

AT A GLANCE

SOCIAL INVESTMENT

(5th February 2025, in-person, Midland Mencap, Walsall)

Please see below the session summary of notes from the February 2025 Social Economy FORUM meeting focused on Social Investment.

OUR HOSTS | This session opportunity was kindly hosted by [Midland Mencap](#), The Walsall HUB, 17 Lichfield Street, Walsall, WS1 1TU.

OUR FACILITATOR | [Sarah Beaumont](#), [BSSEC CIC](#)

INTRODUCTION

The West Midlands [Social Economy FORUM](#) is a network of social economy organisations that meets 6 times a year to discuss key topics pertinent to the growth of the sector in the region. Our topic in February 2025 was Social Investment. Recent research highlights that organisations are significantly less likely than in other regions to use Social Investment and that the region is deemed as needing some different approaches by those developing and promoting new and existing funds. The design of this FORUM session aimed to understand the perceived barriers by organisations attending and to consider how these might be addressed.

[BSSEC CIC](#) would like to thank [Midland Mencap](#) for the use of their premises in Walsall. It was a great location and part of our resolve is to move the FORUM meetings around the region enabling access for social economy organisations everywhere in the West Midlands. It was great to be in Walsall.

Our thought leaders for the session were:

- [Melanie Mills](#) from [Better Society Capital](#).
- [Tom Bostock](#) from [Key Fund](#).
- [Josie Kelly](#) from [Access 2 Business](#).
- [Ebony Rebecca](#) from [Rose Tinted Services CIC](#).

Many thanks for your fabulous insights. Thanks also to [Charles Rapson](#), Strategic Lead for Social Economy Growth at [West Midlands Combined Authority](#) (WMCA), who gave us a short update on support for the [social economy](#) in the West Midlands through WMCA.

BARRIERS TO SOCIAL INVESTMENT FOR SOCIAL ECONOMY ORGANISATIONS

Investment Readiness: One of the primary barriers is the 'investment readiness' of social economy organisations. Many social enterprises lack the organisational capacity and governance structures needed to attract social investment.

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Access to Finance: Social enterprises often struggle to navigate the processes required for external funding and lack the confidence to make contact with investment agencies. Social organisations report being unable to navigate the social investment products available.

Governance Challenges: Governance issues can also pose significant barriers. Many social economy organisations report lack of understanding and commitment of Trustees/Boards who subsequently block social investment.

Lack of understanding of the potential of social investment: Many social economy organisations continue to be grant-reliant not recognising the business opportunities that can be accessed by using loan finance to enhance growth.

Social Impact measurement: Different for each investor which can be difficult to manage.

Policy and Regulatory Environment: The policy and regulatory environment can either enable or hinder social investment. Supportive policies and frameworks are essential for the growth of social businesses.

These barriers highlight the need for social economy organisations to grow their confidence, plan for growth, build their organisational capacity, improve governance, and navigate the policy and regulatory landscape to attract social investment.

HOW DO YOU START?

We began the session by considering all the things that organisations could seek finance (any kind of resource) for:

Themes – how would you fund these developments?	Comments
New Buildings – purchase, rent, move to a new area to develop services etc	Community asset transfer. English equivalent of ‘Crofters Act’. A property fund is needed (share the space to share the load). Pilot projects in specific wards for Net Zero – grants.
Introduce better technology to support growth	Technology as a service, Workwell – Digital upskilling. Tech development for better service integration. Education/places of learning. Development with tech companies.
Recruit more staff	Business plan and identify growth opportunities to inform Social Investment.

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Cash flow (public sector contract, new machinery, extra staff)	<p>EIS/SEIS qualifications.</p> <p>Reverse discounting.</p> <p>Flexible finance.</p> <p>Shorter payout times. 30 days from invoicing does not sustain day-to-day operations, change contract terms.</p>
Research and development and new products and services	<p>The apprenticeship levy.</p> <p>Community shares.</p> <p>Develop new services to reduce reliance on grant funding.</p> <p>Increase demand for community-facing activities that would not be funded by traditional income streams.</p> <p>Could use small grants from the council – but they are usually for specific outputs/outcome.</p> <p>Full advantage of R and D tax credits.</p> <p>Social prescribing, Meeting the changing needs in the healthcare landscape, expanding services.</p> <p>Match crowd funding.</p>
Double your impact	<p>The development of new services and products that in turn fund staff.</p>
Support partnership working	<p>Consortia building – use blended finance.</p> <p>Employability and training joint working.</p> <p>Creating pathways to avoid duplication of platforms, activities, and support available.</p> <p>Locality leads in Walsall – support specific areas by bringing groups together.</p>
Merger and or acquisition	<i>No comments on this sheet!</i>
Succession planning	Social investment.

There were many comments about continued use of grants e.g. Reach Fund, Lottery etc however, we did discover that it is possible to borrow very small amounts such as £10,000 as a loan – a similar figure to Awards for All.

Needs:

- Promotion and being funder ready.
- Videos of projects/orgs accessing finance.
- Support for core costs.
- Support for negotiations with landlords.

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- Framework for the best open referral that takes account of GDPR, community investment where the people hold the partners to account.
- UCS covenant to include social economy.
- Pricing to share data.
- Access to the funders portal.
- Available to grass roots groups, new starters and is locality based.

INFORMATION AND TOOLS AVAILABLE TO SUPPORT SOCIAL INVESTMENT

The [Good Finance website](#) is an excellent starting point for those thinking about social investment. To use the site effectively, begin by exploring the [Investor Directory](#) and [Case Studies](#) sections.

The Investor Directory allows organisations to filter investors by geography, social issue, amount, and type of lending product, helping them find the most relevant options for their needs.

The Case Studies section provides peer stories and examples that can offer valuable insights and inspiration.

These resources are designed to help social economy organisations understand the landscape of social investment and identify potential opportunities for growth and development. By leveraging these tools, they can gain a clearer understanding of how to navigate the social investment process and connect with the right investors for your organization.

Good Finance will also be launching bitesize learning modules in Legal Structures and Due Diligence in April this year. *Watch out for these!*

Case studies such as Ebony's from Rose Tinted Financial Services CIC really help people and organisations to understand the processes and benefits of taking social investment. Ebony shared that the most important thing the process gave her was, it really helped her to think about scaling. She told the group that she felt without the support and investment she would not have had the business growth or the ambition to continue to grow her social business.

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CONCLUSIONS

The conversations, discussions and questions were broad and varied. The reflections from the group were that it had been 'rich in information' and everyone felt they had learnt something. Over 50 percent of those attending will likely explore social finance for the first time or take out additional loans, some did come knowing what they were looking for. The figures being explored varied from millions to very small amounts.

There is work to be done to help boards of social economy organisations to realise that accessing social investment is 'common' and 'usual'. Good use should be made of case studies and resources.

Social investment needs to be part of the 'finance' training for new start-ups and growing businesses and social entrepreneurs need help to understand how to grow. It needs to be embedded as a golden thread in how social businesses operate.

