



Kent Big Society Fund

Annual Review 2012

Prepared by Kent Community Foundation for Kent County Council



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INTRODUCTION

The Kent Big Society Fund (KBSF) was established in 2012 to support existing and newly created social enterprises that benefit the local community and enhance the economic, social and environmental vibrancy of Kent.

The Kent Big Society Fund was set up under Kent Community Foundation (KCF) and funded by a phased charitable donation from Kent County Council (KCC) to KCF.

In this report, KCF reports on the operation of the Kent Big Society Fund in its first year, including an analysis of fund activity and market appetite for the Fund. The reports sets out what has been learned so far and recommendations as to the future management of the Fund. Under the conditions of the donation, KCC has the opportunity to consider any proposed changes to the parameters of the Fund.

This document provides commentary on the following:

- The progress of the Kent Big Society Fund during its first year of providing support to new and existing social enterprises within Kent.
- The opportunities and challenges that face the Fund in providing support to the social enterprise sector including an analysis of Fund activity and appetite
- Proposals as to the future management and parameters of the Kent Big Society Fund

BACKGROUND

Under its 4 year plan, “Bold Steps for Kent,” Kent County Council committed itself to establishing a social enterprise Loan Fund. The decision was made to fund KBSF with a phased donation of £3m to Kent Community Foundation. The largest fund provided by a local authority in the country, its purpose was to support the development of new and existing social enterprises.

“Bold Steps for Kent” identified 3 main priority areas, namely

- To help grow the Kent economy.
- To put the citizen in control.
- To tackle disadvantage.

Kent Big Society Fund (KBSF) was designed to meet these areas and, specifically, with regard to the social enterprise sector, it was considered important that

- KBSF should support the transformation in the shift in the voluntary, community and social enterprise sector from dependency on grant towards more sustainable business models, including supporting them in managing the increased use of payment-by-results contracts within the public sector
- That it should principally be a social finance loan scheme as the best mechanism to create a recyclable fund, and maximise the longevity of the fund and resources available.
- That in order to make the Fund attractive to other funding philanthropic and government funding sources, it should seek a partner with an existing social finance intermediary to operate and manage the Fund, and that any partner should be Kent based.

The decision was bold and innovative when considering that it was also made against a general economic climate of considerable uncertainty that meant

- The level of austerity measures to be taken at central and local government levels was not fully quantified.
- Usual lenders were either unwilling to provide financial support to enterprises or were seeking a level of security that could not be provided.

To market, manage and administer KBSF, Kent Community Foundation (KCF) was engaged in view of its county wide coverage, engagement with and knowledge of the social and voluntary sector and its standing within it.

A decision was taken to provide an annual donation to KCF of £1m over 3 years in order to assess the level of interest and take-up in what was acknowledged to be a fledgling market.

With the agreement between KCC and KCF being signed in February 2012, the first donation of £1m was made in March 2012 and a launch to market on made on 30th March.

ABOUT THE FUND

KBSF gives assistance to new and existing social enterprises by way of finance on the following basis:

- Provide loans to social enterprises of between £10,000 and £100,000 over an anticipated term of 2 to 5 years.
- Finance anticipated being unsecured.
- Offer assistance with the financial planning and application process
- On-going relationship support.
- An element of grant being available.
- Terms to be flexible and competitive.

Whilst the above are guidelines, there is a desire to offer flexibility of terms and, as such, parameters could be stretched for applications if considered appropriate.

Examples of flexible arrangements that have been offered to date include

- Capital and capital & interest repayment holidays
- Loan to cover VAT on capital purchase to be repaid when VAT reclaimed
- Short term loan assistance with no interest charged

The grant element has been important incentive in encouraging applications. In a number of instances, the grant element awarded more than covers the cost of the loan finance.

One of the benefits of the Fund is that an applicant can utilise the services of the KCF Fund Manager to assist in the organisation's business and financial planning.

THE LOAN APPLICATION PROCESS

Setting up the new lending operation at KCF went very smoothly and KBSF was fully operational by the summer 2012. KCF employed an experienced Fund Manager to oversee the Fund and the first loans were offered in July 2012, just four months after the official launch in March. The loan application process operates as follows:

An initial expression of interest is made either via the KCF website or telephone at which point basic eligibility criteria (such as legal entity, amount and purpose) is confirmed.

A full application is then provided, with the Fund Manager working with the organisation on a face to face basis to assist with the business plan and financial forecasts. KCF has developed templates to assist with the formulation of business plans and financial forecasts.

The Fund Manager assesses the request, carries out due diligence and prepares a report to the Loan Investment Panel with an overview by the social lender, the Key Fund.

The Investment Panel, comprising of KCC Councillors and KCF Trustees (with the option to co-opt relevant expertise as necessary), considers the application and makes the decision as to whether the request is agreed and any terms and conditions that should apply.

For applications that have been put to panel so far, the timescale from application to the date the decision has been agreed has been on average 2/3 months which reflects the work

undertaken in getting business plans to a stage of investment readiness. In general, with most requests coming from new or relatively new enterprises, it takes about two months for KCF to work with the business to finalise their business plan sufficiently to assess their way ahead and put their application before the Investment Panel.

All paperwork with regard to the provision of funds, subsequent monitoring of repayment and conditions are completed by KCF.

Once agreed, funds have been in the main distributed within 10 days, with any longer period due to pre-draw conditions having to be met.

KBSF can respond to urgent requests, as demonstrated by an applicant whose request was agreed within a week of submission following intensive assistance.

Following draw-down of the facility, KCF's Fund Manager retains an active face-to-face relationship with the organisation which means that on-going advice can be provided allowing opportunities to be capitalised upon or difficulties to be tackled at the earliest opportunity. The benefit of loan financing, as opposed to traditional grant-financing, is the inherent on-going relationship and support for a considerable period after the award.

FUND ACTIVITY TO DATE

The fund has received 38 qualifying initial expressions of interest¹ totalling £1.233m. At this time 20 have progressed to a full application. The difference between the number of initial expressions of interest and the number of full applications relates largely to organisations considering their options and the working through the financial and non-financial aspects of their enterprise.

Of the full applications, 4 were subsequently withdrawn and 3 declined at application stage. The Investment Panel has seen 13 applications and by 31 March 2013 funding of £499,530 had been offered.

Acceptance of the offers made amounts to £479,530 with drawn facilities totalling £166,250. The amount between acceptance and drawn amounts relates to recently approved offers where draw down is awaited and loans that have been agreed where there are stage payments.

Appendix 1 outlines a general overview of factors that impact on activity during 2012.

¹ The number of general enquiries and discussions is in excess of 100.

ECONOMIC BENEFITS

5 new enterprises have been created with 8 existing enterprises being supported.

17 new jobs have been created with a further 85 supported. There are a further 6 employment opportunities that will become available within the business plans of the enterprises over the next year.

21 new volunteer opportunities have been created with the potential for these individuals to use the skills obtained within the enterprise to assist in their future search for jobs. 1 has already secured employment.

An additional £90,000 has been secured via philanthropists wishing to support the business and social enterprise sector in Kent through micro-finance.

MARKETING

KCF has a wide knowledge of the voluntary, community and social enterprise sector in Kent and has carried out a multi-channel marketing campaign to promote loans through KBSF. Appendix 2 highlights the marketing activity that has been undertaken during 2012 and KBSF marketing plans for 2013.

KCF developed specific marketing brochures, website, on-line electronic direct mail to raise awareness of KBSF and highlight the benefits it offers. Face-to-face meetings have been crucial in assisting applicants through the various stages of the application process. The KBSF Fund Manager has met with all full applicants and most of those who have expressed an initial interest.

The breakdown of enquiries received where applicants have stated how they learned of KBSF was as follows:

Web Based	38%
Press	36%
KCF proactive approach	15%
KCC	6%
Referrals	6%

For 2013 the marketing priorities will be

- Reinforcing KBSF and its success via online, e-marketing, social networks and press
- Working with universities and colleges
- Enterprises looking to take advantage of service delivery transformation.

DEFAULT

No default has taken place with regard to scheduled repayments. No provision for bad or doubtful debt has been felt necessary at this time.

BENEFICIARIES

Turner Cars

Based in Westgate-on-Sea, Turner Cars is a community transport scheme that wanted to specialise in Special Educational Needs transport.

The directors had direct experience of school transport provision for children with special educational needs, both as a parent of a child using the service and as a driver of such a scheme, and believed that they could improve on the service.

Having already bought some vehicles, they required 2 new disabled access cars in order to compete for new tenders. KBSF financed these in full.

New contracts have since been won and the company is now working with parents and KCC to implement a charter across the county between users and providers to enhance the experience for all concerned.

Scott Dumigan, Director of Turner Cars, said: "The local bank manager was not interested in our proposals to purchase and maintain two wheelchair adaptive vehicles to help us develop the transport side of our organisation. With flexible terms from the Kent Big Society Fund, we are now able to provide low cost, good quality, reliable transport to all aspects of the community. This will allow our clients to access areas such as health, education and social opportunities, which they currently find difficult. As an organisation we are here for community benefit, not for profit."

7 paid drivers and 4 volunteer escorts are utilised by the company and there is a desire to increase the number of contracts it operates during the year.

Beach Creative Community Interest Company (CIC)

Having taken over a disused council property in Herne Bay, the 3 directors transformed the empty property into a creative hub providing work space for 15 local artists and exhibition/meeting space to be used by the community. Schools and Canterbury City Council are already using the facilities for exhibitions, and workshops that have been run for the wider artistic community have been very well received.

KBSF provided a working capital facility which meant that the directors did not need to worry about finding funds for any 'emergency' work on the building and they were able to react quickly in providing services to their tenants which would enhance their experience and improve income streams.

Gillian Wilson of Beach Creative said: "We are absolutely thrilled to get this loan. We put a lot of work into developing our application with Kent Community Foundation and feel confident that we should comfortably be able to pay back our loan over the required terms. The loan enables us to deliver courses for the whole community and to build confidence in practical skills."

Stronger Together CIC

Stronger Together runs a women's only gym in Gravesend providing fitness programmes for disadvantaged women in the locality, as well as to private members. Membership was hit badly in the autumn as the nights drew in and members felt intimidated by some anti-social behaviour near the centre. The gym was faced with closure.

KBSF provided funds for a relocation to the centre of Gravesend and a new marketing initiative. Since reopening there has been significant progress in attracting new members with 2 new jobs being created.

Music For Change

Arranging and sourcing performing artists for schools and events Music For Change has been operating for 15 years and involved over 800,000 people in their activities.

KBSF assisted with working capital to allow for a new member of staff to be employed in order to boost their marketing capabilities and grow their enterprise.

Singing for Dementia Limited

Folkestone's Singing for Dementia has a clear social objective: to facilitate group singing sessions in care homes or groups for the elderly, by means of its customised karaoke-style Music Box, with a view to enhancing the social aspect and mental health of the participants. With the number of people living with dementia in Kent due to rise by 8,000 to 33,000 over the next 10 years, Singing for Dementia has developed an excellent product which has not only created a new enterprise, but will support four freelance and two part-time positions and will employ a further new part-time employee and with hopes for an apprentice to join.

Stuart Brown, Director of Singing for Dementia and creator of the Silver Song Network Club says: "We are delighted to get this loan and to be able to move forward with our plans to buy and install Music Boxes in care homes across Kent and Medway. The positive benefits of singing for our health and wellbeing are increasingly being documented, and feedback from care homes already using the Music Box testify to the reaction from their residents being *'like electricity: the room comes alive - they start off sleepy and finish up alert, awake and engaged'*. We put a lot of work into adapting a commercially available karaoke system to have a bespoke piano accompaniment, options for words or pictures to make it easier to follow, as well as changeable speeds and key of the music to meet the needs of the groups. We are now able to fund key staff to roll out this programme, with income being generated from the rental of the Music Boxes to care homes."

Stepping Stone Studios CIC

Stepping Stones Studio offers a community venue in the heart of Maidstone at Museum Avenue - an Art Studio by day and a live venue by night. From affordable Musical Monday Mornings for Mums and Toddlers, to Half-Term Pinhole Photography Lessons. Stepping

Stones is already employing 1 person and has 3 volunteers with the intention to employing more people in the future.

Farm Active CIC

Providing a mobile farm experience Farm Active is a new enterprise that takes animals to schools and groups, linking in with children's education curriculum. The enterprise has to date created one job role and a further volunteer position.

Communities Food CIC

Providing food prepared from ingredients that would otherwise have been thrown away by major supermarkets, Communities Food is providing affordable, cooked meals in the newly opened café, The Bench, in Gravesend.

In addition to 3 new jobs, 12 people who are not in employment, education or training are being given the opportunity to learn skills needed in a working café. Having linked in with an employment agency which deals with the catering establishments in Bluewater, every volunteer will be provided with the opportunity to have an interview for a job with a catering business in the complex. There has already been success in that one person has moved on to full time employment.

Business Readiness Grants

A business readiness grant has been offered to an organisation where it was considered that the use of a third party in assisting them in formulating their business plans was appropriate.

The remaining loans are awaiting draw down and beneficiaries will be made known at that time.

ANTICIPATED 2013 FUND ACTIVITY

There is a growing interest in social enterprise and social investment as a sustainable way of tackling entrenched social issues and encouraging a more financially resilient voluntary, community and social sector. While there is general consensus that social lending has enormous potential for growth, it is also agreed that this emerging market will need nurturing and support over some years to become fully established.

A report in September 2012 commissioned by Big Society Capital, authored by The Boston Consulting Group (BCG), finds that demand in the social investment market in England could reach £1 billion by 2016, six times what it is today. BCG found that the demand for social lending could increase by as much as 38% a year as a result of trends such as outsourcing of public services, new models of payment such as payment-by-results and a growing focus on social value by commissioners, conscious consumers and socially minded businesses. Adrian Brown, who led the BCG research on behalf of Big Society Capital comments:

“Social investment is clearly a market ready for growth. There is increasing interest from commercial and other investors, and a growing demand for capital from social organisations. There is continued need for strong, positive action from donors, commissioners, investors and market intermediaries.”

KBSF is at the forefront of supporting local social enterprise. The fact that other councils across the country have since adopted similar schemes demonstrates the foresight that was evident when KCC took the initiative. The number of successful loans made in the first 12 months of the fund should not be seen as a destination in itself, rather a milestone along the way of long-term strategy over three to five years.

As a new area, it is not straight-forward to provide accurate short-term forecasts of demand. So far, KBSF the total enquiries (including general discussions) of a known value of £1.738m. Excluding ineligible, withdrawn and successful applications, there are enquiries valuing £768,004 still in the pipeline that potentially could progress on to successful loans. In addition, on the basis that KBSF continues to receive the same value of enquiries, there could be an influx of *new* loan requests totalling £1.3m during 2013.

As at March 2013 KCF is actively working with applications of c£250,000.

The Investment Panel plans to meet 5 times during 2013 and based upon the outcome of those in early 2013 this would lead us to believe offers of £500,000 will be made during the year.

FUTURE MARKET OPPORTUNITIES

KCF consider that appetite of the kind of social investment offered by KBSF should be viewed in the context of a 5 year strategy. Future demand is likely to grow considerably as a result of the following trends:

- Existing voluntary & community organisations (charities, housing associations, infrastructure organisation) developing social enterprise as a financially sustainable way of delivering their mission (e.g. Auto22 - a commercial garage that trains and employs NEETS)
- Existing voluntary & community organisations seeking new financially resilient income generation models through social enterprise, not necessarily mission-related e.g. a second hand furniture project.
- Recipients of traditional public-sector grant funding facing the transition to new payment structures i.e. public tender, payment by results etc.
- Local Authority out-sourcing services that are currently directly provided. Within Kent, the recent commissioning of Youth Services is a prime example.
- New social entrepreneurs, not necessarily from voluntary and community sector but perhaps from universities, business schools etc, who want to develop social enterprises for social or community benefit.
- The community taking over the delivery of a local service or community asset, perhaps eventually through Right to Challenge e.g. local libraries. KBSF client, Beach Creative CIC, is a prime example.
- New enterprises/mutuals/cooperatives that develop as a result of changes in public service delivery. Health, for example, is leading the way in this area.

KBSF PRIORITIES FOR 2013

Continue proactive work with existing Voluntary and Community Sector

KCF will continue to work proactively through our usual networks and contacts to highlight the availability of social finance through KBSF. See marketing plan in Appendix 3.

In addition, we will work specifically to help the sector understand better the role that repayable finance can play in supporting VCS organisations to expand and grow. We have observed a degree of unease, particularly at Board level, about securing forms of investment other than grants or donations. Loan financing is certainly not a panacea and cannot be used as a straight replacement for grants. However, distrust of any form of repayable finance could limit the voluntary and community sector's ability to respond to the changing landscape.

Investment is crucial to all organisations in delivering services or products, and remaining competitive in the market they serve. Without it, growth cannot be achieved.

KCF believes that there is a need to explain alternative sources of funding (pros and cons) in order that organisations have a full understanding of the facts to allow them to make informed decisions for the future. To this end, KCF will facilitate at seminars, specifically targeted at trustees/board members, to enable them to reflect on the options of investment open to them in a time of change and to assess the most appropriate funding mechanism for their organisation's needs.

Supporting new social entrepreneurs

We will specifically target educational establishments (including Kent University and Canterbury Christ Church University) to encourage and support student interest in social enterprise. We plan to develop an offer specifically to assist students who are looking to start up their own social enterprises and will be looking to use the flexibility within the Fund's terms to assist where appropriate.

Working with KCC, District and Public Sector Commissioners

As the transformation agenda takes hold and new opportunities emerge in such areas as commissioning, out-sourcing and 'Right to Challenge', KCF will continue to work with KCC, district councils, schools/universities, police and health bodies to ensure that KBSF is highlighted as a possible source of finance for those wishing to set themselves up as a service provider.

We remain in active contact with various departments within KCC and receive details of contracts that are open to tender and 'meet the market' activities. This means we understand the changes affecting the social and business sectors and can add value at the outset of any opportunity.

Industry Infrastructure Bodies

We maintain close links with infrastructure bodies both within the VCSE and private sector. These include Chamber of Commerce, Federation of Small Business, business mentors and the various Council for Voluntary Service groups around the county.

Investment Readiness

We will continue to offer a high level of business planning support, as well as modest business readiness grants, to help applicants to the Fund become investment ready. Post loan assistance will also remain a key area of support.

PROPOSALS FOR FUTURE MANAGEMENT AND PARAMETERS OF KBSF

Fredericks Foundation

The main demand being seen for KBSF comes from individuals and small enterprises needing access to bespoke terms and business support. Just as KBSF provides the potential for an enterprise to move to a stage where funds can be obtained from a bank, there is the need for many enterprises to have access to seed finance below the £10,000 threshold of KBSF, where the potential is for an enterprise to subsequently expand to a point where KBSF can assist. As such, we consider that an integrated social finance product range would be of considerable benefit.

We have identified a way to widen the remit of the KBSF but retain its core social purpose, which is to utilise funds to support individuals who are furthest from the workforce, and have no access to high street finance, into self-employment. This is often a way out of benefit dependency with the gap in the market leaving potentially the only recourse for individuals to borrow monies via the sub-prime, payday lender market.

Fredericks Foundation is a registered charity which assists individuals who are unable to obtain bank finance to either start up or expand their businesses. Business planning assistance is provided, with a panel (to which the beneficiary discusses their business plan) agreeing micro finance of up to £10,000 to a start-up venture or £20,000 to an existing business. In reality, the levels of loan assistance are usually in the £2,500-£7,000 range.

Through existing partnerships, KCF has already raised £90,000 from private donors to start a micro-lending hub via Fredericks Foundation in Kent, and whilst not exclusively for social enterprise there is an opportunity for KBSF to help fully launch this in Kent. If a further £130,000 can be raised for Fredericks Kent, the Regional Growth Fund will provide another £120,000 for the operation and running of the Fund over the first three years.

Therefore, we propose that up to £130,000 of KBSF funding is allocated to Fredericks Foundation to set up the micro-loan loan fund in Kent. Whilst KBSF would not receive any repayment or interest return directly from this funding, any funds donated to Fredericks Foundation via KBSF would be ring-fenced for lending in Kent.

Pricing Structure

We are not proposing any substantive changes to the existing pricing structure but recommend that the Fund continues to be flexible, tailoring the terms of each offer dependent on the applicant's circumstances. We will continue to balance the needs of loan clients with the benefit of seeing the loan monies being recycled to enterprises of the future. It is very important that KBSF has the flexibility to respond to the market in future.

APPENDIX 1

FACTORS AFFECTING FUND ACTIVITY

As background, there are some 4,500 charitable and voluntary organisations within Kent and, whilst there are no definitive figures available for 'not for profit' companies, there are 821 Community Interest Companies in the South East² which is 13% of the national total.

The provision of social investment, of which loans forms a part, is a relatively new concept although it is an area that is of increasing importance as new ways of providing services are explored in an age of general economic uncertainty and austerity.

However, this increasing importance has to be viewed in the context of a long history of grant and donation funding which has supported the voluntary, community and social enterprise (VCSE) sector.

Investment Readiness

A Big Lottery Fund report in September 2012³ highlighted a survey of 1,255 VCSE organisations who responded to a question around the pursuit of social investment.

21% advised that they had successfully secured repayable⁴ finance with a further 8% seeking it. Interestingly another 22% were not currently looking for repayable finance but were interested to see it was suitable. 7% had tried but failed to secure finance whilst 43% were not looking and were not interested in such schemes.

According to this report, 37% of organisations could be interested in repayable finance. However, for many, there is a significant issue of investment readiness, including identifying potential income streams that would have to be available to meet repayments. This requires, in many cases, a considerable amount of thought as to structure, operations, financials and future practices. These questions can take a VCSE organisation some time to answer and action, with examples being the building of consortia, mergers and the consideration of new income opportunities. Most of the applications to KBSF require a high level of support in terms of financial and business planning and this is borne out in The Big Lottery Fund's report which estimates that 70,000⁵ organisations nationally will require investment readiness support in the next 5 years.

The high proportion of organisations 'not interested in repayable finance' is broadly in line with the response to marketing of the KBSF, with the main reasons highlighted for not being interested being:

- Income should not be diverted from delivery to repaying loans
- The organisation is not geared to generating surplus resources to repay loans
- Trustee/board reluctance to consider the possibility of repayable finance

² Regulator of Community Interest Companies Annual Report 2011/12.

³ "Growing the social investment market: Investment Readiness in the UK" – The Big Lottery, September 2012

⁴ Repayable finance was defined as "any form of financial support, including equity, provided with the expectation that some or all of it is repaid – with or without interest, dividends or revenue participation".

⁵ "Growing the social investment market: Investment Readiness in the UK" – The Big Lottery, September 2012

In the main, these responses match the findings of The Big Lottery Report. However, as the availability of grant and statutory funding continues to contract, it is inevitable that there will be a considerable change within the VCSE sector as organisations come to terms with the new environment they face. This will include consideration of new, more sustainable ways of financing their work, such as social enterprise and social finance, to ensure their survival.

Expansion East Kent

Launched two months after KBSF we have worked with the EEK team so that both parties understand the others offering. For KBSF this has led to assistance being provided where an applicant did not qualify for the EEK loan and business assistance in view of KCF expertise in the social enterprise sector.

KBSF continues to position itself as a niche provider for the VCSE sector with a high level of hands-on support from the KBSF Fund Manager. This is very attractive to VCSEs who may not have the financial resources of a typical business loan applicant.

We fully anticipate continued cooperation particularly as the TIGER initiative rolls out across North Kent.

Public Service Transformation

One of the specific aims of the KBSF was to support the shift in the voluntary, community and social enterprise sector from dependency on grant towards more sustainable business models, including supporting them in managing the increased use of payment-by-results contracts within the public sector and specifically the strategic commissioning being undertaken by KCC.

This transformation, by its very nature, is a process that will take time which means that some services have continued to be paid for under previous agreements. The expectation is that traditional grant funding will reduce in due course and organisations will need to consider the most appropriate financial arrangements in the face of new payment regimes. At that point, KBSF will be available to assist organisations requiring repayable finance.

From its links with other Community Foundations that provide social enterprise loans in their locality KCF has noted this 'latent need' is also common in other parts of the country.

Loan pricing

Loan pricing will always attract scrutiny with the following considered particularly pertinent and actively discussed with applicants

- The terms are flexible to the proposition put forward. Examples where this has been demonstrated include the provision of capital and interest repayment holidays, short term VAT loans on capital expenditure with no cots and the provision of staged draws, meaning that the loan is geared to cash flow.
- The way that interest is calculated means that it is very easy to see and understand precisely how much is being charged with all monthly reductions covering a set

amount of capital and interest. In this fledgling market this is seen by applicants as a great bonus.

- The pricing continues to be extremely competitive against other providers when considering the unsecured nature and the higher risk market that the fund was set up to assist.
- The potential for grant assistance minimises the cost to the organisation in going some way to mitigating the charges made and in some cases can cover them completely.

Our experience has shown that when the features and benefits of KBSF, including business support, is explained any pre-conceived objections to the cost have dissipated. No organisation that has made an initial application has refused the offer, or potential offer, on the basis of price.

Appendix 2 – Marketing of Kent Big Society Fund

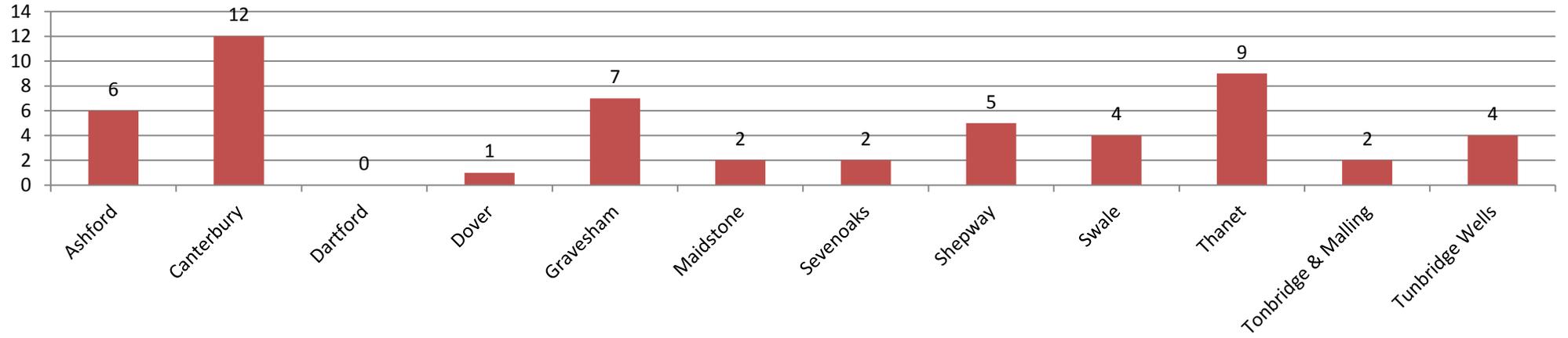
Marketing To	Marketing Undertaken During 2012	Marketing Plan for 2013
Voluntary and Community Sector intermediaries and infrastructure organisations.	Voluntary and Community Sector (VCS) infrastructure organisations and intermediaries have been made aware of KBSF. This includes on-going discussions with organisations such as Kent CAN, Action with Communities in Rural Kent, CASE Kent, Voluntary Action Within Kent, Big Society Co-operative and Community Organisers	To continue proactive work with local infrastructure organisation and in particular with.
Face-to-face presentations to the sector	Presentations have taken place to organisations at a number of funding fairs, seminars, AGMs and surgeries. As an organisation, KCF always includes KBSF as one of the funding options available	KCF is to prioritise seminars where trustees are in attendance to highlight the potential of lending as a source of making organisations more self-sustaining. Continued presence at funding fairs and seminars.
Specific Social Enterprise intermediaries	Social Enterprise intermediaries have been made aware of KBSF as a way to assist those with whom they are engaged. These include, Social Enterprise UK, Social Enterprise Kent and Kent and Medway Social Enterprise Network	To continue proactive work and link in with presentations being undertaken by these organisations within Kent to highlight the potential for assistance.
E-marketing	A high level of e-marketing has taken place; <ul style="list-style-type: none"> • Specific electronic direct mail designed for KBSF • Email distribution list of social enterprise contacts has been developed (c. 450 contacts) for regular bulletin • Regular e-bulletin to KCF's regular funding networks (c. 450 contacts) 	Regular bulletins to be issued highlighting the fund but also encouraging the concept of social enterprise. Database of not for profit organisations to be refreshed and all to be re-approached.
Web based marketing	Web marketing is a feature of KCC, KCF and wider social enterprise/funding websites. Web content developed for partner websites with KBSF ink A specific initiative to raise web site steers to KBSF was undertaken through Google.	Place enterprise support, such as business plan templates and links, on to website. Continue to work with partner sites

Social Media	Has featured on KCF social media sites – Facebook and Twitter.	To be expanded with regular updates as funds offered, accepted and drawn. Fund Manager to provide commentary and links to encourage enterprise and highlight support.
Press	Initial press coverage undertaken at launch of fund, regular updates on beneficiaries and coverage of Ministerial visit. Secured coverage in key Kent publications eg Kentish Express, KM, KM business, Kent Life, Kent on Sunday, Kent and Sussex Courier. TV coverage was to have featured but offer not taken forward by the TV companies.	Continued use of press to highlight successful applicants and KBSF in general. Positive TV/radio coverage to be sought during the year.
Kent County Council and District Officers	We have engaged with KCC and district council officers including Commissioners, Economic Development Officers and Town Centre Managers. Gateway Operations Manager engaged.	We will engage with all Town Centre Managers during 2013. Maintain regular proactive contact with Council Officers e.g. Economic Development Officers. Continue to remain abreast of commissioning and changing opportunities that arise via 'Meet the Market' presentations, 'Right to Buy' and 'Right to Challenge'.
Councillors and MPs	Councillors and MP's have been engaged wherever possible. Presentation made to Nick Hurd, Minister for Civil Society.	A bulletin to be provided on a regular basis to encourage understanding and as a reminder of potential assistance to their residents/constituents.
Banks	High street banks have been advised and presentations made highlighting KBSF as a potential source of assistance to their clients where they are unable to assist.	Continued engagement.
Charity and Social lending banks	Have engaged in regular dialogue with other social lenders such as Charity Bank, Charities Aid Foundation, SIB.	Continued interaction with a focus around joint support to an enterprise where needed.

Other lenders	Other lenders – Expansion East Kent and local partners in StartUp Britain are aware of KBSF.	Continued liaison with these providers to encapsulate TIGER in North Kent as it is rolled out.
Professional Advisors	Presentations made to 14 accountant and solicitor practices since July 2012.	To continue proactive face to face presentations.
Business Networks and Support	Presentations made to support networks including, Chamber of Commerce, BSK-CIC, IOD, BNI and Canterbury 4 Business. Participated at Kent 2020 StartUp Live.	Continued attendance and to provide presentations at seminars/conferences.
Employment / Skills Training organisations	Organisations supporting NEETS and particular sections of the population e.g. ex-offenders, homeless, young people, ex-forces. These include Job Centre Plus, Gateways, Shaw Trust, Avanta.	Particular focus around supporting young people with Kent Foundation and Kent Association of Young Enterprise.
Housing Associations	Specific engagement started towards the end of 2012	To be expanded on in 2013 by way of formal presentations with a view to linking in with the Associations' own assistance programmes. Seeking links with Kent Housing Association group.
Universities and Colleges	Education providers such as Canterbury Christ Church and University of Kent have had initial approaches made.	Universities and colleges to receive greater focus with the intention to speak with students direct about social enterprise and the potential for support. To include K College, Thanet College, Mid Kent College, Universities of Greenwich, Kent and Canterbury Christ Church.
Service Transformation	Transformation programme remains at a relatively early stage but engagement undertaken with potential service providers.	As transformation of services, (such as health and adult provision) progresses, specific marketing of assistance via KBSF to feature to those enterprises who are looking to tender for them.
Proactive focus in areas of low enquiry (Dover, Dartford and Sevenoaks)	Dartford Town Centre Manager engaged.	Focus on Dartford, Dover and Sevenoaks via Town Centre Managers, Economic Development Officers, CVS and colleges.

Appendix 3 – Allocation of Enquiries and Loan Applications by District

Allocation of Enquiries where location is identified.



Amount of Applications (£)

