



SOURCES OF FINANCE FOR SOCIAL ENTERPRISES

ART Business Loans

Established in 1997, ART is a Community Development Finance Institution (CDFI) which provides loans between £10k- £150k to West Midlands based social enterprises and other third sector organisations when the banks are unable to help in full or part.

Telephone: 0121 359 2444

Website: www.artbusinessloans.co.uk

Big Issue Invest

Big Issue Invest is the social investment arm of The Big Issue. The organisation helps to scale up social enterprises and charities throughout the UK by providing unsecured loans through to equity investments, not grants, from £50k to £1.5 million.

Telephone: 020 7526 3430

Website: www.bigissueinvest.com

Charity Bank

Charity Bank works exclusively with social purpose organisations and lends to charities, community organisations and social enterprises. They provide loans from £50k to £2 million which can be unsecured for up to five years or secured up to twenty five years. Loans can be for property investment or refurbishment, capital investments, short term or fundraising bridging loans and working capital. Larger loans may be considered in partnership with other lenders.

Telephone: 01732 774050.

Website: www.charitybank.org

Co-operative Loan Fund

The Co-operative Loan Fund supports new and established co-operatives based in UK. Amounts offered range from £10k to £85k and can be secured or unsecured. Loans can be used for a variety of purposes including working capital or the purchase of assets. Terms are flexible, although usually do not exceed ten years.

Telephone: 01179 166750

Website: www.co-operativeloanfund.coop

Co-operative & Community Finance (formerly ICOF (Industrial Common Ownership Finance))

Applications will be considered from new and existing employee or community owned social enterprises, including co-operatives, community businesses, development trusts and businesses developed from the charitable and voluntary sector. Loans from £10k to £75k are normally available, although larger amounts up to £150k will be considered in certain circumstances. Personal guarantees are not required, although loans will be secured against assets where possible.

Telephone: 0117 916 6750

Website: www.coopfinance.coop

Key Fund Investments

Key Fund provides investment to social enterprises working across the West Midlands (and the North of England and parts of the East Midlands). The Fund offers loan packages ranging from £5k-300k to social entrepreneurs, new and existing social enterprises, and voluntary/community organisations aspiring to become social enterprises.

Telephone: 0845 140 1400

Website: www.thekeyfund.co.uk

Kingdom Bank Ltd

This organisation provides funds to buy, build, extend and develop churches, church halls, community centres and sports facilities etc. They will consider applications from UK churches, registered charities and social action projects established for at least three years. Mortgage amounts start at £25k and are based on how much the organisation can afford to repay and the value of the property. Terms are variable but can be up to 30 years. Loans have to be secured.

Telephone: 0115 921 7250

Website: www.kingdombank.co.uk

RBS Group Micro Finance Funds

Under these Funds, RBS provides loans of between £30k-£500k to viable charities, social enterprises, CICs, co-operatives, community businesses who are sustainable, deliver high levels of social value, are investment ready and do not qualify for mainstream lending.

Start-ups will be considered on a case by case basis.

Loans are offered on flexible terms including the option of capital repayment holidays. Security in an acceptable form from the borrower will normally be required.

Website: www.inspiringenterprise.rbs.com/inspiring-social/microfinance-fund

Stewardship

Stewardship lends to churches and Christian organisations. Loans are for the purchase or construction of new buildings or the development of existing

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premises. Loans up to £500k are available over a term of up to 15 years. A legal charge over the church or other property will be required as security. Very small loans may be unsecured.

Telephone: 020 8502 8565

Website: www.stewardship.org.uk

The Social Enterprise Loan Fund

TSELF is part of Big Issue Invest and has eleven regional funds (see also entry below for The Social Enterprise Loan Fund for the West Midlands), which provide loans to charities and other social enterprises that have a charitable purpose. Depending on purpose, loans up to a maximum of £250k are available.

Telephone: 020 7526 3440

Website: www.tself.org.uk

The Social Enterprise Loan Fund for the West Midlands

Covering the West Midlands, this fund provides loans for working capital, purchase of fixed assets and property purchase/improvements. Depending on purpose loans up to a maximum of £250k are available.

Telephone: 0115 974 6299 or 07946 703322

Website: www.tself.org.uk/westmidlands.html

The Social Investment Business Group

This organisation manages a number of funds including: The Community Investment Fund, Big Potential, Community Asset & Services Grants and The Investment & Contract Readiness Fund. These funds help a variety of Third Sector organisations and, depending on the individual fund, provide loans, grants, and professional support from £5k upwards.

Telephone: 0207 842 7788

Website: www.sibgroup.org.uk

Triodos Bank

Triodos lends to businesses and charities with clear social, environmental or cultural aims. Term loans, working capital loans, overdrafts, commercial mortgages and cash flow lending are provided. Generally amounts ranging between of £25k-£15m are available and larger amounts will be considered depending on needs. In addition to this, they also provide equity funding via Triodos Renewables and Triodos EIS Funds.

Telephone: 0800 328 2181

Website: www.triodos.co.uk

Unity Trust Bank

Unity lend to social enterprises, trades unions, membership organisations, credit unions and civil society organisations. A variety of loan types are provided

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including: fundraising bridging, grant bridging, investment property, property development, rent to buy, plus social mortgages and overdraft facilities. Amounts available vary but generally start at £250k up to a maximum of £6m for certain loans. Overdrafts are usually up to a maximum of £50k unsecured and £1m secured. Unity's Head Office is based in Birmingham.

Telephone: 0345 140 1000

Website: www.unity.co.uk

Venturesome

Part of the Charities Aid Foundation, CAF Venturesome provides short-term (up to five years) social investments including loans, underwriting and quasi-equity to charities, social enterprises and community groups, in circumstances where most commercial lenders cannot help. Generally amounts range from £25k-£250k, although larger sums up to £350k will be considered in certain circumstances.

Telephone: 03000 123 300

Website: www.cafonline.org/venturesome

OTHER SOURCES:

MAJOR CLEARING BANKS

For details please refer to: www.betterbusinessfinance.co.uk

OTHER LOCAL WEST MIDLANDS CDFIs

BCRS Business Loans
Coventry and Warwickshire Reinvestment Trust
Impetus- Marches Rural Reinvestment Fund
MCF Loans

For more details regarding these organisations please refer to www.findingfinance.org.uk

OTHER LOCAL SOURCES

Finance Birmingham (see www.financebirmingham.com)

ENTERPRISE FINANCE GUARANTEE SCHEME

This replaced the Small Firms Loan Guarantee Scheme and loans ranging from £1k to £1m are provided by a number of lenders to organisations with annual turnover up to £41m. Repayment terms are between three months and ten years. See under www.gov.uk/understanding-the-enterprise-finance-guarantee for more details.

In common with 'for profit' businesses, a variety of lenders provide other types of finance to social enterprises. Some are specialists in:

- Factoring/invoice discounting
- Leasing
- Asset/stock finance

More information can be found on www.alternativebusinessfunding.co.uk or www.betterbusinessfinance.co.uk.

CROWDFUNDING

An online directory of crowdfunding platforms is to be found at: www.crowdingin.com

LOCAL GRANT SCHEMES

Some of the local schemes include:

Enterprise Catalyst- limited to twelve wards of inner Birmingham (see www.birmingham.gov.uk/enterprisecatalyst)

Birmingham Post Growth Fund (see www.bournville.ac.uk/employers/birmingham-post-growth-fund/)

USEFUL WEBSITES WHICH CONTAIN DETAILS OF OTHER SOURCES OF FINANCE

www.bigsocietycapital.com/open-funds

www.fundingcentral.org.uk

www.socialenterprisewm.org.uk/help-advice/business-finance

www.socialenterprise.org.uk/advice-services/topic/finance

www.accesstofinancegreaterbirmingham.co.uk