believe there has never been a more important time to focus on tackling inequality - and to providing finance and support to the charities and social enterprises that share that goal with us.



**The Right Honourable
Hazel Blears**
Chair



Nick Temple
Chief Executive Officer



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Introduction

Our impact report gives insight into all the different aspects of our work at Social Investment Business in pursuit of our mission to use finance and support for a more equal society.



About Social Investment Business

Social Investment Business believes in the power of the social economy to build a more equal society. Social investment is a way for charities and social enterprises to get the finance they need to fulfil their missions.

We offer funding and flexible, adaptive support to organisations that make up the social economy, providing them with the tools they need to make a positive difference to the communities in which they work.



Our vision

For an equal society that operates fairly, in which people can participate freely and fully.



Our mission

To build a more resilient, diverse and distributed social economy that contributes to a more equal society.



Our values

We are inspired by our five core values. They are fundamental to the relationships with the charities and social enterprises we support, our behaviour towards each other and the way we conduct our everyday work.

Our values



Curious

We are curious. We are not afraid to ask questions and think about new ways of doing things.



Putting people first

We believe in putting people first. People are at the heart of all we do.



Bold

We are bold. We are confident in the value of our experience and are willing to take risks and to do things differently to improve people's lives.



Collaborative

We are collaborative. We know we can achieve more working with partners than we can alone.



Accountable

We are accountable. We deliver what we say we will, we are open and honest and take responsibility for what we do and the impact we make.

Our Three-Year Strategy: 2022-2025

This year we reviewed our strategy, reflecting on our track record and experience, our stakeholders, partners, customers, community and staff, as well as the ever-changing environment we operate in.

It is clearer to us than ever that our purpose is to tackle inequality – by providing finance and support to charities and social enterprises. Many of those inequalities – of health, of wealth, of opportunity – have been exacerbated in the recent years of Covid and the challenging economic climate. Our strategy is therefore focused not only on ensuring that more of our money goes to the people and places that need it most, but also on strengthening the organisations serving those communities. We also know that to make the biggest difference possible, we need to work with partners and use our position to influence.

Our Strategic Priorities



Reach

We will focus on funding a **more widely distributed social economy, with more diverse leadership**



Resilience

We will focus on the **social economy's resilience and adaptation to Net Zero**



Credibility

We will focus on publishing open data and working with partners to promote a **credible social economy, through evidence and collaboration**



Influence

We will focus on **expanding appropriate funding** from public, private and philanthropic sources of capital

Impact Framework

Social Investment Business is committed to investing for impact, and impact is at the heart of all our work.

We have developed an Impact Framework for use across all our funds and programmes, to inform funding decisions and to help us prioritise our efforts. Where possible, we seek to use objective data and evidence, and equally to not add to the reporting burden of the organisations we support. Our Impact Framework focuses on how a business operates across six core areas: business model, employment, equalities, market, community and financial sustainability.



Social Investment Business: Our year at a glance

Delivering social impact through our grant and loan programmes.

Social Investment Business has worked closely with partners to support the ever-changing social economy by delivering grants and loans to charities and social enterprises on a large scale. Our investment has supported charities and social enterprises to achieve their ambitions, to develop stronger, more sustainable organisations delivering social impact, and to make a lasting difference to people’s lives in local communities.

Over the year we have supported impact-led charities and social enterprises like London-based Impact Dance. Through our Enterprise Development Fund, we have helped them to build their organisation into a more sustainable business. Between the period of 1st November 2021 to 31st October 2022, £8,162,149 grants and loans were agreed, and £5,985,212.25 grants and loans were disbursed across 217 organisations.

Recovery Loan Fund

£5m

in approved loans and **£270,000** in approved grants to **18 organisations.**

Enterprise Development

£1.8m

in approved grants to **65 organisations.**

Reach Fund

£1.2m

in approved grants to **112 organisations.**

Future Camden Fund Phase 1

£165k

in approved grants to **11 organisations.**

First Steps Enterprise Fund

£52k

in approved loans and **£13,000** in approved grants to **two organisations.**

All these new grant and loan agreements and disbursements add to the total of loans and grants open and being managed by Social Investment Business.

Social Investment Business: Our year at a glance

As of 31st October 2022, Social Investment Business was managing:

£59.6_m

open loans¹

¹Loan amount approved

£33.3_m

open grants



Reach

Social Investment Business has a bold ambition to work with more diverse-led organisations, in places that need it most, and to foster a more widely distributed social economy. We have invested in new ways to understand our reach across funding programmes, as well as gaining greater insight into the organisations we support.



Diversity-led groups

Recording diversity

This year Social Investment Business developed a new approach to improve how we record and build understanding about the diversity of the organisations we reach.

What we used to do

Social Investment Business's previous application forms and grant monitoring forms included four diversity options: are you BAME-led², LGBTQI+-led, Disability-led or Women-led. To be led by a specific group, the organisation must have 51% or more of board and senior management from that group. Applicants completed a standard form with a yes or no tick-box option.

Why we wanted to change

To respond to our sector's debate on the best way to record diversity data, Social Investment Business carried out research on how to improve our own data collection. The focus was to explore how a greater breakdown in the diversity of organisation's leadership could support a more in-depth understanding of inequality in access to funding.

² We recognise that the term BAME has its limitations and is not one that people identify with, however it is only used here as it is the best current definition for robust comparative data collection to highlight structural inequality.



Our new approach

As a result of this research, we changed Social Investment Business's core diversity question to expand the sample size for our research. The revised diversity question is less restrictive and has improved our audience understanding:

Do you consider your organisation to be diversity-led?

- ▲ Black, Asian and Minoritised Ethnic communities-led
- ▲ Women-led
- ▲ LGBTQI+ -led
- ▲ Disability-led (physical or mental)

We provide the following option to show to what extent it is diversity-led, giving our customers more flexibility:

- ▲ 0%
- ▲ 1-25%
- ▲ 26-50%
- ▲ 51-75%
- ▲ 76-100%
- ▲ Prefer not to say



The consistent use of a 'prefer not to say' option has created a safe opt-out option for organisations that do not feel comfortable sharing this information. We now report on this basis in our dashboards, recognising the data will not be perfect, but the priority is to ensure our customers feel able to decide what information they share with us.

Diversity dashboard

Social Investment Business publishes its diversity data through a diversity dashboard with our partners: Access – The Foundation for Social Investment, Power to Change, and many more. It is also included in other individual programme and fund dashboards.

The dashboard is interactive and allows exploration of data including how much funding went to Black, Asian and Minoritised Ethnic-led organisations, Women-led, Disability-led and LGBTQI+ -led organisations. It also allows for examination of more granular data such as region and organisation type.

As of 31st October, the dashboard includes 7,118 grant and loan applications. It reveals extensive differences in the design of funds that enable different levels of diversity. The report can be found [here](#).

The funds included in the dashboard are:

- ▲ Covid-19 Community-led Organisation Recovery Scheme (CCLORS)
- ▲ Enterprise Development Programme (EDP)
- ▲ The Reach Fund
- ▲ Community Business Renewal Fund
- ▲ Covid-19 Emergency Trading Income Support Scheme (TISS)
- ▲ Resilience & Recovery Loan Fund (RRLF)
- ▲ Youth Investment Fund
- ▲ Future Camden Fund
- ▲ Recovery Loan Fund (RLF)

Flexible Finance

We know that Black, Asian and Minoritised Ethnic-led organisations tend to be smaller in size and have experienced systemic and historic underinvestment. Our research into organisations applying for the Resilience and Recovery Loan Fund found that:

- ▬ Only 3.6% of Resilience and Recovery Loan Fund approvals were BAME-led
- ▬ 77% of BAME-led applicants did not meet the eligibility criteria – with annual turnover under the £400k threshold and sub £100k levels of finance requested
- ▬ Those recommended to Investment Committee had a 100% approval rate suggesting lower eligibility thresholds could enable more BAME-led applications to be funded.

In response, and along with partners, Social Investment Business has now developed a £2m pot of grant and support funding to be used alongside the Recovery Loan Fund (see section 3). Funded by Access – The Foundation for Social Investment and delivered alongside The Ubele Initiative and Create Equity.

This Flexible Finance programme is deployed to address these historical imbalances, offering the following:

- ▬ Unrestricted grants alongside loans with up to 100% of the loan value if needed
- ▬ Bespoke business support
- ▬ Eligibility for Recovery Loan Fund reduced from £400k turnover to £200k turnover
- ▬ Minimum loan size reduced to £50k from £100k.

This tailored funding and support are delivered by Social Investment Business in partnership with The Ubele Initiative and Create Equity. These partners bring their networks, expertise and understanding to the project, and provide support to organisations throughout the funding application and assessment process.

For 2021-22, three grants worth 270k have been awarded to Black, Asian and Minoritised Ethnic-led applicants. The Recovery Loan Fund reopened in October 2022 to ensure greater accessibility to social investment.



£2m

pot of grant and support funding developed by Social Investment Business

£270k

awarded to Black, Asian and Minoritised Ethnic-led applicants in 2021-22



Contento Homes

The Recovery Loan Fund is designed to improve people's lives, or the environment they live in. We invest in organisations like Contento Homes in Birmingham, who used the Recovery Loan Fund with Flexible Finance to purchase their first property, a vital and permanent refuge home for women facing homelessness or fleeing domestic abuse.

The pandemic had a huge impact on the demand for their services. Contento Homes originally worked predominantly with homeless individuals who needed refuge and living support. However, during the pandemic, they started to receive a massive increase in referrals from women, particularly women trying to leave situations of domestic abuse. The refuge centres in place in Birmingham did not have the capacity to place these women, which meant that many of them were being turned away.

Working creatively to respond to need, Contento Homes identified a great opportunity to buy a refuge property, but they urgently needed financial investment. Through our Recovery Loan Fund, and support from our partner Ubele, Contento Homes' CEO Caroline Phansi was supported to purchase their first property, and secured finance for a van which she felt the organisation needed to transport women to refuge centres.

Caroline felt really supported by the Social Investment Business Team and Ubele and has future aspirations to buy more properties or build more refuge buildings, as she sees a real need for increasing this provision.

 **Contento Homes**
Read more on our website



"The main attraction was that the funding was part loan and part grant which would lessen the burden of what we would owe on the property."

Caroline Phansi

CEO for Contento Homes

The Reach Fund

The Reach Fund supports our aim of creating a fairer, accessible social economy. Social investors are often approached by charities and social enterprises who require extra support to raise investment.

The Reach Fund is a grant programme that helps charities and social enterprises raise that investment. It's funded by Access and is open to organisations in England. Through this programme, social investors can refer these organisations to the Reach Fund to apply for the support they need. It offers grants on average between £5,000 and £15,000.

It enables a wide range of social investors to refer organisations to the fund, providing an organisation with a grant aimed at helping them provide the final information that investors need before they can invest.

The Reach Fund has supported 112 organisations this year with £1,200,475 worth of grants. ▶

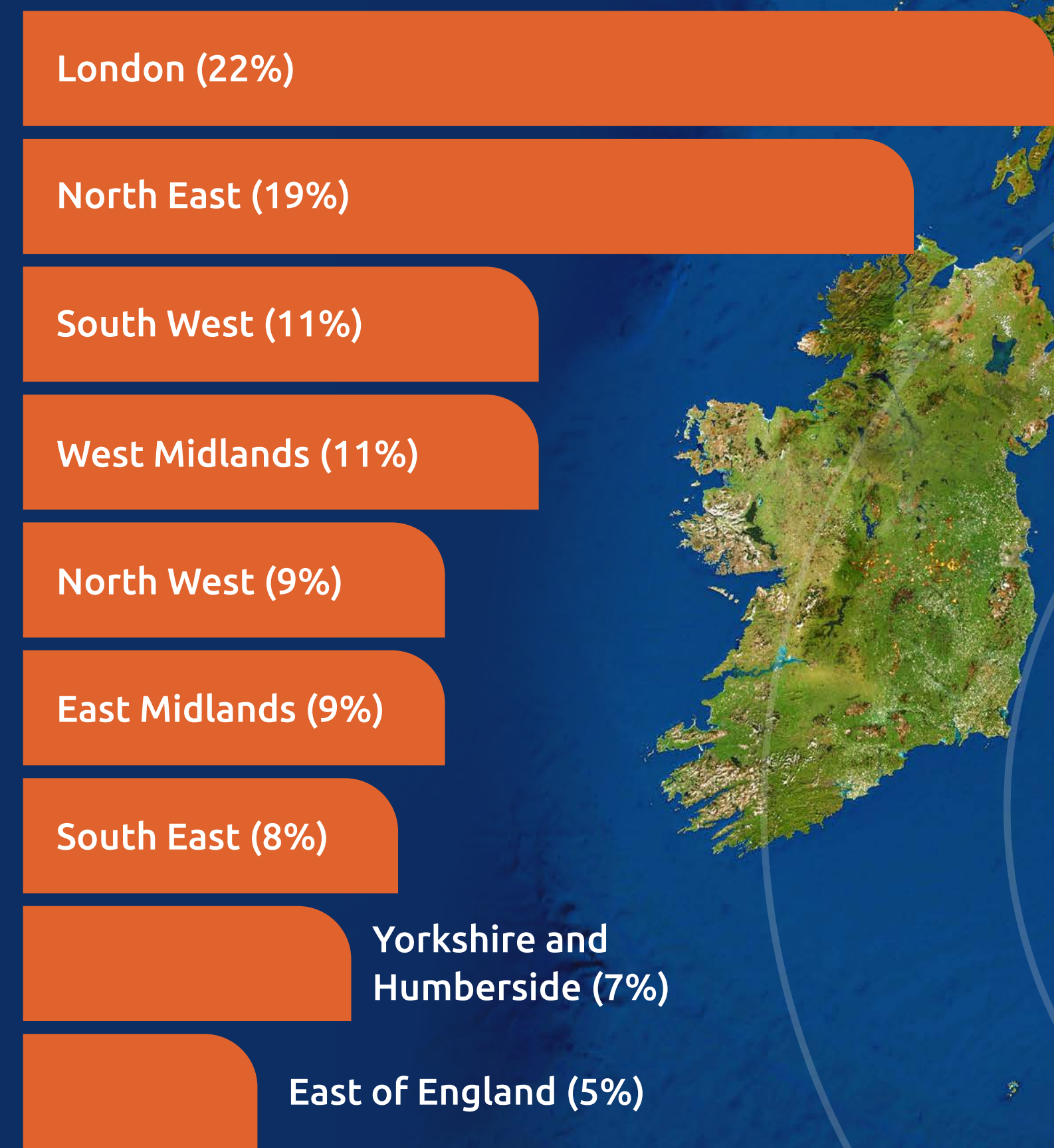


The Reach Fund
Type: Grant
Value: £5k – £15k

[View more at our website](#)

£1.2m

of grants supported 112 organisations through The Reach Fund



► The Reach Fund has worked with a wide range of investors (currently up to 24 Access Points) recommending organisations for the fund and looking to access a wide range of products. Of the 112 organisations supported in the last year, 66% were looking to access unsecured loans, 19% were looking to access a secured loan and 7% were looking to access crowdfunding/ community shares.

The grants provided this year have been in a range of regions across England, for diverse purposes (see chart on previous page), with 67% of the Reach Fund grants this year being spent on an external consultant to support them with the final information for investors to commit to investment.

This year Social investment Business supported 112 organisations across the country through the Reach Fund, from a community bike facility in Yorkshire to a charity supporting people experiencing homelessness in Oxfordshire. Working through a wide range of Access Points (social investors) has ensured the Reach Fund is truly national in its reach to different geographies, as the chart on the previous page demonstrates.



Boxing Futures

Social Investment Business was able to support charities like Boxing Futures, which improves the physical and mental health and wellbeing of disadvantaged young people, based around the Boxercise Award Scheme model of 'non-contact boxing'. The CEO had the vision of expanding into alternative education provision to enable them to deliver a range of programmes to develop soft skills, build resilience and tackle loneliness and isolation amongst disadvantaged young people.

Through our support they were awarded a Reach Grant of £8,989 following referral from their Access Point, which was used to work with external consultants on what this vision might mean for the organisation and its purpose. Undertaking this work led to being in a stronger position to access £70,000 (including £20,000 grant) in blended finance from Sporting Capital, and work has now begun on realising their vision to expand into alternative education provision and support more vulnerable and disadvantaged young people.



New Initiative: Reach Fund Phase 3

In January 2022, Social Investment Business was excited to announce that Access – The Foundation for Social Investment had committed an additional £10 million in funding to continue the pioneering support provided through The Reach Fund.

The fund particularly welcomes applications from charities and social enterprises from:

- ▬ Black, Asian and Minoritised Ethnic communities
- ▬ Rural areas
- ▬ Areas of high deprivation (Index of Multiple Deprivation (IMD) 1-3).

£10m of funding committed by Access – The Foundation for Social Investment

Data decision-making

Grant-making is not always inclusive or efficient; that's why Social Investment Business believes that as grant-makers, we have a responsibility to improve our decision-making practices.

We want to:

- Mitigate bias and break down inherent and systemic barriers
- Improve the efficiency of grant processes
- Ensure funding gets to those most vulnerable communities through the social sector organisations we support
- Improve accountability and transparency to funding disbursements.

Social Investment Fund addresses these barriers by ensuring practical data is used to inform decision-making and ensure fairer choices in funding are made.



Future Camden Fund

The Future Camden Fund was developed to support the growth of businesses and social enterprises delivering social value in Camden. Through the Future Camden Fund, we were able to combine our knowledge of data and efficient systems for processing applications with Camden's expertise in and links to the business sector. At the end of 2021, Social Investment Business partnered with the London Borough of Camden to launch a two-phase fund to support local businesses in Camden. The fund prioritised local entrepreneurs from backgrounds that are often locked out of other sources of finance. Phase 1 commenced in January 2022.

For both outreach and decision-making, the fund prioritised organisations from underfunded groups, including those from Black, Asian and Minoritised Ethnic backgrounds, those with a disability and care leavers. Reaching a group that is traditionally underfunded is not enough for funders to do. Funders must ensure there is fair equity in the receiving of grants. Throughout decision-making in the Future Camden Fund, we prioritised using data to support these groups. ►



Future Camden Fund
Type: Grant
Value: £165k to date

[View more at our website](#)

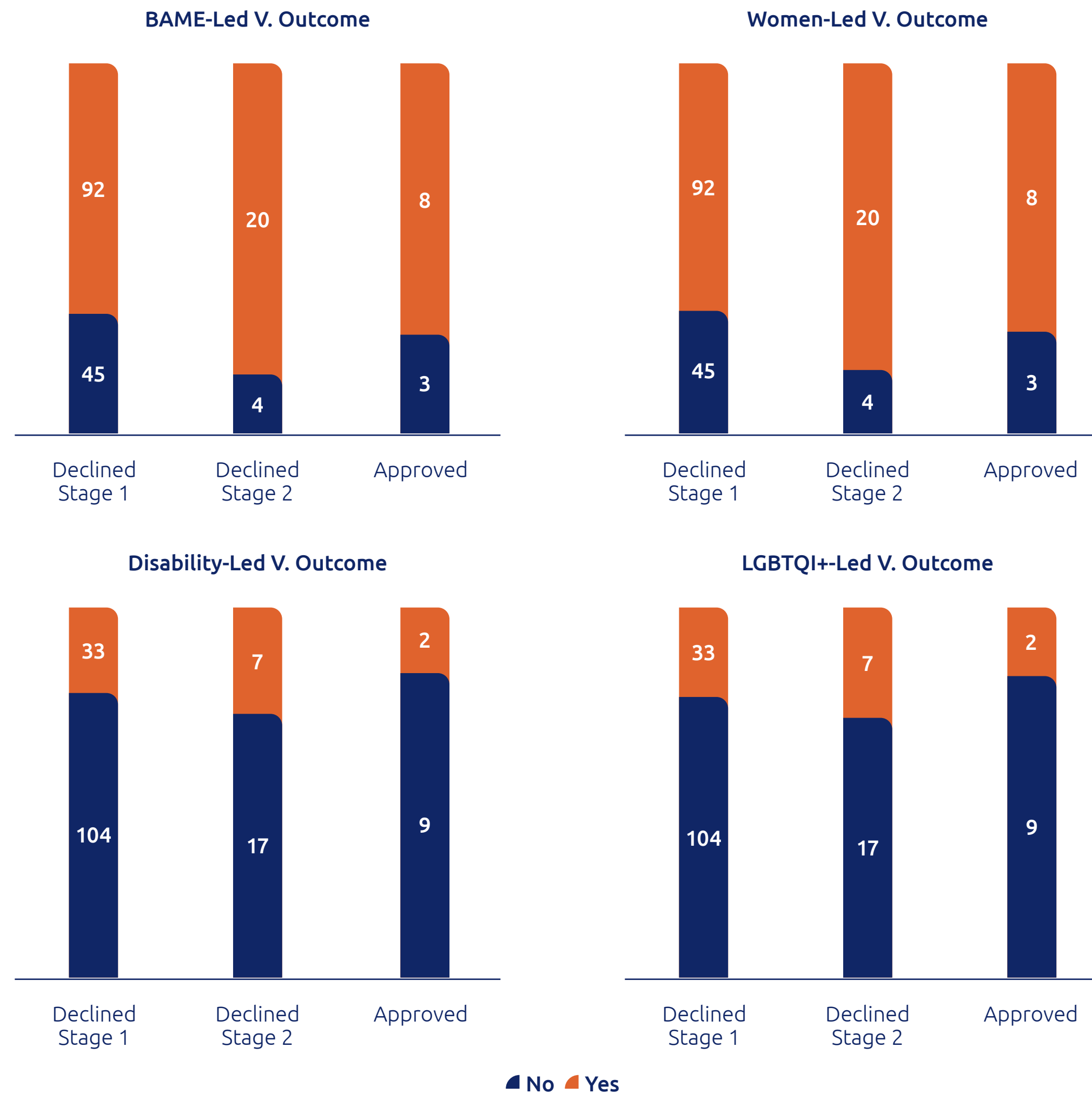


We did this in two ways:

- Filtering organisations through to Stage 1 only if they had declared being led by one of the five categories we had outlined as having diverse leadership.
- Ensuring that we maintain that proportion of diversity amongst applicants in every stage of the decision-making process. For example, with 74% of all applicants being BAME-led, 66% of all successful applicants were BAME-led.

Despite a slight drop mainly due to eligibility, this is a good example of where we have been able to maintain accountability of our decision-making using data. The London Borough of Camden are also working with Expert Impact to mentor these organisations to grow and succeed in their ambitions and with School of Social Entrepreneurs to deliver business support. In the upcoming months, we are planning the design of Phase 2.

The value of data led decision-making



Responding to audiences

Social Investment Business is committed to listening to and learning from customer and applicant feedback. In Phase 1 of the fund, we discovered some important challenges to the application process, as many applicants were young and from very small businesses, not typical of the applicants we normally support. This feedback will help us to adapt our processes and forms for different audiences.

Future Camden Fund
[Read more about this fund and our data-led approach](#)

At the end of Phase 1, we have been able to fund 11 great organisations, disbursing

£165k

Enterprise Development Programme

Funded by Access – The Foundation for Social Investment, the Enterprise Development Programme (EDP) is a grant and learning support programme for organisations that are looking to become more enterprising and generate more income from trading.

The programme is delivered in partnership with Youth, Homelessness, Mental Health, Equality, Environment and Black, Asian and Minoritised Ethnic sector partners.

Organisations apply to the programme and, if accepted, work alongside the relevant sector lead to outline a package of support that best fits with their specific needs. In the past year, there have been two rounds with Ubele Initiative as the Black, Asian and Minoritised Ethnic communities sector partner and two rounds with Groundwork as the Environment sector partner.

As of 31st October 2022, EDP has provided grants to over 200 organisations. By cohort, rounded up, this is £1.3m in the Mental Health rounds, £1.2m in the Equality rounds, £665,000 in the Homelessness rounds, £619,000 for the Black, Asian and Minoritised Ethnic rounds,



£590,000 in the Youth rounds and £525,000 for the Environment rounds.

For Stage 1 decisions, we use the data collected from the application stage to create a dashboard for decision-making. Alongside the expertise of the sector lead, the dashboard is used to check eligibility across the whole cohort.

This helps speed up decision-making and allows the priorities of the round to be applied fairly

across the whole cohort, making sure the most suitable organisations progress.

The successful organisations in round two for Environmental organisations and Black, Asian and Minoritised Ethnic communities were mainly based in more deprived areas of the country, with 48% being in the 20% most deprived areas. 81% were based in the bottom 50% for deprivation.

EDP has provided

£4.9_m

in grants to over 200 organisations



Impact Dance

The Enterprise Development Programme has supported organisations like Impact Dance, a social change organisation for young people who are passionate about dance, specialising in hip-hop, street dance and youth development.

Hakeem Onibudo, CEO of Impact Dance, secured an EDP grant, explaining that it helped at a crucial moment for the organisation. The programme provided them with funds to invest in the business without having hurdles that other grant providers presented for restricted funding. EDP allowed Hakeem to think of how best to use the resources to create revenue streams, securing contracts with companies such as Sadler’s Wells for rehearsal space and the development of projects. This in turn has allowed Hakeem to expand the accessibility of the programmes he offers young people as well as the resources he supplies them with.



“The Enterprise Development Programme aligns with ‘new-age’ progressive thinking. If you are old-school arts this will not match you. You have to think progressively to match the model.”

Hakeem Onibudo
CEO of Impact Dance



Impact Dance
[Read more on our website](#)



The Screen Community

Getting access to the TV and film industry is challenging for many young people. The Screen Community aims to bridge the access gap in the industry by providing young people who are the most disadvantaged with training, development and guidance in order to competitively pursue opportunities.

The Screen Community saw our Enterprise Development Programme (EDP) as an opportunity to learn how to make the income stream in their social enterprise more sustainable and gradually less grant reliant. A core component of the EDP is the provision of classes and training for social enterprises to support them in their journey to make their organisations more financially resilient. They used the programme to help them focus their marketing efforts to connect with local schools



to provide film and camera courses for students. The grant and programme have enabled The Screen Community to dedicate time and resources to pursue alternative methods of generating revenue for their organisation and look forward to the development of the organisation, including plans for permanent premises.

The Screen Community is making a huge impact on the lives of the young people they support, like Rav Kumar, who discovered new skills after taking their courses in editing, writing, film-making and directing.



“It’s given me a path in life. Before this I was kind of like absolutely lost in where I wanted to go... Film and TV, that’s the path for me. It’s been a great experience, and I’d recommend it to anyone. It’s amazing.”

Rav Kumar

 **The Screen Community**
Read more on our website

Resilience

Social Investment Business supports charities and social enterprises to become more resilient by helping strengthen their finances and their ability to adapt to net zero.



Recovery Loan Fund

Our Recovery Loan Fund (RLF) is for charities and social enterprises based in England, Wales and Scotland who are working to improve people’s lives, or the environment they live in. It does this by offering loans of between £100,000 and £1.5m. The fund is supported by the Government’s Recovery Loan Guarantee Scheme.

Initially we set up the Recovery Loan Fund in October 2021, with investment from Social Investment Business and the Fusion21 Foundation – the charity parent and social investor of the procurement social enterprise provider Fusion21. In January 2022, The Archbishop’s Council, Big Society Capital, MFS Investment Management and Treebeard Trust were announced as further investors in the fund, taking funds raised to date to £21.5m. Access – The Foundation for Social Investment also provides grant funding, alongside the loan for Asian and Minoritised Ethnic-led organisations (see page 14 on Flexible Finance).



 **Recovery Loan Fund**
 Type: Loan
 Value: £100k–£1.5m
[View more at our website](#)

£5m+

Approved to 18 organisations during its first phase earlier this year

During its first phase earlier this year, the Recovery Loan Fund approved more than £5 million to 18 organisations. This has supported a range of organisations working across training and education, mental health and wellbeing, and housing and community facilities.

The external funding environment and inflation has changed significantly since the fund closed in May 2022. Reopening in October 2022, our loans are offered at a fixed rate which means organisations can borrow with certainty for loans up to six years, knowing that the interest cost will not increase, even though it is projected to in the wider economy.

Some of the key metrics used in measuring resilience in organisations receiving

Futurebuilders loans were also used for the Recovery Loan Fund. Initial findings showed increases in months’ spending was an important and pertinent indicator (a measure of an organisation’s ability to run at full capacity on either unrestricted funds or reserves). Although these findings are at an earlier stage than we would generally measure them, it is still encouraging to see them trending in the right direction.

These metrics were also used to get a picture of the riskiness of the portfolio of investees. A large correlation was shown between months spending and organisations defaulting on Futurebuilders loans. 94% of defaulting organisations had months spending figures under three months at time of investment. Furthermore, if an organisation fell in this perceived danger zone of >£700k turnover and two months’ spending they had a 63% chance of defaulting. None of the Recovery Loan Fund investees fell within this zone.



Project Cosmic

Project Cosmic, whose vision is to inspire people to achieve success in the digital world, saw the Recovery Loan Fund as an opportunity to rapidly scale up their organisation and increase their ability to provide digital skills training in Devon.

The pandemic provided an opportunity for Project Cosmic to leverage the increased demand for digital skills as employers and educational providers moved towards technology and digital solutions. They saw the potential to take on bigger contracts that would allow them to rapidly scale to meet this demand. Despite Project Cosmic being an experienced social enterprise, they found that commercial banks were not able to support them with a loan for their expansion plans. Securing funding was critical for Project Cosmic to be in the position where they could pursue larger contracts. After applying to the RLF,

being approved quickly and receiving a loan of £100,000, they were able to secure new contracts and replenish their cash reserves back to pre-Covid trading levels.

The investment allowed Project Cosmic to strengthen their finances as they enter new major contracts and provide finance for growth in 2022 and beyond. The result is that tens of thousands more people will get digital skills training provided by Project Cosmic in the next few years.



“The importance of the Recovery Loan Scheme for Cosmic is clear, in that it provided the most effective way for us to plan with clarity and confidence for the coming years and allowed us to embrace many opportunities which were on offer. The availability of affordable finance solutions at this time is vital for social enterprises, so that we can continue to deliver high levels of social impact for those suffering disadvantages post-pandemic.”

Julie Hawker

Co-CEO of Project Cosmic



Project Cosmic
View more at our website

Reflection on our previous funds

Launching in 2020 and funded by Power to Change, the Community Business Renewal Fund offered grants between £10,000 and £20,000 to community businesses in England affected by the Covid-19 crisis. The fund supported organisations to adapt and evolve, providing an unrestricted grant to be used in several ways, for example to cover staffing costs and capital costs.

The fund aimed to prioritise key groups: BAME- and Disability-led organisations; organisations in IMD 1 to 3; and organisations supporting the local community. These priorities were met as follows:

- Organisations in IMD 1 to 3 received 61% of funding and accounted for 56% of organisations who applied/were funded/were approved.
- Organisations over 50% BAME-led received 33% of funding and accounted for 29% of organisations who applied/were funded/were approved.
- Organisations over 50% disability-Led received 11% of funding and accounted for 9% of organisations who applied/were funded/were approved.
- Organisations whose geographic reach was 'local' received 91% of funding and accounted for 91% of organisations who applied/were funded/were approved.

With the fund being unrestricted in terms of spending, Social Investment Business anticipated the fund could be used in the following ways:

- Meeting core staffing costs which would otherwise be at risk due to the pressure on community businesses to cut costs
- Creating breathing space for organisations, giving time to take a step back, explore new options and focus on business planning
- Meeting increased costs of a capital project planned pre-Covid
- Contributing to capital costs of adapting operations
- Cashflow support due to delays to work, or to cover lost trading income.

This year, Social Investment Business's Learning and Influence Team carried out some analysis of reported expenditure of each grant. We wanted to explore what organisations needed to use their

grants for in times of crisis, particularly when they have access to unrestricted funding. A total of 777 expenditure items across 132 organisations indicated that staff and consultant costs and working capital accounted for most spending.



Whilst the grants were unrestricted, breaking down expenditure suggests that most of the expenditure (71%) was spent on staff and consultant costs and working capital, used by organisations to maintain current staff or hire new staff, and for ongoing operating costs. This is encouraging, as it aligns with our expectations of how organisations would use the funding.

Credibility

Social Investment Business wants to build a stronger social economy through evidence and partnership. We focus on publishing open data and working with partners to promote a credible social economy – we also know that, in some sectors and communities, we do not have legitimacy or credibility or track record, so partnership and collaboration is the only way to achieve our objectives.



Sector partnerships

Above and beyond all of the funding, investment and delivery partnerships detailed in previous sections of this report, Social Investment Business co-ordinates, hosts and is a member of several sector partnerships.



Diversity Forum

Social Investment Business is proud to be the current host and co-ordinator of the Diversity Forum. The Diversity Forum is a collective on a mission to drive inclusive social investment in the UK, ensuring social investors are more representative of, and more accountable to, the communities they seek to serve.

Funded by the Connect Fund, a £3 million fund managed by the Barrow Cadbury Trust in partnership with Access – The Foundation for Social Investment, the Diversity Forum has funding to embark on diversity projects with five strands:

- Leadership and convening
- Commissioning research
- Skills development and resources sharing
- Data sharing and networks mapping
- Communications.



Equality Impact Investing Project

Social Investment Business is a founding partner and current host of the Equality Impact Investing Project (EIIP), a ground-breaking initiative that exists to ensure that social impact investing is more fully harnessed to advance Sustainable Development Goal 10 – reducing inequality – in the UK and beyond. It does this by bringing together the fields of social impact investing with equality and human rights to build a new one: Equality Impact Investing.

EIIP aims to innovate, enable and increase investor action on inequality. EIIP exists to build the field, and drive increased use, of investing for equality impact. To do this, it brings equality and human rights actors together with social and impact investors to:

- Better understand inequality challenges and opportunities where investors can make a difference
- Pioneer new policy and practice responses
- Share and promote learning to influence wider change.

EIIP’s approach is evidence-based and open minded, concerned with all dimensions of inequality and its root causes, and always focused on increasing the flow of finance to the heart of the matter.



**SOCIAL
INVESTMENT
FORUM**

Social Investment Forum

Social Investment Business provides the secretariat for the Social Investment Forum (SIF) – the national forum for social investment finance intermediaries. The SIF exists to provide:

- Voice, advocacy and the ability to influence
- Practical collaboration opportunities and ideas to improve effectiveness
- A space to share information and build networks
- Communications support to champion and amplify our work
- Greater co-ordination and coherence to current and future initiatives.

Activities of the SIF aim towards the betterment of the UK’s social investment market, through advancing the work of cross-sector initiatives, as well as advocacy and policy work to influence the government’s legislative and regulatory agenda. The SIF includes all main social investors and intermediaries in its membership.



Our partnerships
Find out more on our website



Delivery partnerships

Partnership is at the heart of how we work and underpins our ambition to build a stronger social economy through evidence and partnership.

Through our partnerships, we can tap into and offer a huge amount of expertise when a fund or grant programme calls for it. They also allow us to deliver funding in a way that is as wide-reaching and impactful as possible. We partner with a range of organisations to support charities and social enterprises to achieve their goals. These partnerships enable us not only to deliver funding, but also to offer non-financial support and business expertise. To name a few, this includes Access – The Foundation for Social Investment, Power to Change, The Ubele Initiative and Big Society Capital.

 **Our partnerships**
Find out more on our website

YOUTH INVESTMENT FUND

Youth Investment Fund

Social Investment Business has been selected to deliver the Youth Investment Fund (YIF) by the Department for Digital, Culture, Media and Sport (DCMS), providing over £300 million in grants to create, expand and improve youth facilities and services in England. Social Investment Business is delighted to be delivering the fund in partnership with the National Youth Agency (NYA), Key Fund and Resonance.

At its heart the Youth Investment Fund's ambition is that no young person across England is left behind. It aims to ensure that every young person can access regular out-of-school activities and adventures away from home in their local communities, to support their wellbeing, give them opportunities to develop vital skills for life and work, and empower them to be active members of their community and society.



Youth Investment Fund
Type: Grant
Value: Over £300m

[View more at our website](#)

Delivering the Youth Investment Fund is a real step change for Social Investment Business and the fund has the potential to transform youth services and young people's opportunities across England.

The Youth Investment Fund is a commitment to young people to transform and level up the out-of-school youth sector. The Youth Investment Fund will increase the number of young people accessing youth services in targeted areas by at least 45,000 a year by 2026/27.

As lead delivery partner, Social Investment Business co-ordinates and manages the Fund while working closely with partners to ensure quality delivery.

YOUTH INVESTMENT FUND

“All young people deserve access to high-quality youth services and great youth facilities to thrive in life, but youth provision across the country is sadly unequal. That’s why we are proud to be able to apply our 20+ years’ knowledge and experience of grant programmes and capital projects to design, manage and deliver the Youth Investment Fund.”

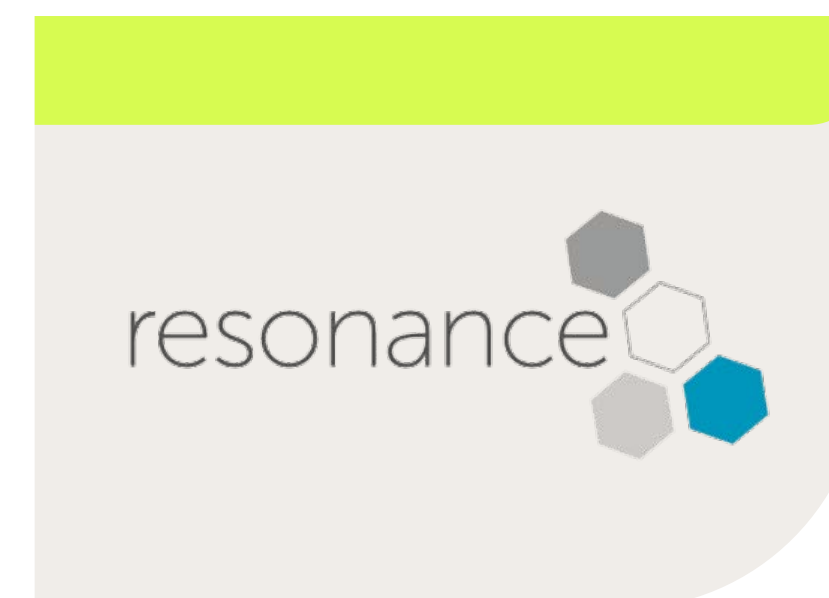
Nick Temple

CEO for Social Investment Business



Key Fund

Key Fund is responsible for a team of Relationship Managers focused on Yorkshire and Humber and the North West working on the grant assessment and grant management of applications to the fund.



Resonance

Resonance is responsible for a team of Relationship Managers focused on the Midlands and South West working on the grant assessment and grant management of applications to the fund.



National Youth Agency

The NYA is responsible for three key strands of the fund:

- 1. Engagement:**
 - communications and engagement with the wider youth sector.
- 2. Youth and youth sector governance:**
 - Convening and managing the Young Assessors Panel which feeds into the Assessment Panel
 - Convening and managing the Quality Practice Panel and Youth Sector Panel which feeds into the Assessment Panel
- 3. Development support:**
 - Drawing up development plans for each grantee
 - Supporting each grantee to meet the goals of their development plan

 **Youth Investment Fund**
[Find out more on our website](#)

Influence

Social Investment Business aims to foster greater recognition of social economies' contributions to a resilient, diverse and more equal society, and has an ambition to expand appropriate funding from public, private and philanthropic sources of capital.



Social Investment Forum

Over the past year, Social Investment Business has led several pieces of work that are used to provide a collective voice of the social investment sector.

These include:

- [A map](#) of current social investment deals across the UK, with analysis demonstrating that 43% of social investment deals have gone to the government's Levelling Up Priority 1 areas – a total of £521m across almost 2,000 deals.
- Facilitated a rapid evidence collection exercise on the cost-of-living crisis on behalf of the Social Investment Forum – both in terms of how it is affecting the social investment sector at investor/infrastructure level and the impact for VCSEs and their beneficiaries.
- Carried out [research](#) under its 'Future Needs' working group that aims to move beyond asking what form of money organisations want (loan, grant, blended, equity) and focuses instead on assessing the product features that are most appropriate and desirable for charities and social enterprises when they are looking to take on investment. Our research will help develop the sector's understanding of the current and future needs of the social economy and, vitally, help to ensure that we can offer products which are built around the needs of charities and social enterprises.

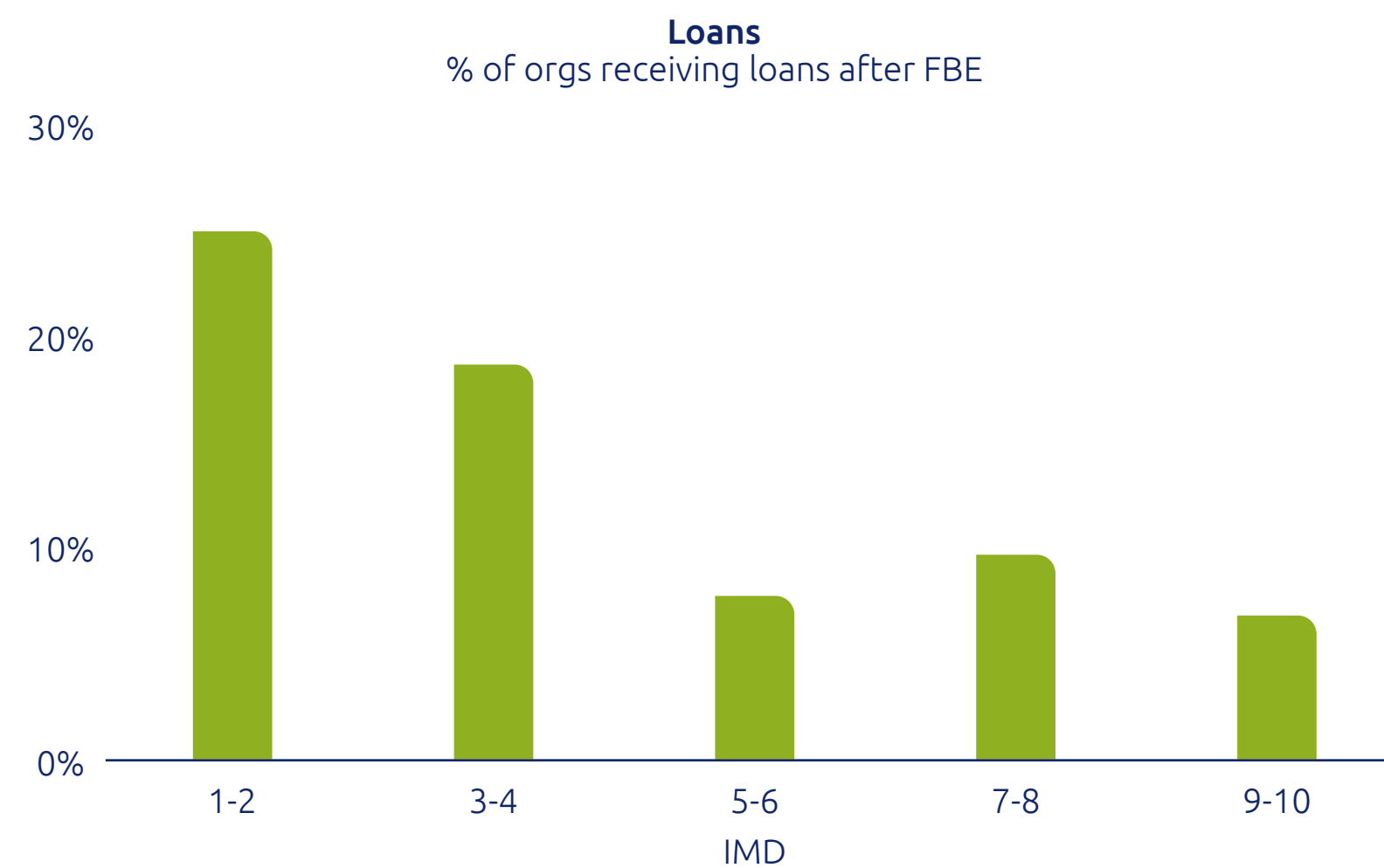


Futurebuilders research – Lessons learnt and next steps

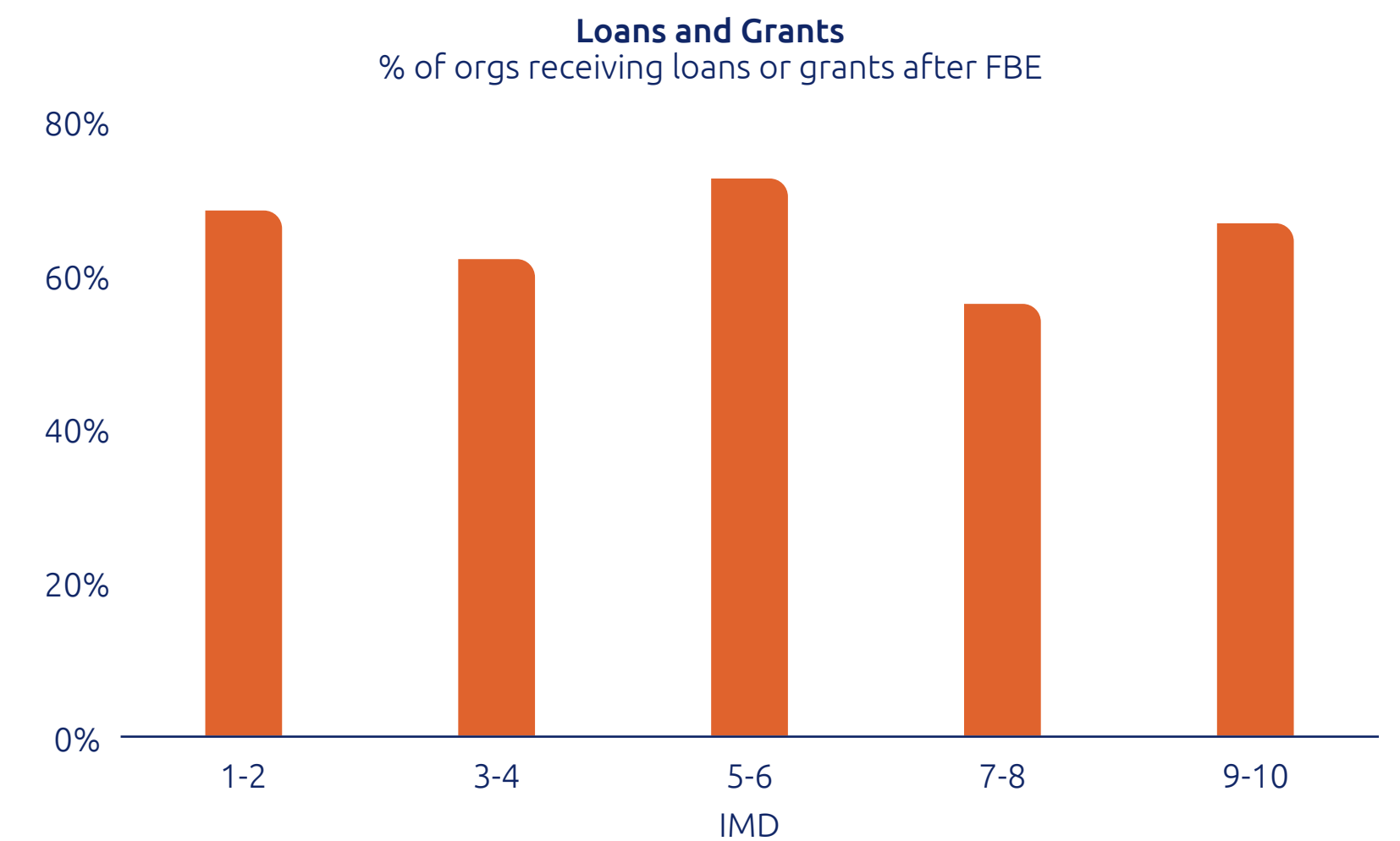
Futurebuilders was a ground-breaking, Government-backed, social investment fund that provided repayable finance to charities and social enterprises in England to help them bid for, win and deliver public service contracts.

Since May 2019, Social Investment Business has been working with DCMS to build the social investment evidence base through the Futurebuilders Learning project. In the last year, Social Investment Business published the overall [findings of the Futurebuilders project](#). Outputs included a [policy briefing](#) and a [presentation](#) reviewing all findings.

The Futurebuilders Learning project has provided answers to longstanding questions about how repayable finance can be successfully deployed to charities and social enterprises.



Our analysis of the Futurebuilders portfolio has demonstrated how patience and flexible investment can effectively support the social economy at scale while providing modest financial returns. Our analysis has revealed four key ingredients for making social investment work effectively: blend, flexibility, support and patience. Social investment is unique in its long-term approach that blends grants and loans, and



encourages adaptability, flexibility and resilience. One part of these outputs included the analysis we carried out into the effects of Futurebuilders investment on accessing future finance. Futurebuilders played a significant role in changing the mindset of the social sector, introducing loans as a sustainable form of funding and representing a significant departure from a purely grant-based model. This opened

new avenues to finance that may have previously been inaccessible, particularly benefitting organisations working in more deprived areas to access additional loans. Social Investment Business found £380 million of additional loans and grants awarded to these organisations following Futurebuilders, which is likely to still be an underestimate due to lack of access to most commercial lending data.

Scoping a new approach to social value through social investment

As Futurebuilders England Fund aimed to support charities and social enterprises to bid for, win and deliver public service contracts, Social Investment Business built on our analysis of the portfolio and explored the role that social investment can play in supporting the social value agenda.

The forthcoming Transforming Public Procurement Bill is set to bring about substantial changes to the UK's public procurement regime, with an explicit commitment to unleash opportunities for small businesses, charities and social enterprises to innovate in public service delivery. This ambition was also emphasised in the recent government Levelling Up White Paper, which reaffirmed the government's commitment to putting social value at the heart of commissioning and procurement.



There is a great opportunity to transform public service delivery through the social economy.

This year we published a [report](#) on scoping a new approach to social value through social investment. Our report identified four key barriers that charities and social enterprises face in attempting to access government contracts.

- The current commissioning landscape does not support organisational growth.
- The bidding process does not favour smaller charities and social enterprises.
- Joint ventures or engaging in supply chains can be helpful, but also have drawbacks.
- Engagement with social value agenda is patchy and inconsistent.

Looking forward

In the next phase of this project, we propose taking the analysis to a hyper-local level to develop genuine insight into the social economy in context. This would draw upon qualitative and quantitative data sets to develop working models on the interaction between social investment and commissioning and procurement and local asset ownership. This would give us important insight into the real and potential impacts of social investment in place.

It will also draw on complementary data sets, including combining real-time transaction data at the local level with social economy data to develop a contextual understanding of the different market conditions that are conducive to a thriving social economy.

This work is of relevance to several current UK policy priorities, including transforming public procurement with a greater focus on social value, and the wider levelling up agenda. The intention is to add to the growing evidence base on the impact of community and social infrastructure at a local level and to develop our understanding of the actions and factors that enhance the financial sustainability of this kind of infrastructure.

Influencing policy

Last October we hosted an event with the Institute for Government at the Conservative Party conference. The session focused on how central and local government can work with businesses and the social economy to drive levelling up.

Our Chair, Rt. Hon Hazel Blears, shared the vital role government can play in collaborating with business and the social economy in driving up the levelling up agenda, and the importance of procurement and the social value agenda. She commended the Youth Investment Fund, which Social Investment Business is delivering, and the potential of the fund to turbo-charge the social economy, especially across the youth sector.

She highlighted three key ingredients to grow the social economy:

- Mainstreaming social value
- Bringing together social investment, conventional capital and pensions for investment to support areas, stressing that conventional capital is eager to support the ESG agenda, and this is a great opportunity for impact investing
- Make social investment affordable.



“We all live in communities, people care about where they live, social infrastructure is integral to getting the economy growing. It is not an academic exercise – the reality is that this is about people.”

Rt. Hon. Hazel Blears

Responding to the question of why the social economy is critical to economic growth.

Levelling up

When the UK Government launched the Levelling up White Paper, we welcomed the emphasis on building social capital and social infrastructure and the meaningful engagement with measures of wellbeing beyond pure economic metrics. However, we stressed that if government is committed to using data better, it needs to draw on existing sources and insights, particularly those which help understand how the pandemic has affected different places in different ways. Achieving these ambitious levelling up goals will require more detailed plans with adequate resources attached, and more effective use of data. It will also require greater integration between public, private and social sector spending. We noted that the proposed approach currently lacks the level of ambition and resourcing necessary to tackle these structural challenges and deliver the necessary reforms. We welcomed three specific ambitions:

- Leveraging local authority pension schemes for local projects
- Embedding social value in commissioning and procurement
- Regeneration and community investment.

We look forward to working with government, the private sector, our social sector partners – and most importantly those who live in these communities – to make change happen.

Speaking out

Social Investment Business has an ongoing partnership with the *Financial Times* to assist in data analysis of economic activity through card spend data. This analysis is crucial in helping us identify areas of need in real time.

Several articles have been published since this partnership began, about the impact of the pandemic on commuter towns, the bounce back in spending and retail revival on the high street. One [Financial Times feature](#), using SIB data from bank customers' card transactions, showed that high street sales are now greater than pre-pandemic in the majority of Britain's local authority areas.

With fewer people regularly commuting, consumers are changing their habits and opting to shop in their local communities. However, London presents a very different picture, with fewer people returning to the London offices and jobs in favour of remote or hybrid working.

Retail high street spend in London was still 10% below pre-pandemic levels.

Another [Financial Times feature](#) showed that midsized town high streets, especially in the north and Midlands, had outperformed wealthier larger cities, like the city of London, and that larger towns and cities in the south have been more affected than the north by the pandemic and its impact on commuting, travel and retail spending. It also showed that Scotland and Wales have done better than almost every English region.

How the pandemic transformed Britain's commuter towns

One [Financial Times feature](#) showed that the pandemic, by encouraging hybrid and remote working, has changed people's spending habits and opened up different options in where they live, shop, access services and volunteer – and has also enabled more people to recoup more time from the usual daily commute to spend in local communities.

Data shows that the permanence of hybrid working is playing out differently in UK commuter towns. The economy is shifting from city centres, like London and Edinburgh, to outlying areas, impacting spending habits. For example, it has opened up more opportunities to live outside of the capital, in towns like Hasting, as it is now affordable and manageable to commute from Hastings to London a couple of times a week, with implications for the local housing market and economy.

The impact of council investment on reviving deprived towns

[This feature](#), using SIB data, showed how the impact of the pandemic on people's daily work habits, together with local authority investment, can drive positive change. Knowsley council invested in kickstarting the local economy by investing in retail revival, including buying up retail space and brokering a deal with Morrisons, and as a result has become one of the fastest-growing local authorities for retail. By comparison some areas like London and other cities that previously relied on commuters have lagged way behind.

Social Investment Business also joined with the Impact Investment Institute, Big Society Capital, Responsible Finance, Social Investment Scotland and the Social Investment Forum on a piece for the *Financial Times* calling for charities to have the same access to loans as businesses. Together we argued that charities should have the same access, especially with the rising cost of living and higher levels of economic inequality.

Excellence

Social Investment Business is committed to listening and responding to our customers and partners and driving a culture of excellence is in all that we do.



Responding to feedback

Social Investment Business has invested in ensuring feedback from customers has been collected, shared and acted upon.

This year we have developed new approaches including:

- Approving a formal customer procedure outlining how customer feedback will be gathered at each point in the process.
- Developing systems for ensuring all customer enquiries and actions taken as a result of any feedback are managed and tracked on our CRM system, providing clear oversight of engagement with customers.

A responsive approach

Since implementing the new system, we have responded to 570 incoming enquiries. On average, a customer is provided with an answer to their question within 2.5 days. This response time is now an established KPI. We actively collect customer feedback from all our stakeholders on their overall satisfaction and ease of completing application forms. The average scores for overall satisfaction with the form and completion ease are:



Complaints

Social Investment Business follows a Customer Complaints Procedure, published on our website [here](#). We only received one formal complaint during the year which was investigated and responded to within the 10-day deadline.





ISO Quality Assurance

Social Investment Business ensures quality across its work, maintaining ISO 9001 standard developed by the International Organization for Standardization.

This is renewed every three years and Social Investment Business's certification was successfully reviewed and recertified this year.

During the year we had:

- ▲ A BSI Surveillance assessment in February 2022 where two minor non-conformances were raised, and follow-up actions implemented within one month.
- ▲ A Base Solutions internal audit in July 2022 that raised eight improvement opportunities of which five have already been completed.
- ▲ A BSI Certification assessment in August 2022 where Social

Investment Business was successfully re-certified and awarded a new ISO9001-2015 certificate by British Standards Institute (BSI) covering the period October 2022 to October 2025. We received a very positive assessment with no further improvements required.

- ▲ A Base Solutions internal audit in January 2023 which helped identify 10 improvement opportunities which have since been implemented.



Our people

Listening to our team

Responding to the changing nature of working patterns, lessons learnt from the pandemic and staff feedback, we decided to move from hybrid working to being a remote, flexible and office-free organisation. This has enabled us to attract a more diverse workforce from across the UK.

Every year, Social Investment Business carries out an employee engagement survey. We find it hugely valuable to help us understand how our team feel about working at Social Investment Business: what we are doing well, what we are doing less well and how we can improve. It includes questions we ask every year so that we can compare year-on-year but also includes specific questions relevant to that current period.

The survey is anonymous, but the findings are gathered and shared internally and with the Board and any actions required are put in place. The results are extremely positive: staff value working for Social Investment Business, are given opportunities to grow and develop and feel valued and praised by their managers and peers.



The mission and purpose of my company makes me feel my job is important.



2017	2018	2019	2021	2022
84%	89%	95%	100%	96%

Trend from 2021: Down 4%



I am confident to suggest new ways of doing things.



2017	2018	2019	2021	2022
78%	93%	92%	86%	88%

Trend from 2021: Up 2%



At work I have the opportunity to do what I do best every day.



2017	2018	2019	2021	2022
81%	70%	74%	86%	96%

Trend from 2021: Up 10%



My colleagues are committed to doing quality work.



2017	2018	2019	2021	2022
97%	93%	92%	97%	100%

Trend from 2021: Up 3%



This last year, I have had opportunities at work to learn and develop.



2017	2018	2019	2021	2022
88%	93%	81%	86%	96%

Trend from 2021: Up 10%



In the last seven days, I have received recognition or praise for doing good work.

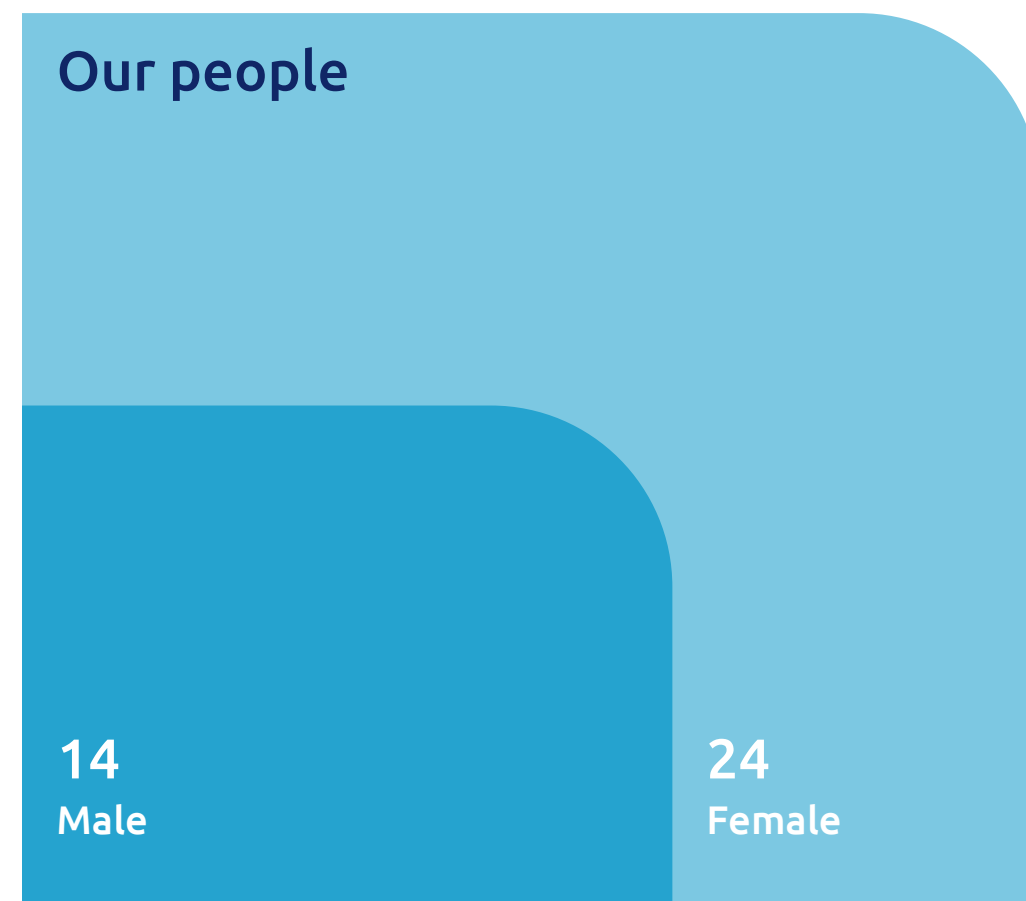


2017	2018	2019	2021	2022
60%	67%	64%	92%	96%

Trend from 2021: Up 4%

Staff turnover

Our employee turnover financial YTD is 5.29% (including dismissals, redundancies, fixed-term contract roles). According to Cendex (part of XpertHR) the not-for-profit sector saw much higher rates of employee turnover last year at an average of 20%.



Our pay

Our overall pay ratio is 4.3:1 (between the CEO and most junior employee).



We are proud to award pay over and above the living wage, and we are Living Wage Accredited. Our lowest-paid employee earns £13.33 per hour. The UK Living Wage currently stands at £10.90 per hour and London Living Wage at £11.95 per hour for 2022/23.

Pay gap reporting

Gender pay gap across all roles (not including CEO)

	Male hourly (£)	Female hourly (£)	Difference (£)	Single figure pay gap (%)
Median	22.90	19.99	2.91	14.56%
Mean	22.38	22.20	0.18	0.81%

Gender pay gap across all roles (with CEO)

	Male hourly (£)	Female hourly (£)	Difference (£)	Single figure pay gap (%)
Median	23.75	19.99	3.76	18.81%
Mean	26.48	22.20	4.28	19.28%

Gender pay gap across salary bands

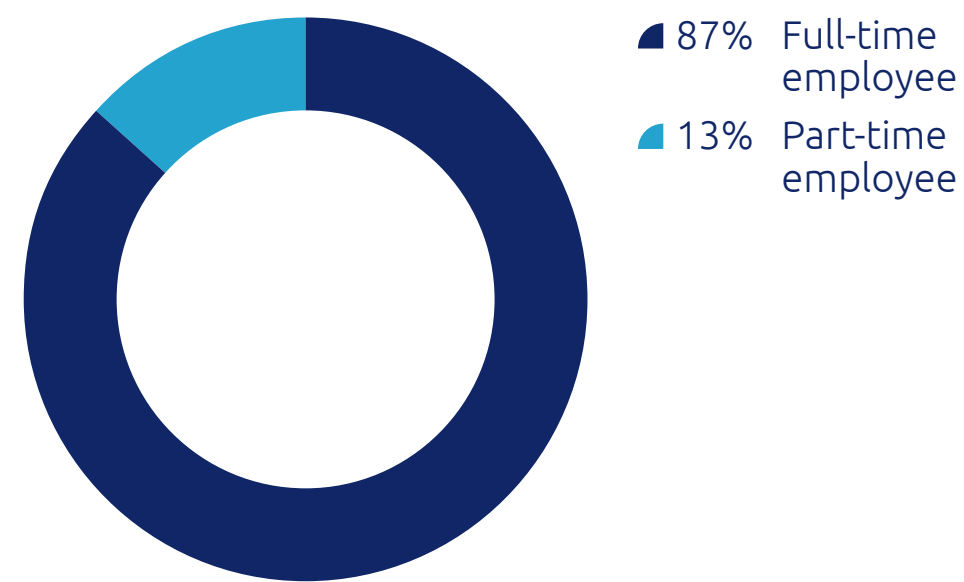
Salary band	Mean male hourly earnings (£)	Mean female hourly earnings (£)	Difference (£)	Single figure pay gap (%)
4	14.10	15.64	-1.54	-9.85%
3	20.95	21.42	-0.47	-2.19%
2	32.18	31.26	0.92	2.94%
1	42.31	41.03	1.28	3.12%

Ethnicity pay gap

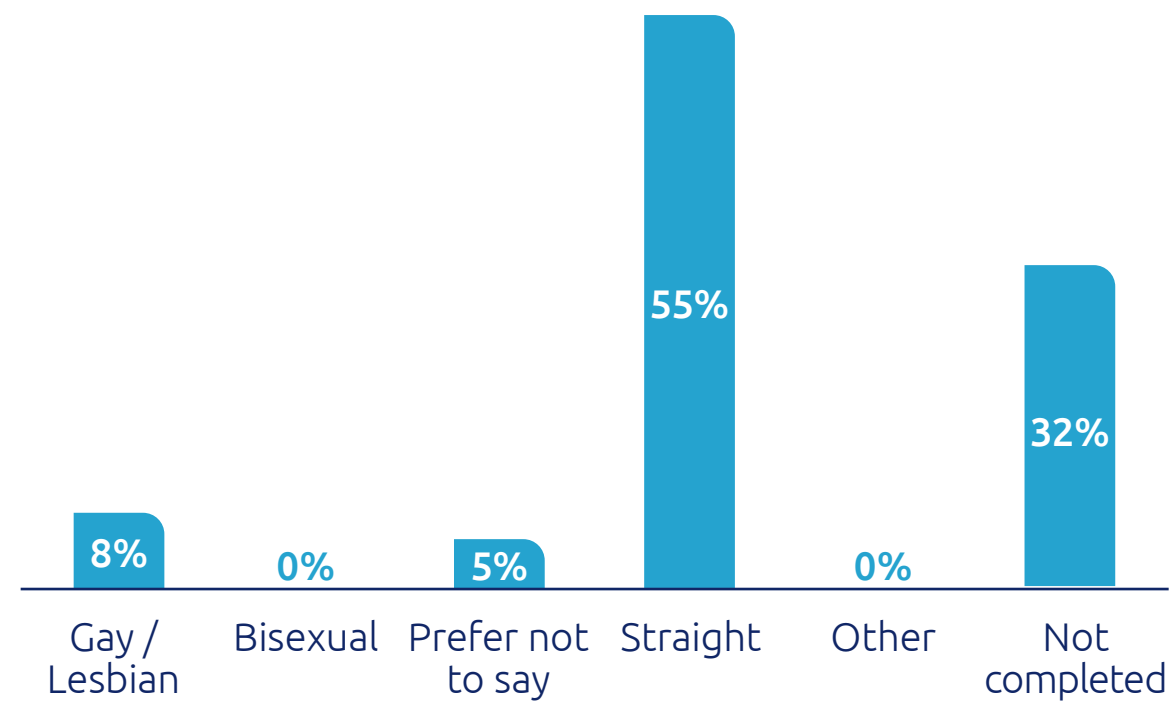
	White	Non-white	Difference (£)	Single figure pay gap (%)
Median hourly rate	21.77	19.73	2.04	10.34%
Mean hourly rate	24.90	23.75	1.15	4.84%

Diversity data (current team)

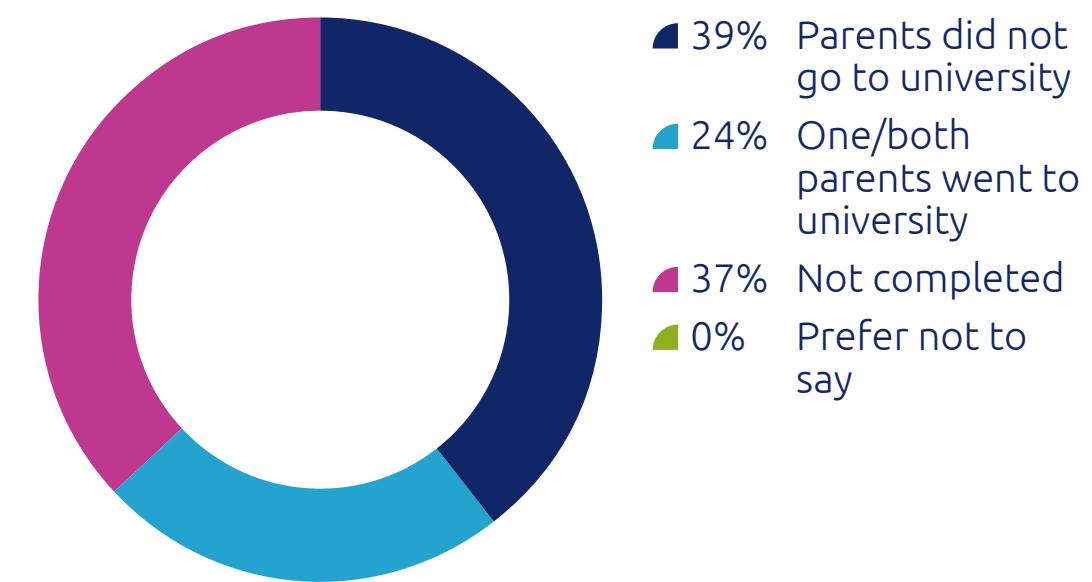
Working hours



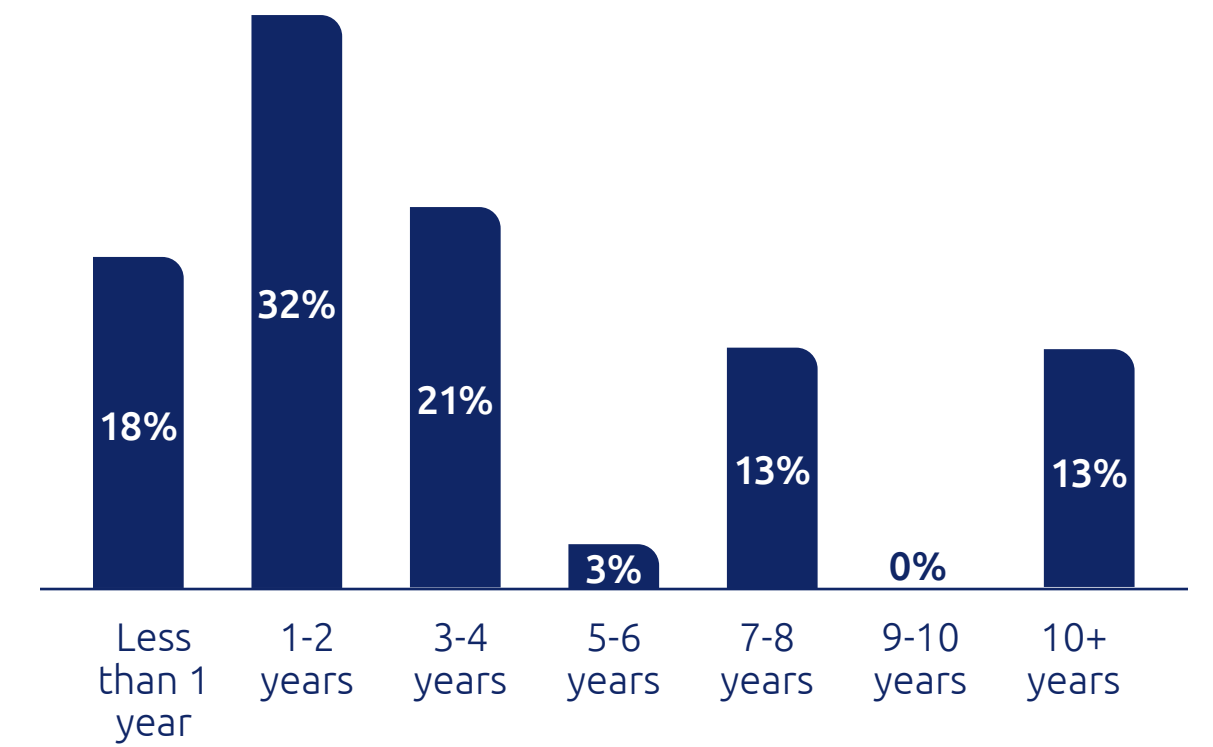
Sexuality



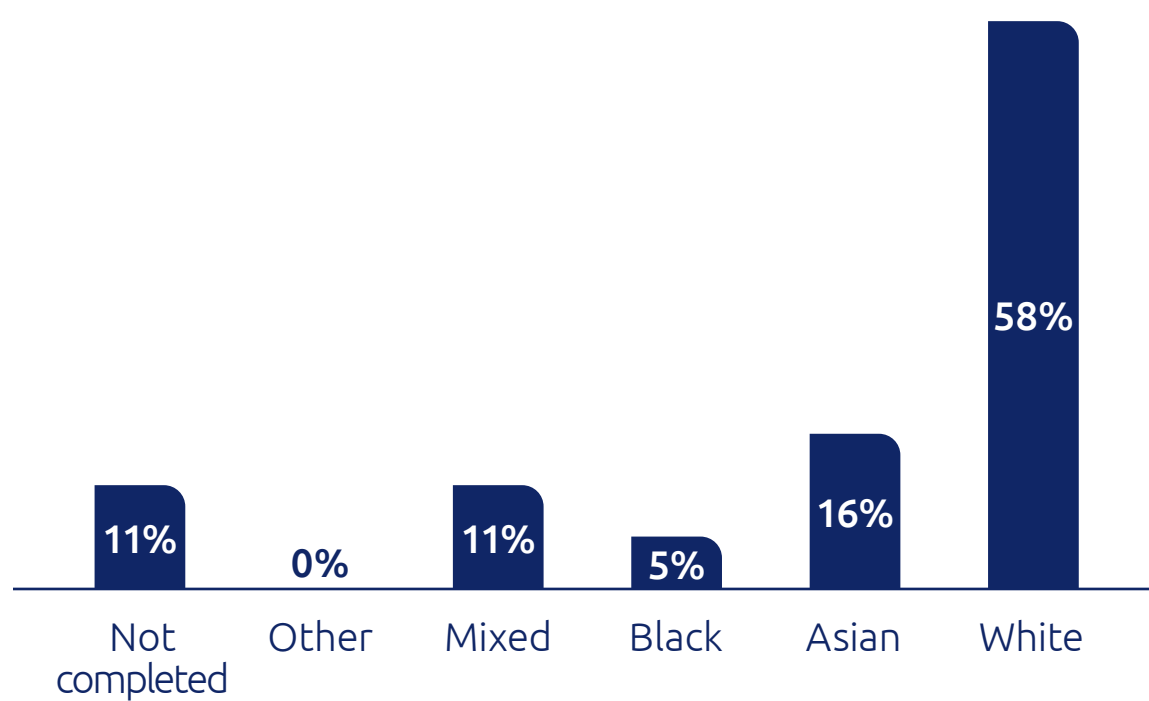
Background



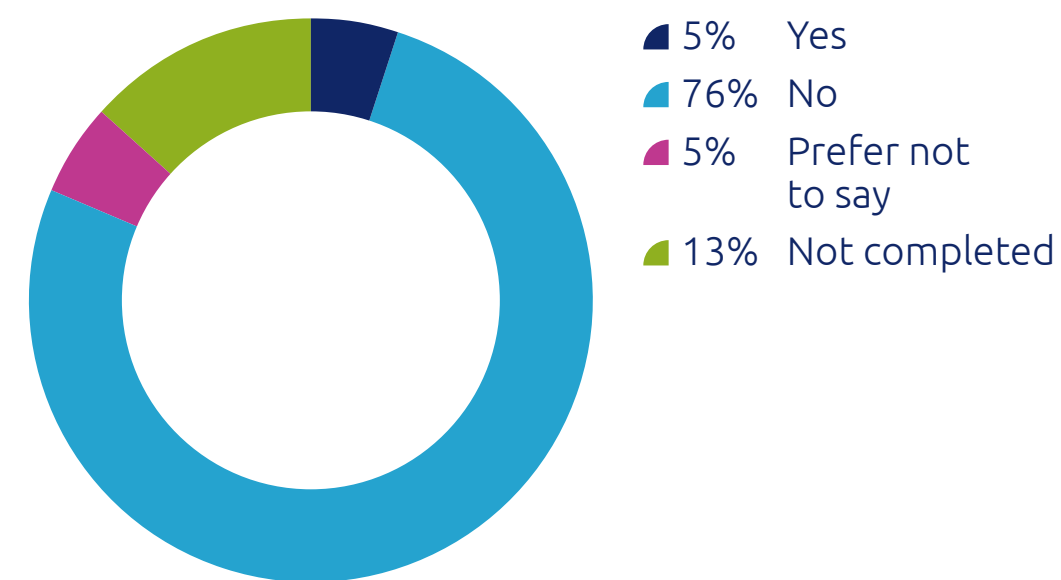
Length of service



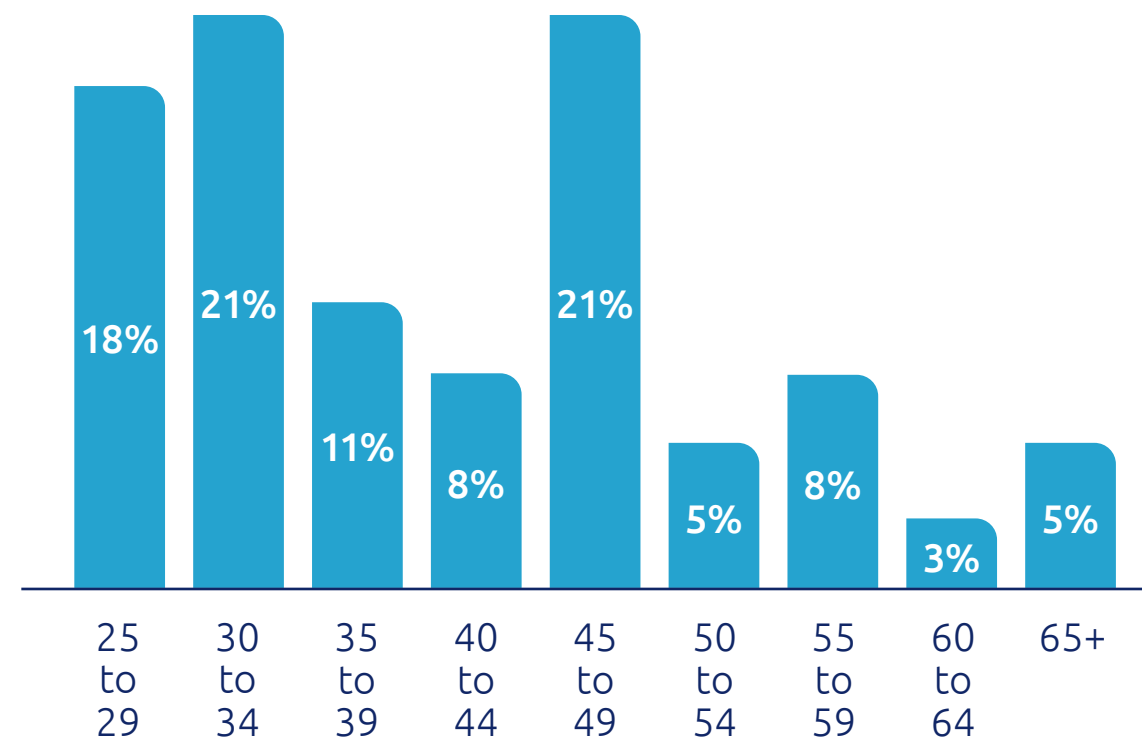
Ethnic origin



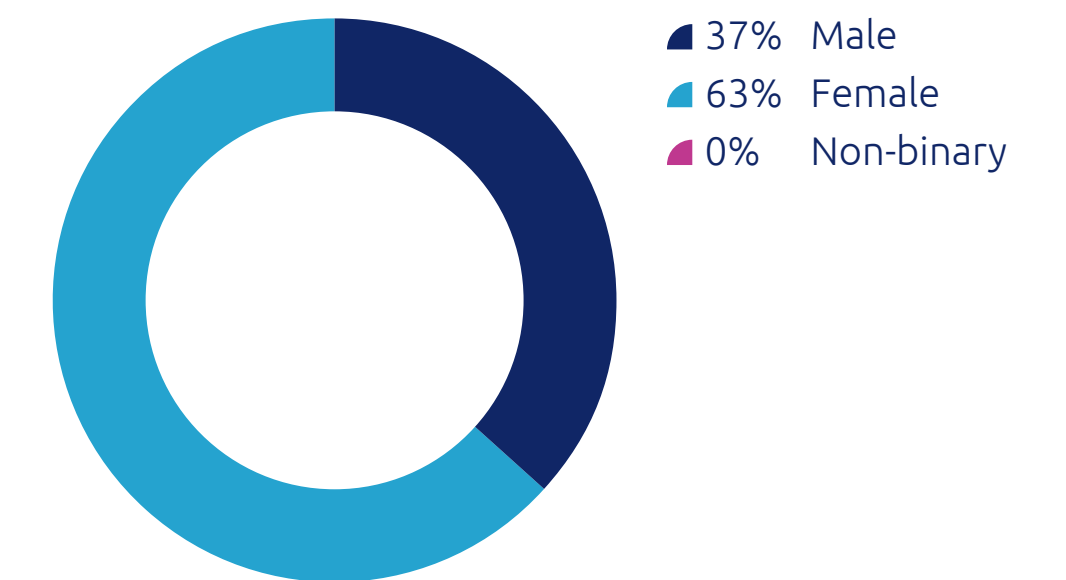
Disabilities



Age



Sex





Financial report

Social Investment Business Group is made up of the parent charity Social Investment Business Foundation, trading subsidiary Social Investment Business Limited and additional fund vehicle legal structures.

The group is made up of:

- ▲ SIB Foundation
- ▲ SIB Limited
- ▲ SIB FM
- ▲ SIB Loans

SIB also strives to put its money to work, and the Board recently approved £10m of reserves to invest in funds, programmes, partnerships and internal work that furthers our strategic objectives.

Simultaneously, the Board also approved investing £10m of our available resources with Cazenove in their Responsible Managed Asset Fund, chosen for its responsible and ethical credentials, as well as for financial return over time.



Social Investment Business supports charities and social enterprises to build stronger and fairer communities. We offer funding and flexible, adaptive support to the organisations that make up the social economy, providing them with the tools they need to make a positive difference to the communities they work within.

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