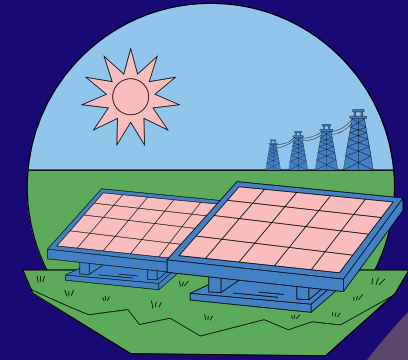




# LET'S TALK GOOD FINANCE

## ENERGY RESILIENCE



**Jane Grindey**  
Director  
**Wolverton Community  
Energy**



**Martin Landers**  
Chair  
**Tees Valley Community  
Asset Preservation Trust**



**Dan McCallum**  
Managing Director  
**Egni Co-op**



**Session chair: Melanie Mills**, Head of Social  
Sector Engagement, **Big Society Capital**

# The role of social investment

## WHAT IS IT?

Social enterprises and charities are dealing with some of the most challenging issues in the UK such as criminal justice, education, employment and training, housing and local facilities, income, rising energy and living costs and financial inclusion.

**Social investment is the use of repayable finance to help an organisation achieve its social purpose.**



# How does social investment work?

## PROFIT

Charities and social enterprises may generate a surplus (profit) through trading activities, contracts, grants and donations (or a combination of all or some of these).

## REPAYMENT

This profit / surplus is then used to repay investors.



## TOOLKIT

Social investment sits alongside donations and grants as another tool in the financial toolkit

**WATCH THE VIDEO**

# Your financial toolkit

Social investment is another tool that can support the creation of impact and help your organisation with long term resilience, sustainability and growth



Trading



Donations & fundraising



Contracts or payment by results



Banks



Social investment



Grants

You may use a combination of these tools depending on your circumstances!

# Key considerations

## PURPOSE

### What do you need it for?

- Buy an asset
- Maintain cash flow
- Kickstart your business
- Grow / innovate

## REPAYMENT

### Is there an income stream with surplus/profit?

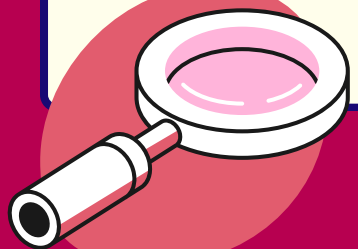
- Government contracts
- Rental income
- Membership fees
- Donations / trading

## IMPACT

### What social impact will you create?

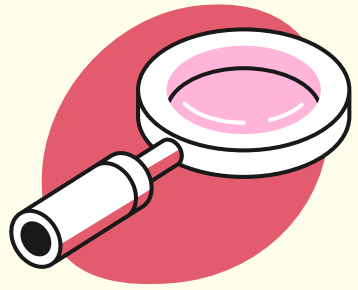
- Activities & outcomes
- Who will benefit?
- Measuring & reporting
- Sustainability

**85% of social investors are social enterprises or charities**



## There are two main kinds of social investment products available

### DEBT



This is when an organisation borrows money and pays it back, usually with interest, over a period of time.

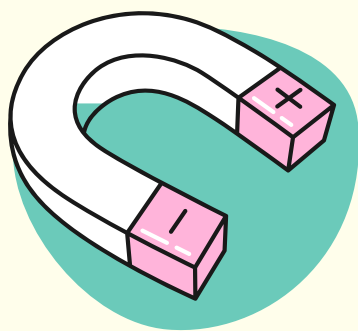
### EQUITY



This is when an organisation sells shares to an investor, so they then own a percentage of the organisation.

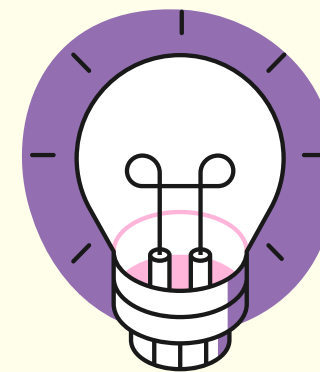
## There are two main ways of getting social investment

### ORGANISATION



- Specialist social investment firms
- Social banks
- Trusts and foundations.

### INDIVIDUAL



- Crowdfunding
- Community shares
- Angel investors

# Who are the funders?



Trusts and  
Foundations



Social Investment  
Fund Managers



Social  
Banks

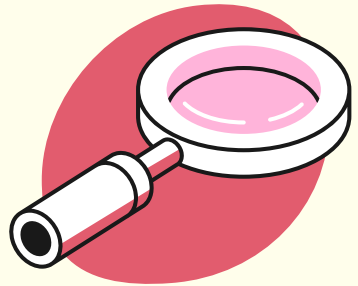


Individual  
Investors



# Additional resources

## IS IT RIGHT FOR US?



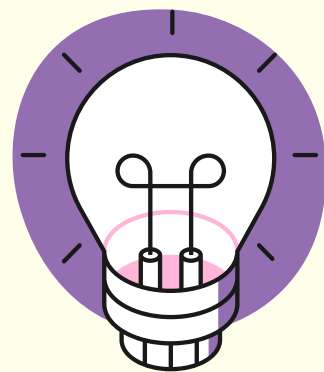
This diagnostic tool will help you to decide whether social investment is right for your organisation.

## FUND MAPPER



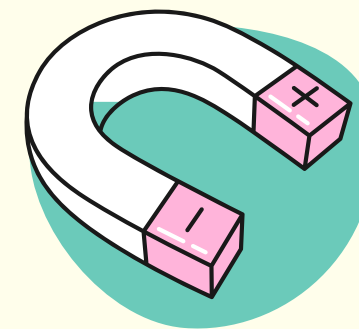
Browse our list of social investors and funds across the UK.

## JARGON BUSTER



Breaking down jargon to make social investment language easier to navigate.

## COST OF CAPITAL



Find out how much your loan could cost.



# Southmead Development Trust

**The Southmead Development Trust exists to serve the community of Southmead by primarily running the Southmead Youth Centre and the Greenway Centre. It used social investment to install solar panels.**

Duration: 7 years

Cost of capital: 4%

Turnover: £1.41 million

Amount invested: £50,000

Product type: Secured loan

[See the full case study.](#)



# Brighton & Hove Energy Services Cooperative

**Brighton and Hove Energy Services Co-operative (BHESCO) is a not-for-profit social enterprise dedicated to accelerating the transition to efficient buildings and local sustainable energy.**

Cost of capital: 0%

Amount invested: £30,000

Turnover: £250,647

Product type: Interest free loan  
(CAF Venturesome),  
community shares

[Listen to the podcast](#)



# Ambition Community Energy

**Ambition Community Energy (ACE), is a Bristol-based social enterprise generating clean, affordable energy, run by the people of Lawrence Weston.**

Duration: 3-5 years (depending on tranche)

Cost of capital: 5%

Turnover: Nil

Amount invested: £750,000 (+ £150,000 from Power to Change)

Product type: Unsecured loan (incl. overdrafts), Secured loan

**[See the full case study](#)**



# 7 Lessons Learned

1

Social investment is not benevolent money

2

Impact matters

3

It's about much more than the money

4

Honesty is always the best policy

5

Why isn't it cheaper if it's social?

6

Due diligence isn't fun but it does make your business better

7

It always takes longer than you think

