

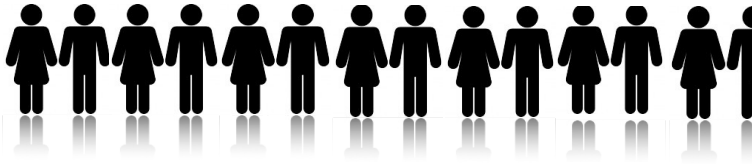


Kent Big Society Fund

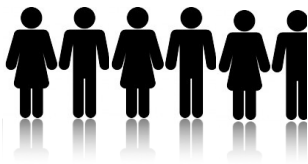
Impact Report 2012 - 2014



Significant Achievements of the Fund.



270 jobs directly created or safeguarded.



97 new volunteer positions created.

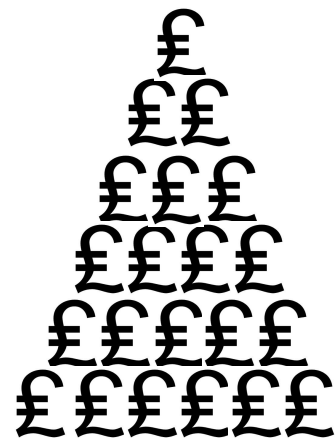


43 volunteers have progressed in to employment.

£220,000 of external funds directly leveraged.



Over £1.5m of additional funds leveraged by applicants after KBSF fundina drawn.



Business support provided to over 150 organisations.



INTRODUCTION

Kent Big Society Fund (KBSF) was established 3 years ago with funding from Kent County Council to provide financial, predominately loan, support to charities and social enterprises within the county who were looking to start new trading activities or expand existing ones.

The Fund receives all capital, fee and interest repayments thus ensuring the longevity of the Fund as an important resource for local charities, social enterprises and the wider community well in to the future. While funding from Kent County Council has now come to an end as planned, Kent Community Foundation is committed to continuing the fund in both its administration and seeking new capital as appropriate.

KBSF's inception came at a time when a number of factors were affecting the arena in which most of these enterprises were based, namely

- the banks were holding back on lending whilst they were rebuilding their balance sheets following the economic crash of 2008 and the subsequent fallout.
- austerity measures were having an impact on the monies available to local councils. The result was widespread acknowledgement that the provision of services whether funded or directly provided by the council was going to have to change and that this evolution was going to be a lengthy one. These changes have and will include more widespread commissioning of services rather than straight grant provision and the outsourcing of internal provided services
- a general increase in the demand for grant funding (due to an increase in social need seen during economic downturns, coupled with the changes in central/local government funding) with resources to meet this being finite.
- a general increase in awareness of social enterprise as a significant contributor to the economy; with many entrepreneurs, particularly young people, seeing the benefit of a model offering innovative local ideas to meet local issues and balancing profit with social impact.

“Public services are being reformed to include a greater range of suppliers, devolve power from central government and engage local communities in their running, at a time of significant cuts to public spending. Can more be done to unlock the potential of local people with local solutions to tackle local problems?” (Joseph Rowntree Foundation)

At the heart of the Fund has been the creation and safeguarding of jobs, particularly for those furthest away from the workplace, with applicants being unable to secure mainstream funding.

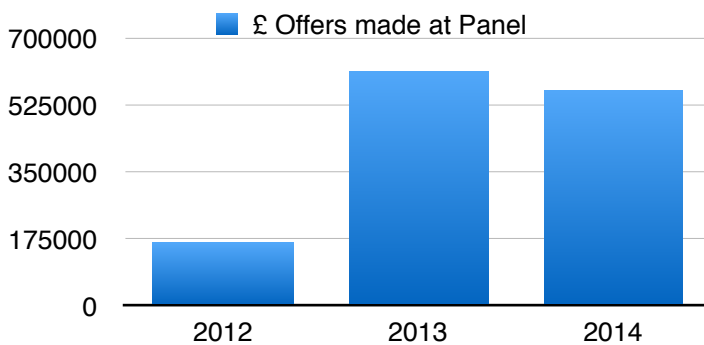
However, every applicant is involved with tackling a social issue and by its nature the social enterprise prevents its directors from benefitting excessively from profits made or selling the assets of the company for personal gain.

DEMAND FOR THE FUND

“Since 2010, there has been an increase in the number of social enterprises, from 240,000 to 300,000 and they now account for nearly 6% of small firms” (The Report on Small Firms 2010-2015)

As with any new offering there was considerable interest when the Fund was first opened, with initial applications in 2012 being evident in the 2013 offers, but Table 1 shows how this demand has continued to be evident.

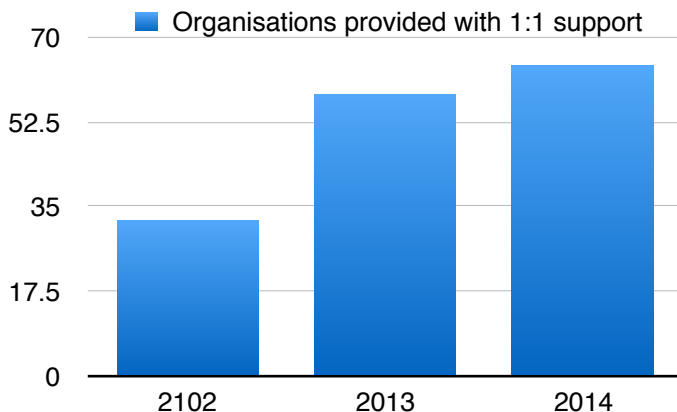
Table 1



It should be born in mind that we have seen a lag (sometimes quite considerable) between initial expression of interest and the request being ready to consider sanction. This is because many of the applicants are new enterprises or have not had to consider financial planning before. In 2015 there have already been offers made of £170,000.

Table 2 highlights the number of enterprises who have had one to one support with financial planning and this assistance is something that we believe the enterprises value, whether they proceed to application or not.

Table 2



“Many thanks for all your support” (Wood n’ Ware CIC)

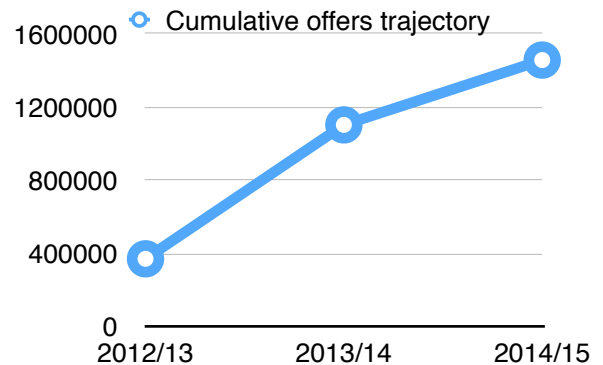
LENDING BOOK

Enquiries over the term have amounted to in excess of £3.2m but this is a conservative figure as many applicants at the outset are not fully aware of the amount of borrowing that they require.

In pure monetary terms, the Fund has been an invaluable resource to social enterprises in Kent over the last 3 years with Table 3 showing how offers made have accumulated over the 3 years, amounting to £1,.477m.

Each Panel has on average confirmed offers of £137,947. Of the offers made, £902,290 has been drawn with the outstanding amounts awaiting fulfilment of terms and conditions. There has been only one offer, of £20,000, that has been declined by an applicant due to the conditions being sought.

Significantly, provisions for defaults have amounted to a modest £31,000 between 2 organisations, this equating to less than 5% of the loans drawn. In addition, of those applicants assisted in the first year of KBSF's operation 83% remain trading, against a Kent wide figure for all businesses of 60%¹.



The figures in Table 3 exclude a one off grant to provide capital for lending to Fredericks Foundation, a charitable micro-lender working in Kent and supporting businesses who are unable to access the main lending market.

Case Study - The Parents Consortium

Parents Consortium offer a 6 bed respite facility known as Dragons Den, providing residential short breaks for children and young people with disabilities.

KBSF assisted with a loan to allow additional staff to be employed enabling the facility to be open for more days in the week, increasing employment, their capacity to assist the children and their families and to earn income



Repayments including fees, interest and capital amount to £226,000 with only one current applicant outside of repayment terms. All repayments are recycled in to the Fund for reuse.

KBSF has and will continue to fill a gap in the social lending market place where lenders such as Charity Bank are primarily looking for deals in excess of £100,000 and for which security is offered.

Equally, the Fund offers applicants the ability to negate the risk of grant funding which can be difficult to obtain (particularly for staff costs), is not long term and can never be relied upon.

¹ KCC Business Intelligence Statistical Bulletin - June 2014

IMPACT OF KENT BIG SOCIETY FUND

The Fund has been very successful in assisting with the direct creation or safeguarding of 270 jobs for the enterprises that have been supported.

In addition to this achievement the number of volunteer positions that KBSF has assisted in creating over the last 3 years has steadily grown to almost 100.

These volunteer positions help the unemployed to experience real work conditions, improve soft skills and in many cases and in many cases gain recognised qualifications that move them towards permanent employment.

Already 43 volunteers have progressed in to employment with their places being taken by others that are looking for support. In this way the Fund is not only helping job creation now but the skills and qualifications for many more for many more to find work both now and in to the future.

Case Study - The Bench, Gravesend

Opening up the community cafe, The Bench in Gravesend High Street Communities Food CIC have employed a member of staff and created volunteer positions for unemployed people in the locality.

In just the last year 17 volunteers have been assisted, with 12 gaining qualifications and 9 finding work, many through the links the enterprise has built up with the main recruiting agency for Bluewater.

As well as providing work experience and training, The Bench uses ingredients from Fairshare which would otherwise be thrown away, offering hot meals to the homeless and those referred by agencies at a price that the diner chooses to pay.



Case Study - Kent Woodland Employment Services

KBSF assisted this new charity to employ and train individuals struggling to enter the workplace including ex-servicemen, unemployed school leavers and ex-offenders.

With the county having the largest acreage of ancient woodland in England, KWES saw the opportunity of providing direct employment and training to manage these woodlands.

Now employing 16 people, a further 8 will be added to the workforce this year with another 8 planned in 2016.



Table 4 Employment opportunities

