

AT A GLANCE

FINANCIAL PLANNING & your Social Business
(18th September 2024, in-person, Provision House, Dudley)

Please see below the session summary of notes from the September 2024 Social Economy FORUM meeting focused on 'FINANCIAL PLANNING & your Social Business'.

OUR HOSTS | This session opportunity was kindly hosted by [Provision House](#), 80-81 High Street, Dudley, DY1 1PY.

OUR EXPERT INSIGHTS | The invited experts for this FINANCIAL PLANNING session are gratefully acknowledged for their time and contribution:

- [Tom Clarke-Forrest](#) CEO, [Sport4Life](#)
- [Shamsher Dharsani](#) Capacity Development Coach, [Sandwell Council of Voluntary Organisations](#) (SCVO)

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

INTRODUCTION

The [Social Economy FORUM](#) provides a voice of the sector to [West Midlands Combined Authority](#) (WMCA) and key public sector organisations. BSSEC CIC reports on each session by raising key issues and concerns regarding barriers to sector growth emerging from the discussion.

The FORUM has been running for over 18 months. BSSEC CIC made an informed decision to move these face-to-face sessions around the region to different venues to connect more broadly with the social economy sector.

BSSEC CIC would like to thank [Provision House](#) in Dudley for providing our venue and superb refreshments in September 2024. They are one of the new [Clusters](#) within the West Midlands, a hot spot for [social economy activity](#).

Copies of all previous reports are on the BSSEC website in our [RESOURCES](#) section.

CONTEXT

The theme for this session is important for all social economy organisations and while it can often be assumed that everyone is confident in managing 'the money'. What happens in reality is managers often struggle with finding the time and expertise to support this element of their business.

There is an expectation that all social organisations ensure **financial** sustainability by having a clear business **plan**, and diversify their income by knowing how to use the range of **financial** toolkits to be certain they are on track. We also expect that all social businesses produce management accounts to track income and expenditure and to support decision-making impacted by finances.

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Knowing what tools are available in your financial toolkit will make seeking funding easier, whether it be grants, traditional loans through banks or social investment.

Research within the West Midlands by [Better Society Capital](#) has identified that social economy organisations in the West Midlands are not taking advantage of social investment to grow and the region has one of lowest uptakes. Other research has identified low levels of financial confidence as a barrier to sector growth and uncertainty regarding where to go for support.

We know also that social business leaders are looking for exemplars to give them confidence.

The session was well attended and the discussion lively.

SPEAKERS

BSSEC CIC would like to thank the two speakers we had to inform the discussion.

TOM CLARKE-FOREST who gave insights on running and growing his social enterprise, Sport 4 Life UK, and his approach to understanding and managing the finances of his organisation. He covered budgeting, planning for growth, monitoring, borrowing or use of grants, income generation, financial systems and approaches he has used to support organisational growth.

[Sport 4 Life UK | West Midlands Youth Employment Charity](#)

Tom spoke about his journey as an organisation which began in 2006 as a small project working in the community of Ladywood with a philosophy of 'sport for sport's sake'. Initially, they were very output-driven, driving young people into sports participation and their work and approaches reflected this.

In 2010 they had a light bulb moment and changed their focus to being an impact-focused business. It became 'the vehicle, conduit, and tool to facilitate social good'. For the past 16 years they have been delivering meaningful and sustainable social impact as a leading 'sport for employment' organisation by changing the lives of young people.

Tom spoke about the learning and growth that has been part of their journey and the importance of their strategic priorities that underpin the work of the charity.

SHAMSHER DHARSANI BA MBA, Sandwell Council of Voluntary Organisations (SCVO) spoke eloquently about his experiences when advising organisations. He spoke about why good financial management is essential to a successful social business. And he covered the following key questions:

- How do you finance growth and development?
- How to recognise when social investment could be a good solution for a social economy organisation? [grant or loan?]
- When Social investments may not be a good solution? Some examples of both types & hybrid possibilities.

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Please see his attached PowerPoint for the full presentation.

[Home - scvo.info](https://www.scvo.info) - SCVO also has an excellent [funding portal](#) linked to their website.

FOLLOW ON DISCUSSION

‘The FORUM’ design is to create a discussion environment where social economy organisations can speak about the barriers they are facing for organisational growth, explore concepts, and develop partnerships.

Two key themes emerged from the conversation in September and these were:

- A. Accessing social investment including how to access.
- B. Understanding what is required by funders and commissioners when they ask for ‘social impact’.

Social Investment: organisations reported not understanding how to navigate between support organisations to get unbiased support. They spoke about a lack of confidence concerning social investment and in particular the decision regarding grant or social investment. They were unaware of the products available.

For further information: Social investment is the **use of repayable finance to help an organisation achieve a social purpose**. Charities and social enterprises can use repayable finance to help them increase their impact on society, for example by growing their business, providing working capital for contract delivery, or buying assets.

- [What is social investment? | Good Finance.](#)
- To learn more about social investment [click here.](#)
- Check whether it is right for you via their quick 3-minute diagnostic tool, [click here.](#)
- [What is a Social Enterprise? | Good Finance.](#)

Social Impact: there was some discussion initially regarding the difference between social impact and social value, with some thinking it was the same thing and others speaking about the difference.

So, there is a fundamental question ‘what do we mean by social impact?’.

The attendees were looking to quantify its importance, should it be monetising the concept? Or should it be storytelling or something in between? Calculations are very short term not taking into account the complex operating environment or other interventions.

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[Guides & Resources | Good Finance](#) for guides and resources on social impact.

The recommendations from this Social Economy FORUM are that the two subsequent sessions should focus on Access to Social Investment and Understanding Social Impact. These should be from the perspective of leaders and staff in social economy organisations and there is a likelihood that there may need to be more than one session.

In addition, these requests will be passed onto WMCA for inclusion in conversations with current contract holders for infrastructure support.

