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# Let's Talk Good Finance

## Half-Year Update July 2018

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## Let's Talk Good Finance

[Let's Talk Good Finance \(LTGF\)](#) is a hub of local investment networks created to provide charities and social enterprises with a local safe space to know more about social investment and better navigate the market. This is done through a series of events that take place across the UK.

All attendees to a LTGF were sent a post-event survey. We also sent a post-event survey to investors who presented at a LTGF. This report includes the highlights from both surveys.

### Event numbers and locations

So far in 2018, 9 events have been delivered in: Hull, Hatfield, Oxford, Horncastle, Ipswich, Brighton, Northampton, Wigan, Cornwall and Sunderland.

Planning for the autumn programme has started with a further 6 events planned in Plymouth, Leeds, Birmingham, Salford, London, Medway/Hampshire.

### The audience

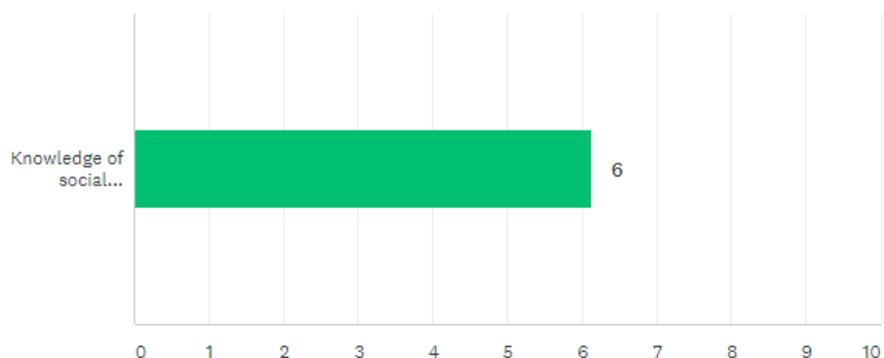
To date, almost 300 people have attended a LTGF with almost all unique attendees. This very much supports the roving place based approach. For example, within the North West we have held events in Manchester and Wigan; and in the Midlands, we've held them in Northampton, Coventry, Oxford and Telford.

#### Knowledge of social investment

Compared to the previous year, knowledge of social investment amongst attendees hasn't changed much. Last year, the average was 6.37 and this year, it's 6.15.

*On a scale of 1-10, how would you rate your knowledge of social investment? (1 represents no knowledge at all, 10 represents very informed).*

Answered: 74 Skipped: 1



What is interesting is that anecdotally our attendees are usually split fairly evenly into thirds across the three [Good Finance](#) user types:

<p style="text-align: center;"><b>Grass Roots</b></p> <p>You are new to this game. You are driven by passion and operate on a small scale. You are passionate about making a change in your community however you lack the knowledge/expertise to plan ahead. Your focus is very local and you think day-to-day.</p> <p>You have a low level of knowledge about what social investment is or why/how you might use it. You worry about getting into debt and don't see the need to generate income.</p>
<p style="text-align: center;"><b>Go Getter</b></p> <p>You are a big picture thinker. You are all about ideas. You are straight to the point and know what you want and think – you have clear views. You influence others around you, your ambition is infectious.</p> <p>Your social mission will always be your main driver but you are learning to appreciate the commercial context that can sit around this. Everything you know about business and finance you are learning from experience. You forge your own journey by begging, borrowing and stealing from best practice and adapting it to fit your needs.</p>
<p style="text-align: center;"><b>Business Savvy</b></p> <p>You are motivated and experienced. You have a sound balance of empathy and business know-how. You think long term and are considered in your approach.</p> <p>You are well versed in investment/finance. You understand that charities and non-profits are businesses and should be run as such – in a way that prevents them from running at a loss. However, your values and mission always come first. Achieving greater impact is what drives your ambition. Ensuring that you work with companies that share your ethos is top priority.</p>

From the survey responses, the profile shows:

- 20% of attendees self-identify as grassroots (rating their knowledge 1-4)
- 55% of attendees self-identify as go-getters (rating their knowledge 5-7)
- 24% of attendees self-identify as business savvy (rating their knowledge 8-10)

There have however been some stand out events like the first one we held with GMCVO in Manchester in March where we were over-subscribed with a waiting list. There, it was evident we had the most live deals in the room.

In comparison, we ran an event with only 16 people in Horncastle in very rural Lincolnshire in partnership with Key Fund and Lincolnshire Community Foundation. And despite the small number of attendees, there seemed some really credible opportunities in the room (one which I am aware is now at credit committee stage of consideration).

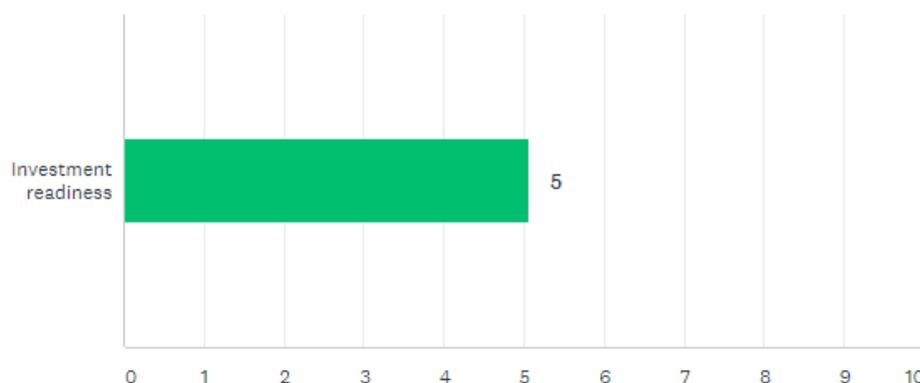
Significantly though, knowledge does not directly correlate to confidence. The lag time is consistent with this result from twelve months ago, decreasing slightly from 5.7 to 5. Perhaps indicative of how LTGF is now starting to move outside our original focus areas and reaching into communities where this is only now becoming part of the conversation.

### Readiness to take on repayable finance

Almost 34% of attendees who responded to the survey are actively considering social investment and 13.5% have used it before.

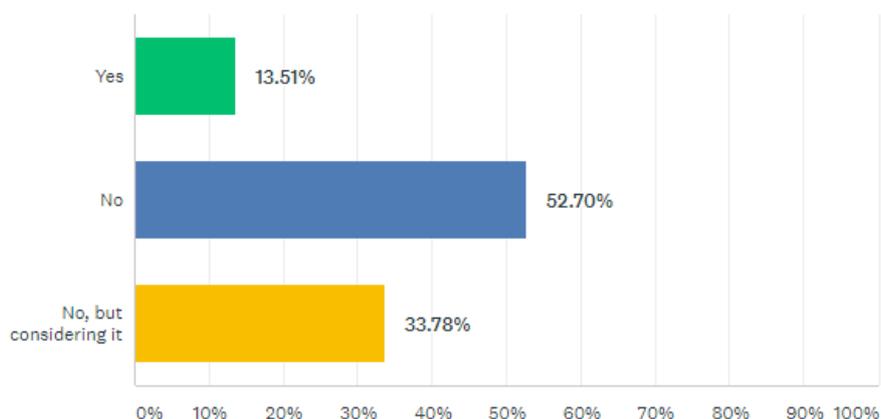
*On a scale of 1-10, how ready do you feel your organisation is to take on repayable finance? (1 represents not prepared, 10 represents ready).*

Answered: 69 Skipped: 6



*Have you used social investment?*

Answered: 74 Skipped: 1

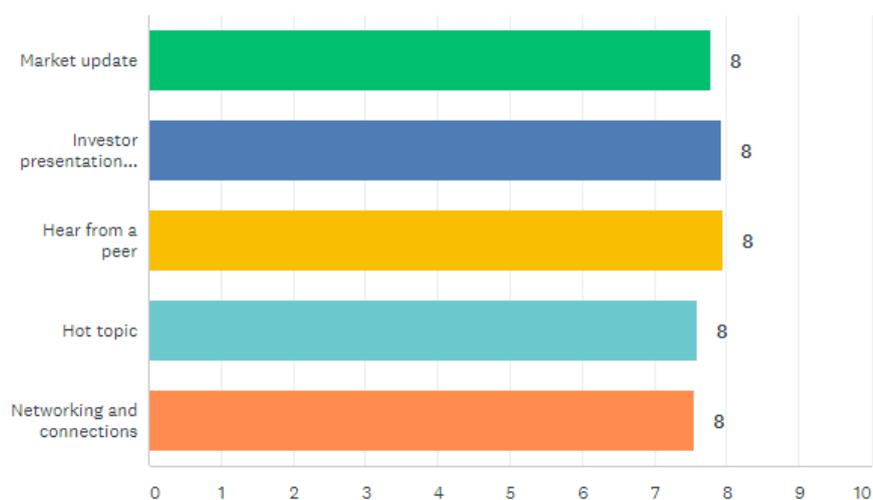


### Content

The Hear from a Peer slot continues to be the most popular content. However, the investor presentations have also gained in value (we give strong guidance to focus on practical case studies which seems to work well). Encouragingly, all the different slots are really well balanced with nothing scoring less than 7.7 out of 10!

On a scale of 1-10, how would you rate the different component parts of the event? (1 represents not very interesting, 10 represents interesting).

Answered: 75 Skipped: 0



From January to July, the 'hot topic' has been on [Social Investment Tax Relief](#).

### Speakers

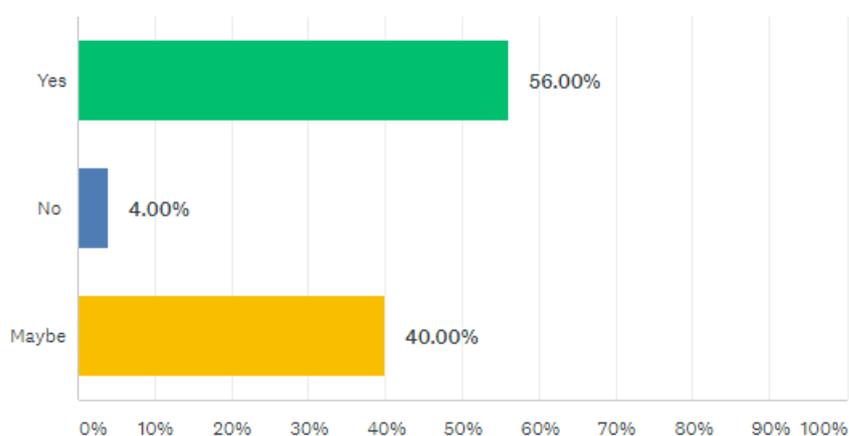
We have featured investors 22 different investors over 32 events. Providing first time speaking opportunities for social investors including Nat West Social and Sustainable Capital, Seedbed, CWRT, First Ark, GMCVO, Foundation East, Plymouth Council.

### Feedback from attendees

56% of respondents said they would attend another LTGF in the future with 40% saying maybe. Especially encouraging is that 100% said they would recommend future LTGF events to others.

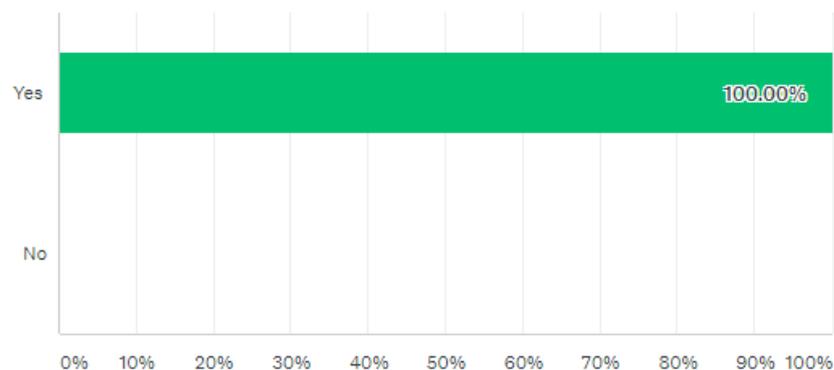
Will you plan to attend another Let's Talk Good Finance event in the future?

Answered: 75 Skipped: 0



Would you recommend future Let's Talk Good Finance events to others?

Answered: 75 Skipped: 0



### What attendees have said over the last year – warts and all and unedited

- *Very informative well worth attending.*
- *Excellent morning. Very informative and well-pitched. Thanks.*
- *Make some time for an organisation to discuss their project with an expert so the take-away can be a broad recommendation.*
- *Thankyou.*
- *This not unique to this event, but I tend to find that when people introduce themselves and their organisations to the group, it is difficult to hear them and not clear what they do. There are potentially missed networking opportunities. A pre-written bio might partly help, then it's just been heard. (Brighton).*
- *I think the peer session was good but I would like a session more on the best uses for social investment - what works and what doesn't, things to consider, etc. I don't think the investor presentations were that good, which is a shame. I would much rather look at different sectors and scenarios and then discuss how SI might help (or not) in these instances.*
- *There is a clear link between Investment Readiness and understanding the range of products and services out there. There would have been greater value to me if the 2 had been combined and the session included workshops with Social Investors.*
- *It was a well organised event which gave me an insightful introduction into social investment. I particularly enjoyed listening to the case studies.*
- *Whilst some of the organisations there were pretty knowledgeable, I think the main issue for the majority of the VCS is that they do not have a path to generate trading income - hence why they can't see a path to social finance.*
- *Great to more knowledge and confirmation of what the sector offers but not sure social funding is for us unless we can take a short term loan knowing there is capital coming in a few years to repay it.*

- *Very friendly, informative and useful - both the information and the networking. Thank you.*
- *It might be useful to have the opportunity to have 1:1s with the experts where discussion can take place around the areas of social investment for the specific organisation - to test some thinking.*
- *Good to have the chance to really network with people.*
- *Really enjoyable event! I think an hour for networking was a bit much for me as I just like to get stuck into the day.*
- *Right at the end of the session one of the presenters talked about the 'need to trade' - it seems to me that the challenge to arts organisations is not just the knowledge and access to social investment - but the ability to achieve a trading position in order to generate the means to diversify income and take on repayable finance. Although of interest, because I have known Friction Arts for years, the 'hear from a peer' did not really address this aspect of their journey - how had they had to change their activity/enhance trading income in order to take on repayable finance. It seemed that their solution had been to take on a 4 year funding agreement with ACE - which is not the same as trading. A little bit more on trading/some more detailed examples of orgs that have achieved this would have been helpful - but perhaps that's another session.*
- *Overall I think it was well packaged and the specific content was perfect.*
- *In a sector where we don't have a trade, we'd find it difficult or next to impossible to consider social investment.*
- *Useful introduction to the subject.*
- *I found the event more useful than I had thought beforehand.*
- *An extremely useful and interesting event to attend. Thank You for organising.*
- *The real life examples are fantastic to be able to relate to our own circumstances. It would be good to have the opportunity to run through some ideas at the end of the event on a one to one basis with the Harpur Trust and other experts.*
- *This was a great, accessible start for exploring the issue of social finance. Presenters were informed and made it understandable and this provided a good place to start further discussions internally around what may well be an essential part of longer term strategy and planning.*
- *I thought it a really useful event. Good structure that still allowed for informality of debate, input of facts and figures, case studies and networking. Room was a bit warm, but really appreciate it being hosted at a SocEnt. Useful networking for me, and great to find out about the wealth of resources on Good Finance website. Thanks!*

The only contextual comment is in relation to the themed session we ran on Culture, Arts and Heritage. This feedback has led us to develop some new resources for Good Finance and to work with Access more closely as part of their enterprise support network. More on this coming soon.

## Our partners

Just by way of recap we started by targeting specific geographic areas chosen for the opportunity they presented either around current local activity, political opportunity e.g. city mayor areas using a 'work with the willing' strategy.

We have worked with local social enterprise networks, thematic networks like sports and well-being partnerships, large social enterprises like RIO in Cornwall and increasingly our partnerships fall into the following three categories:

1. Strategically and proactively sought in our target geographies
2. Organically grown in response to a local opportunity or
3. Third party approach where our role has been to assist their desire to support an event of this type

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*Examples of our partners: Vonne (VCS regional body in the North East, GMCVO and Abramward Co-operative Network, Social Enterprise East of England, Oxford Social Enterprise Place, Voluntary Impact Northampton (local CVS), Hertfordshire Sports and Wellbeing Partnership, Lincolnshire Community Foundation*

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Interestingly we now have an increasing amount of proactive approaches from grantees of the Connect Programme and from other referrals across our engagement work which inform the programming.

One of the primary reasons for using a local partner and establishing this format of event was to make the conversations, local, relatable, peer-led and straightforward. Another key set of outcomes were:

- to build the host infrastructure's knowledge of social investment so that they can provide better member service through signposting
- support sustainability of organisations and service delivery through knowledge of revenue generation models and the types of finance and funding that might support these
- support infrastructure to understand the role that social investment should play in their core work and to make it business as usual rather than a subject on the periphery of their scope of activity

We have had some real successes like in the North East through working with VONNE however the key barrier to the implementation of this objective is the irregularity of infrastructure across England and the turnover of key staff (certainly not unique to LTGF.) Finding the right partner can be a challenge and in certain geographies we are working with lots of different partners so it takes longer and with a greater number of relationships to manage.

## FAQs and highlights from our Hear from a Peer slots

1. *Social investment is not benevolent money,*
2. *Impact matters.*
3. *Taking on finance from a social investor is about much more than the money*
4. *Honesty is always the best policy. If things don't work out as you planned, tell your investor.*

5. *Social investment – what does it cost and why isn't it cheaper if it's social?*
6. *Due diligence isn't fun but it does make your business better for going through the process (even if you don't get the investment)* We have found only one social entrepreneur to date who enjoyed due diligence!
7. *It always takes longer than you think*

To capture this learning and sharing even more extensively, you can read our [blog](#) aimed at amplifying the wisdom of our Hear from a Peers' experiences and aimed at getting out there those frequently questions our audience now feel empowered to ask

## What have we learned?

### Removing the hype

- There is a genuine desire to strip away the hype and the myth around social investment.
- There is less scepticism and more understanding even if the outcome is it's not for me.
- Knowledge is improving but this doesn't correlate directly to deal flow.
- The level of honesty and very interactive nature of the sessions are very much appreciated. For example, an attendee in Nottingham said she had attended as she wanted to find out what she thought an investor wouldn't tell her.

### Reaching the VC part of VCSE

- We are starting to see more traditional VCS organisations rather than just social enterprises and trading charities attending.
- Local organisations are often moving ahead of their national/regional/local infrastructure bodies in understanding the opportunities that social investment might present.
- Infrastructure organisations are starting to respond to their members needs in this area and LTGF provides a vehicle (content and funding) to provide this service.
- This is particularly reinforced by the Connect Fund projects and has provided a real opportunity for a partnership with NAVCA to help support their members (in much the same way that we developed a partnership with Homeless Link) so that they can look to run LTGF events too. To support this approach we recently ran a joint [webinar](#) with the Connect Fund for all its grantees in August.
- As a consequence of this growing area of interest, we are also about to launch a number of new resources including:
  - An editable deck of slides for any infrastructure organisation wanting to talk about social investment.
  - A logic slide for organisations considering their sustainability and resilience to understand if and where social investment might be relevant. Allowing them to personalise their learning journey by picking out online and offline resources that are available.
  - Expanding our case study library so they can be searched by revenue model and can be used to support the editable deck to ensure they are relevant to the audience's needs.
  - Highlighting a number of case studies to provide more detail on the revenue model, leaning and impact.

## Learning

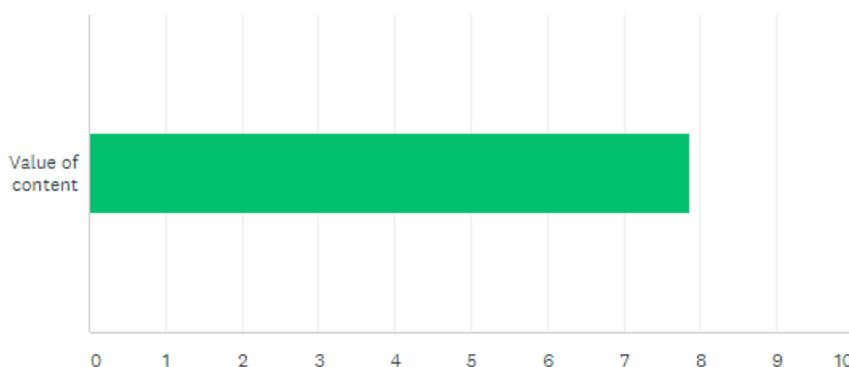
- LTGF further highlights the geographical disparity in access to finance across the UK with Plymouth seemingly being the best served and the East of England the worst (very limited access to small unsecured lending).
- There is some very interesting context to support and supplement evaluation from the Reach Fund and the Social Investment Intelligence Network (Connect Fund Project).

## Investor input and feedback

- Great feedback from investors including Charity Bank and Key Fund Investment Manager who has said it is a much better use of time to attend a LTGF than more traditional Funding Fairs as the audience is engaged and wants to explore the subject of repayable finance so has had good leads to follow up as a result of attending
- Until this point we had not surveyed the investors to bring in their feedback bearing in mind that the primary audience for this type of event is grassroots social enterprises and charities. I also wanted to collect information about pipeline support and deals done as a result of connections made from LTGF
- Of the 22 investors who have presented at a LTGF we had 14 responses and the feedback is really encouraging:
  - On average, investors rated the value of attending an LTGF session at 8 out of 10.
  - 13 out of 14 investors said they would attend or present at a future event. Unfortunately, the respondent who said they wouldn't didn't leave a comment so we weren't able to capture the reason. In one case there is an investor who no longer has an open fund who presented but we would be keen to hear more.
  - All 14 investors said would recommend attending future LTGF events to social enterprises and charities.
  - All 14 investors also said they would recommend attending or presenting at future LTGF events.

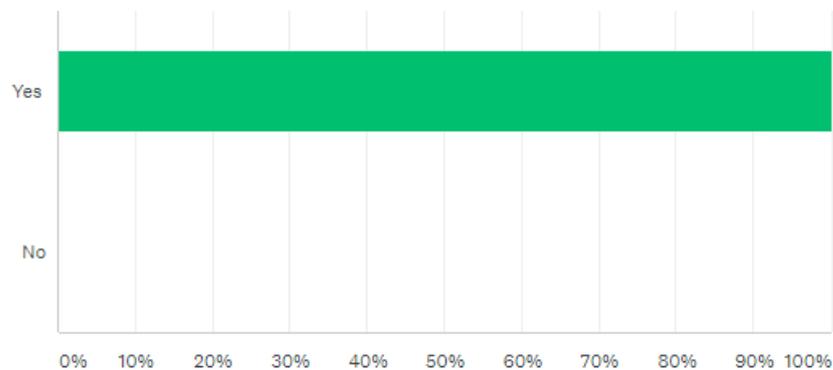
*On a scale of 1-10, how would you rate the value to you of attending a Let's Talk Good Finance session? (1 represents not very useful, 10 represents very useful).*

Answered: 14 Skipped: 0



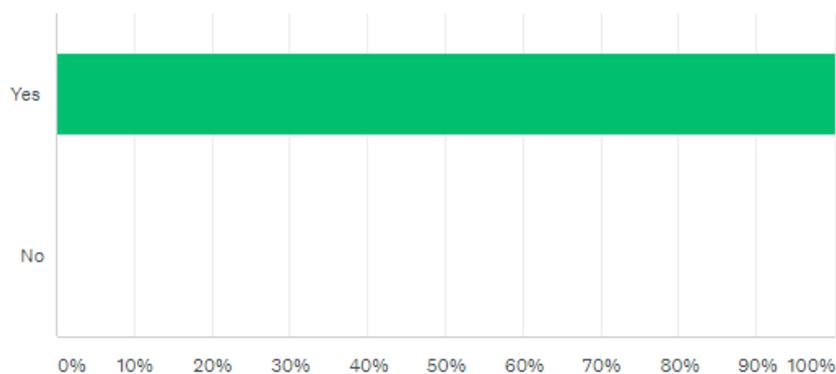
*Would you recommend attending future Let's Talk Good Finance events to social enterprises and charities?*

Answered: 14 Skipped: 0



*Would you recommend attending future Let's Talk Good Finance events to other investors?*

Answered: 14 Skipped: 0



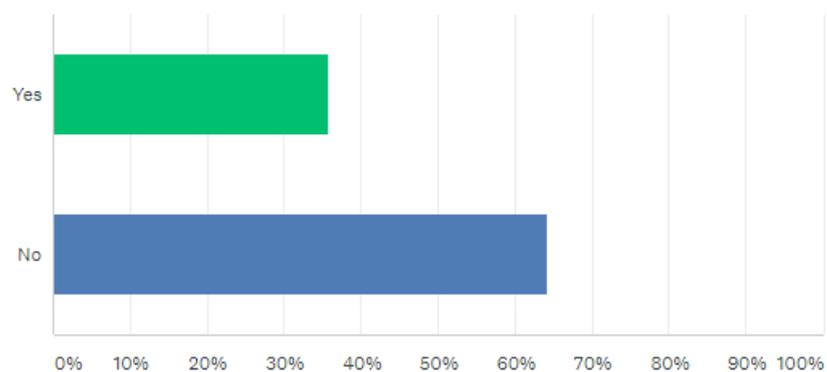
## Impact

16 leads were followed up from events in Bristol, Oxford, West Midlands, Newcastle, Durham, Northampton, Coventry, Hull, Manchester, Wigan and Lincoln.

And 7 deals are at the advanced stage and the original connection was made at LTGF events held in Durham, Northampton, Manchester (2), Lincoln, Ipswich and Wigan.

*Have you made or are you in the advanced stages of making an investment into an organisation you met through attending or presenting at a LTGF event?*

Answered: 14 Skipped: 0



## Future event locations

Places investors would like to see future LTGF events include: Scotland, East Midlands, South West Coast, Hull and Gateshead.

## What investors told us and for us to consider in future planning

### *Introducing sector-based events:*

*"I think a sector-based approach to LTGF events would work quite well for future tours. Of particular note would be emerging sectors such as good food and farming businesses, housing and culture/arts (e.g. music venues) Also, I'd welcome the use of local independent caterers (social enterprises) irrespective of host procurement policy."*

This is something we have done already with a couple of Arts & Culture and Sports and Wellbeing events. And it is definitely an area for future consideration. To this point, it has been by request only but potentially this could be a more strategic angle we promote. We are planning to partner with Homeless Link to hold at sector based LTGF in the autumn which will further inform our approach.

### *Changing the format:*

*"Think events have now run their course and probably better to take a break for a while."*

*"I am really happy to support these events and I can see the value but attendance sometimes seems to be a problem and the majority of attendees appear to be very early stage new organisations for which loan funding wouldn't be appropriate."*

Our original thesis was to run events regularly within a geographic area. We piloted this in the North East, doubling the number of events. This has definitely highlighted the optimum frequency that works for this format with events in new areas getting much better attendance.

We also have to balance the relationship and expectations we have with our local partner. As a result, we have reissued the event guidance and will also seek new partners or cease working with partners if attendance is poor. However relationships do need time to build. And I am not sure we will ever negate this issue completely. I estimate, to date, that 4 of the 32 we have held have had poor attendance (below the minimum level we set) with 6 being oversubscribed or in excess of the target numbers. We have also cancelled or postponed 3 events due to date clashes with other local events or low registration.

### Location:

*"We have not followed up, but enterprise has contacted us. Whether we want to attend future events is often dependent on how busy we are but also based on location - especially if travelling by public transport. We look forward to continuing to support you."*

We use the host recommendation on location and cede to their knowledge of their place, whilst giving guidance on accessibility. We are happy to cover costs from the train station, for example, for investors if this proves to be a barrier to attendance. We are also happy to share attendee numbers with investors who are on the agenda in advance if requested.

## Resources

- Audiences loved the [What is Social investment Animation](#) and the [SITR video](#) we are now incorporating
- We have developed a [Hear from a Peer video](#) to ensure we can always offer that first-hand account
- Regional case study cards well received with local and relatable range of examples
- We now have a suite of 13 [podcasts](#) which have received over 350 listens since recorded

## Event evolution

- Finding the 'right' partner to host is not always easy or straightforward.
- The format has continued to evolve (we go last on the agenda not first now!) so we can respond and tailor our approach to the audiences' need.
- The Hear from a Peer session is a vital ingredient.
- LTGF vents listings are on BSC, Good Finance events page and hosts site too
- We have reviewed and updated all event information (e.g. agenda and speaker briefings) so they are open-sourced to make them fully accessible to other interested parties. We will be looking to add these to our website pages for the start of the autumn programme.
- We have our first pilot of [Good Finance Live](#) in Newcastle on 27 September.



Good Finance Live is specifically focused on Go Getters and Business Savvy personas and we are keen to test how targeted we can be about getting the message to those who are actively considering or looking for capital. Tackling the supply and demand side needs is a real challenge that other event formats have struggled to deliver. We look forward to sharing results from the pilot and using this to shaping future iterations. Our plan is to run 2-3 of these in addition to the LTGF programme in future years.

## Open Invitation

We have an open invitation to any new recruits including those from Big Society Capital or from any social investor to come and attend a LTGF event to get close to the social enterprises and charities who are exploring whether social investment is right and relevant to them. To get in touch and learn more about the events, visit: [bigcapital.com/lets-talk-good-finance](https://bigcapital.com/lets-talk-good-finance).