Impact Investing for Place:

A City Drive expert panel event on new trends in place-based social investment and social economy development

11th April 2019

Sponsored and Chaired by: Big Society Capital
Organised by: iSE for City Drive 2019
Hosted by: Anthony Collins Solicitors
Reporting by: Alun Severn, BSSEC

Part of the USE-ITI Project

Published by iSE: April 2019

V1.1 final
## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>INTRODUCTION</td>
<td>3</td>
</tr>
<tr>
<td>1.1</td>
<td>Context &amp; Background</td>
<td>3</td>
</tr>
<tr>
<td>2.0</td>
<td>KEY POINTS OF THE DISCUSSION</td>
<td>6</td>
</tr>
<tr>
<td>2.1</td>
<td>Presentations by the Panelists</td>
<td>6</td>
</tr>
<tr>
<td>(a)</td>
<td>Cllr John Cotton, Birmingham City Council</td>
<td>6</td>
</tr>
<tr>
<td>(b)</td>
<td>Claire Spencer, WMCA</td>
<td>8</td>
</tr>
<tr>
<td>(c)</td>
<td>Joel Blake OBE, GBSLEP</td>
<td>9</td>
</tr>
<tr>
<td>(d)</td>
<td>Grace England, Resonance</td>
<td>10</td>
</tr>
<tr>
<td>(e)</td>
<td>Dr Steve Walker, ART Business Loans</td>
<td>11</td>
</tr>
<tr>
<td>2.2</td>
<td>Questions &amp; Contributions from the Audience</td>
<td>12</td>
</tr>
<tr>
<td>2.3</td>
<td>Rounding Up – One Key Message from Each Panelist</td>
<td>14</td>
</tr>
<tr>
<td>3.0</td>
<td>CONCLUSIONS &amp; RECOMMENDATIONS</td>
<td>16</td>
</tr>
<tr>
<td>3.1</td>
<td>Conclusions</td>
<td>16</td>
</tr>
<tr>
<td>3.2</td>
<td>Recommendations</td>
<td>17</td>
</tr>
<tr>
<td>Appendix 1</td>
<td>Biographies</td>
<td>19</td>
</tr>
<tr>
<td>Appendix 2</td>
<td>Attendees</td>
<td>22</td>
</tr>
</tbody>
</table>
1.0 INTRODUCTION

This event was held as part of City Drive 2019, a week-long celebration of social enterprise, now in its fifth year. City Drive is organised by iSE and a range of partners who support the initiative through sponsorship, hosting, collaboration and contributing events.

This particular event was generously sponsored by Big Society Capital and chaired by its Social Sector Engagement Director, Melanie Mills. It was kindly hosted by Anthony Collins Solicitors.

The event took the form of an expert panel which opened proceedings by responding to questions from the chair, Melanie Mills. Discussion was then opened up for questions from the floor and concluded with a short ‘key message’ summary from each panel member.

The panel members were:

- Claire Spencer, West Midlands Combined Authority (WMCA), Senior Policy Advisor – Public Services and Inclusive Growth.
- Joel Blake OBE, GBSLEP, Executive Officer for Growing Businesses.
- Dr Steve Walker, Art Business Loans, CEO.
- Councillor John Cotton, Birmingham City Council, Cabinet Member for Social Inclusion, Community Safety and Equalities.

A full biography for each panelist is in Appendix 1.

A full attendance list for the event is in Appendix 2.

1.1 Context & Background

Place-based investment for impact and outcomes is an idea that is gaining ground in financial circles, social enterprise support, economic development and amongst policy-makers and public authorities. For example, reducing resources has prompted Birmingham Social Enterprise City partners to focus on place as a means of developing hot spots of social enterprise activity and this strategy is at the core of Birmingham’s plans for growth as a ‘social enterprise city’ officially recognised by Social Enterprise UK, the national membership for the sector.¹

To date, place-based investment has emphasised the development of Local Impact Funds (LIF), these are local social investment fund products that provide appropriate and tailored support to charities and social enterprises in a local community. It is thought that such funds can provide locally-led solutions to directing the existing supply of finance to where it is most needed. The first LIF was established in Liverpool in 2014.²

LIFs have already established a track record in bringing together an array of different kinds of investment partners and financial resources (including top-tier social investors such as the Social Investment Business, and public resources such as the European Regional Development Fund programme). The LIF model has also proven attractive to newer social investment providers, such as Resonance, which has established impact investment funds in the South-West, in Bristol, and in the West Midlands; it also has plans for a new fund serving the North-East.³ Typically these new funds utilise Social Investment Tax Relief (SITR)⁴ to incentivise investors. The Social Investment Business reported in 2013 on a model and structure for LIFs.⁵

**A first for Birmingham**

Today’s event marks the first time that key players with an interest in local impact investing in Birmingham have come together to learn more about local impact investing and consider the role that ‘impact investment’ can play in the city and what can be done to align investment.

**The USE-IT! Project (Unlocking Social and Economic Innovation Together)**

The event was organised by iSE as part of City Drive, a week-long celebration of social enterprise, now in its fifth year, and as a contribution to the USE-IT! project (2016-2019).⁶

The USE-IT! project is part of Urban Innovative Actions (UIA), an Initiative of the European Union that provides urban areas throughout Europe with resources to test new and unproven solutions to address urban challenges. Based on article 8 of ERDF, the Initiative has a total ERDF budget of €372m for 2014-2020.

Approximately 359m people – 72% of the total EU population – live in cities, towns and suburbs. Urban areas face multiple and interconnected challenges related to employment, migration, demography, water and soil pollution. To answer these increasingly complex challenges urban authorities need to go beyond traditional

³ See [https://resonance.ltd.uk/investment-opportunities/](https://resonance.ltd.uk/investment-opportunities/).
approaches, policies and services. Urban Innovative Actions offers urban authorities the means with which to do this by testing new and sometimes unproven methods. The project aims to use the social, cultural and educational micro and macro assets within the place of ‘West Birmingham’ which include individuals and communities.

The aim of today’s event is to catalyse discussion, build new partnerships and investment collaborations and identify actions and commitments that can be taken forward as part of Birmingham’s Social Enterprise City plans.

The USE-IT! project also offers resources and key stakeholders that can take the conclusions and recommendations from this discussion panel and use them to frame the project legacy and final seven months of the project. The discussion described in this report is part of the series of ‘challenge panels’ which help to formulate future actions within the project. The challenge panels, as in this instance, consist of local stakeholders and key experts and an invited audience of project beneficiaries and interested parties. This has the added benefit of providing a learning opportunity for all taking part.
2.0  KEY POINTS OF DISCUSSION

2.1  Presentations by the Panelists

Melanie Mills explained that investing for impact isn’t necessarily just about financial investment. There are lots of different ways that local place-based investment can happen – investing in communities, in supporting and developing social capital, in public service contracting that emphasises social value, or in promoting social cohesion.

Melanie asked each panelist in turn to respond to a pre-prepared question.

(a)  Cllr John Cotton, Birmingham City Council

Q: How can Birmingham City Council invest to create hotspots of social enterprise and help build Birmingham as a social enterprise city and what priorities does the local authority need to address in doing this?

Cllr Cotton explained that Birmingham is a tale of two cities: the great successes of inward investment and capital projects – the cranes that can be seen all around the city centre – contrasted with areas of entrenched deprivation and inequality, where unemployment remains stubbornly high, people die sooner, health is poorer, child poverty is all pervasive, and educational achievement is lower. And this is despite the fact that all of these areas have been the subjects of successive rounds of area-based regeneration spending.

Why haven’t these programmes worked? Why have entrenched inequalities remained largely untouched? The consequences of almost a decade of public austerity cannot be discounted. Birmingham City Council has lost over £750m from its budgets; this, along with cuts in spending by the NHS, schools, the police service and in critical areas like mental health, addiction and homelessness have exacerbated existing problems and also had a massive knock-on impact on the third sector, which is having to pick up the pieces. Austerity has hit the poor and the places they live in hardest. But it must also be acknowledged that the previous area-based regeneration programmes took a very traditional approach. There was little attempt to work with communities, to address the upstream causes of deprivation and inequality, to ensure community ownership and long-term sustainability of the outcomes of regeneration, or to ensure that the programmes were accountable to communities or offered the means for communities to engage in their governance.

As a consequence, Birmingham City Council has been forced to focus on deriving the maximum value from the public pound:
• It has implemented a Living Wage policy.
• It has worked hard to embed social value in its commissioning practices and in all aspects of its spending.
• It has begun the process of growing and diversifying the supply chains it uses so that more social economy organisations are involved.

However, much remains to be done. There are still major opportunities to do more in pursuit of private sector investment and support around the social challenges Birmingham faces, and the potential for harnessing individual and corporate philanthropy and philanthropic giving is yet to be fully explored.

Birmingham City Council also needs to continue the work it has done to offer better mechanisms for community governance and accountability.

Despite these problems, there are reasons to be hopeful; there are major opportunities for Birmingham and for improving outcomes:

1. HS2 and the Commonwealth Games 2022: these have to be truly ‘pro-social’ developments in Birmingham’s history. They must deliver for both halves of Birmingham – not just for the haves. They must also be used to help provide a lasting legacy that addresses the entrenched inequalities in the city. A means of testing the social value commitments of HS2, the Commonwealth Games and other major initiatives should be developed to ensure that the social good they can deliver is genuine and inclusive.

2. Prevention: The system needs to be rewired so that there is a much greater emphasis on early intervention and prevention in all public services, with a renewed emphasis on the root causes that are perpetuating inequalities in mental health, homelessness, loneliness, morbidity, educational outcomes.

3. The Neighbourhood Network schemes developed as a new model for Adult Social Care offer a way forward for integrating place-based services and provision and have been co-designed with the third sector. There are currently ten networks of local provision.7

4. The £3m USE-IT! programme offers a new model for place-based community asset development and regeneration that has social enterprise at its heart.

5. Birmingham Partners Investing in Neighbourhoods and Communities (PINCh) also offers a model for developing joint approaches with regional and national funders and VCSE organisations in Birmingham.

---

Claire Spencer, WMCA

Q: What role does the WMCA have in delivering strategically and practically on the recommendations it will receive from its Social Economy Task Force?

The WMCA Social Economy Task Force established in February 2018 reflects the WMCA’s commitment to involving key stakeholders and practitioners in relevant areas of policy development and is central to its efforts to make “inclusive growth” a reality. For too long, too little has been done to understand the real motivations for why people work. A narrowly economic view has been taken of work and its role in economic growth, but GDP is an inadequate measure. It doesn’t reflect people’s real motivations and nor does it offer an appropriate framework within which to develop local economies that reflect social and community values as well as financial ones. The WMCA’s commitment to ensuring that economic growth in the region is inclusive and benefits everyone is a critical part of its policy formation and plans for action.

In establishing the Social Economy Task Force, the WMCA has sought to:

- Identify best practice for strengthening the social economy.
- Identify additional routes to public service reform.
- Develop plans for cross-sector collaboration.
- Identify ways of working with the wider social economy that would strengthen and preserve the best of what is already happening; would not stifle or interfere with existing efforts; and most importantly, would identify tangible ways that the social economy can contribute to the WMCA’s “inclusive growth” agenda.

The key headline outcome identified by the Task Force is “to double the size of the social economy over the next ten years”.

In pursuing this aim, the WMCA can:

- Support events like this; support City Drive; support collaboration between the social enterprise cities of Birmingham and Coventry.
- Learn from centres of expertise in the sector.
- Help spread good practice.
- Help ensure that social economy is viewed as part of the “foundational economy”, and its relationship and contribution to “place” fully appreciated.
- Use the WMCA’s influence and the West Midlands Mayor’s convening power to bring together intermediary organisations and key individuals who have important roles in supporting economic growth.

---

8 See https://www.socialenterprise.org.uk/coventry.
Encourage Local Enterprise Partnerships to do more to support the social economy and social enterprises.

Adopt policies that help:
  - Retain wealth in “place”.
  - Support the community assets agenda.
  - Unlock social value and public service reform.

Learn from campaigns such as Fair by Design that seeks to end the “poverty premium” through reforming the organisations, services and provision that have the greatest negative impact on low-income households (in four broad areas energy, finance, insurance and geographically-based).

(c) Joel Blake OBE, Great Birmingham & Solihull LEP

Q: What are the main challenges for the GBSLEP in embedding social value and social investment in its work and economic development priorities?

Being inside the “the system” offers greater opportunities to achieve change from within – but this is a time for things to be done differently.

The perception of social enterprise in what is a fragmented local investment marketplace needs to change. Angel investors still harbour misconceptions – and to some degree prejudices – regarding social enterprises. And social enterprises need to present themselves as business owners not charities or hippies. Social enterprises’ value proposition is different and they need to get better at articulating this.

The core needs of social enterprises are very similar to those of SMEs – access to appropriate finance, skills and markets.

Social enterprises need to provide stronger evidence of social and commercial impact – the finance community still does not understand. There is a credibility gap which only a stronger social enterprise evidence-base can help address.

There are three key areas of opportunity:

1. That social enterprises better explain and promote their business models:
   - Close to the problems.
   - Innovative.
   - Able to be financially sustainable.

2. That social enterprises demonstrate how and why they are different – the social economy is now part of the GBSLEP’s strategic business support offer. There is money in social enterprise – are we doing the right things to help social enterprises make more money?

---

3. The young and diverse demographic profile of the city:
   • Do we have the right policies, support and incubation strategies to bring forward millennials and the next generation of social entrepreneurs? Policies for the next generation are required, not policies for ourselves.

(d) Grace England, Resonance

Q: What do investors want – place, job creation, impact or financial return?

Investors’ motivations vary widely. It must be remembered in developing place-based funds that not all investors will be born in the locality or express any particular identification with it. In developing its West Midlands impact fund Resonance found that around 40%-50% of investors are West Midlands-born and wish to find mechanisms that enable them to target their investment in the West Midlands. Others may experience little sense of identity with the region but this isn’t necessarily the case: they may equally be motivated by personal experience (e.g. family background, hardship, personal disadvantage, social values/beliefs). Financial return is important but for most social impact is a key consideration.

Place-based investment is important because it offers a number of advantages:

   • It is focused on impact – it offers tangible improvements and impact and a co-ordinated approach.
   • Local networks and local infrastructure offer some key opportunities – for example, the emergence of local business support networks to support and develop investees: this is hard to do at a national level.
   • Better relationships with social enterprises:
   • Trust, collaboration, working together at the locality-level.
   • Crisis management, problems and troubleshooting – when things go wrong for investees it is easier to address these in the context of a focused local fund because reach and contact are easier.
   • Repayable finance is essential to enable “recycling” of funds and reinvestment.
   • Place-based investment enhances the social impact.
   • It offers an alternative to the London-centric structures, operation and relationships of many finance providers.

However, the additional costs of this kind of investment (10%, 12%, 15% interest rates) make the “subsidy” of SITR necessary.
Dr Steve Walker, ART Business Loans

Q: How does CITR help more social enterprises and SMEs access loan finance?

ART Business Loans is a Responsible Finance Provider and a Community Development Finance Institution (CDFI).\(^1\) CITR, tax relief that is available to individuals or companies who invest in accredited Community Development Finance Institutions (CDFIs) is essential to its financial model. ART needs to use CITR for the capital it lends on. CITR helps CDFIs raise the funds necessary to serve areas of disadvantage.

It is important to note that the questions that were being asked twenty-one years ago when ART began about social enterprises and about the need to serve areas of disadvantage are still being asked today. The social and commercial impact of social enterprises is still not well understood and many are sceptical about what makes social enterprises different. Similarly, the importance of SMEs and micro-businesses to local economies and local supply chains is often not recognised – many still focus on the big corporate names and the blue chip multinationals.

One of the reasons that serving areas of disadvantage remains important is that in these areas, supposedly the beneficiaries of over £50m-worth of regeneration funds over the years, nothing really changed.

ART has just raised £250,000 from a pioneering community share offer and this will be used to lever-in around £3m of additional funds for lending. All of the money raised will be for on-lending – none of it is for ART’s revenue or operating costs. The largely individual investors who bought community shares did so for a variety of reasons. Some because they have connections with the West Midlands; some because they are sympathetic to ART’s aims; some because they are aware of the benefits of investing at the local level and the social impact that derives from serving areas of disadvantage. But it is significant that in this particular offer the majority of individual investors were not from the West Midlands.

ART has worked hard to raise awareness of what it does and how, of social enterprise and of the importance of serving areas of disadvantage. But much more of this needs to be done and it is much too big a task for any single organisation.

It is also vital that the *multiple impacts* of local place-based investing are appreciated and understood. For example, ART was an original investor in Glynn Purnell’s now-Michelin starred restaurant, Purnell’s, in Birmingham. Since then owner Glynn Purnell has also opened a bistro/bar. As he was taught and mentored by some of the top chefs, including Gordon Ramsay, Gary Rhodes and Claude Bosi, Glynn has himself mentored and taught aspiring local chefs. One of these was Rosie Ginday, who went on to set up local social enterprise Miss Macaroon. Rosie set up Miss Macaroon because she wanted to create a social enterprise business that combined her passion

\(^1\) [https://responsiblefinance.org.uk/responsible-finance-providers/](https://responsiblefinance.org.uk/responsible-finance-providers/)
for premium quality food with creating opportunities for young people seeking a career – especially those who for whatever reasons need to build (or rebuild) their self-confidence.11

2.2 Questions & Contributions from the Audience

Note: As multiple people, both panelists and audience, contributed to answering the questions and points raised, for ease of reading these replies are presented without attribution.

Q: How can I help social enterprises in Coventry overcome their fear of taking on debt finance?

Debt finance can be more flexible than grant finance – you can do what you want with it, not just what the grant funder wants.

There are many different models of debt finance, including mixed or blended finance that includes debt, grant and support – such as the Key Fund. Some of these models work extremely well. But it should be emphasised that debt is no good to anyone without a plan and the ability to repay it. There must be an aspiration for growth.

Providers need to do more to raise awareness and understanding and to address the opaque language and jargon used.

Use peers – they are a great source of information: “They tell you what social investors won’t tell you!”

People very new to the idea of social enterprise – such as those involved in the USE-IT! programme – also need to be supported. They often lack personal and professional networks of the kind that can advise, be a sounding board, or offer particular experience or expertise. USE-IT! has brokered some of these kinds of relationships but it has also demonstrated that more such opportunities are needed – different and innovative ways of doing this must be found if investment in place is to become a reality.

GBSLEP has now brought in social enterprise and social value expertise. It isn’t just about finance – it needs to be a mixture of wider, more holistic support.

It must also be remembered that repayable loan finance will not be right for many social enterprises – it isn’t the right solution for everyone or for all businesses. Incubation, crowd-funding, pro-bono assistance, grants – all have a part to play in blending together support and finance solutions.

11 See https://missmacaroon.co.uk/our-story#rosie-ginday.
Q: Do we have a good picture of public authorities’ spend in the social economy from a place perspective?

The picture amongst local authorities is very mixed. Some have done tremendous work to map their spend and its economic impact in local areas; others have done very little. At the level of spend specifically with social enterprises it isn’t very likely that all that much information exists. (The WMCA Social Economy Task Force, for instance, was unable to answer this question amongst its member authorities.) As part of the WMCA social economy strategy being developed, WMCA is committed to working with its Office of Data and Analytics to try and address this, as well as working with other partners/stakeholders who have expertise to offer in the development and use of consistent measures.

Social value (as per the Public Services (Social Value) Act 2012 should be applied at all levels of spend – not just to contracts meeting OJEU thresholds – it is in smaller contracts that the vast majority of social enterprise providers are engaged. Social value commitments in major public works and other opportunities (e.g. HS2 and CG2022 respectively) should also be examined to ensure that they play to the strengths of the social enterprise sector – i.e identifying contract opportunities and/or functions that the sector excels at (training, employment support, catering, site facilities support, cleaning etc).

Awareness and embedding of social economy and social value approaches must not be seen simply as a “process issue” – i.e getting the policies and procedures right. In some instances it is about cultural change in institutions, about changing a mindset that is often focused almost exclusively on private sector job creation or GDP or GVA. People and organisations have to understand how impact and social value are relevant to them and what they do.

Social enterprise also needs to start at the bottom – there is a huge potential to do more in education and the curriculum, for instance. Scottish government funds social enterprise education in all schools – England is miles behind.

Q: How do we do more to get organisations to recognise the long-term, upstream savings and benefits of early intervention and prevention rather than focusing solely on immediate budget protection?

Impact of austerity means that more is being spent on emergency and crisis services that don’t necessarily produce the best outcomes or improve outcomes in the longer term.

“What gets measured gets done” – it is important to use measurement and evidence creatively and innovatively as part of system-change, to change services and practices, and to underpin and promote service and system redesign.

Digital skills/capacity – large-scale system change, shared outcomes (and shared responsibility for improving outcomes) are all predicated on better use of data and
more effective sharing of data. At the moment not enough data is shared and there inadequate plans or frameworks for improving this. Open source data is not utilised anywhere near comprehensively enough. Even where good data exists in the sector it is not often utilised in public decision-making or public policy design.

Huge data collections regarding social investment do exist, however, and it is important not to reinvent the wheel!

USE-IT! has demonstrated what can be achieved by measurable investment in the infrastructure and capacity of social enterprise development. Place-based investment has to be about more than simply passing the responsibility for intractable problems (service decommissioning, emergency provision, social crisis) on to the social enterprise and voluntary sectors.

2.3 Rounding Up – One Key Message from Each Panelist

_Cllr John Cotton, Birmingham City Council_

Target major public works for social economy spend targets. For example, in north-west Birmingham just 3% of the spend associated with construction of the new Midland Metropolitan Hospital would bring financial sustainability to many social enterprises.

_Claire Spencer, WMCA_

Leaders and advocates for inclusive growth are needed – there are no structural fixes to cultural and organisational change problems.

_Joel Blake OBE, GBSLEP_

The notion of “diversity” is dead – it’s about inclusion: how can you be more inclusive in the value you create.

_Grace England, Resonance_

More individual investors are needed. Referrals from wealth managers and others in the financial community are nowhere near the level they should be in Birmingham and the West Midlands. Around 70% of individual investors in Bristol are referred via wealth managers; in the West Midlands the figure is less than half this – 30%.

_Dr Steve Walker, ART Business Loans_

Do things together – collaborate; join up. The kind of place-based investment we have discussed here today is beyond any one organisation or fund. Also, risk will not go away – but the public sector could do far more to help guarantee against the risks of investing in areas of disadvantage.
**Melanie Mills, Big Society Capital**

Bring expertise and information to the West Midlands that will enable all social enterprises to make up their own minds about repayable social finance. Be sure to use the information resource represented by Goodfinance.org.uk. And remember – it isn’t just about lending: it’s about *local impact* – an aim we all share.
3.0 CONCLUSIONS & RECOMMENDATIONS

3.1 Conclusions

1) As a means of starting a conversation amongst key players and stakeholders about place-based impact investing this event demonstrated that not only is there a willingness to engage in discussion of the key ideas, there is also a recognition that such an approach in Birmingham requires cross-sector collaboration and partnership. We need to join-up our efforts: there is some fantastic and well-established work going on but there still exists great potential to do more by working together.

2) The good practice and expertise is out there: we need to do more to learn from it, codify its lessons and assemble the expertise and skills within some kind of ‘platform’ or framework in Birmingham. Social Enterprise City offers an opportunity to do this.

3) A new approach to working together to establish mechanisms and processes for place-based impact investing won’t necessarily be without some costs, however. Much can be achieved by working differently, and it does seem that there is an appetite to do this. But additional resources are not impossible to find: by working together partners could tap into resources that would help with (for example) awareness-raising, networking and the development of networks, and new working practices in the finance community – for example, enabling and encouraging advocates for place-based impact investing to do more “education” amongst wealth managers and others – and helping meet the costs of social enterprise work in schools.

4) A number of key opportunities and/or initiatives exist that would enable some if not necessarily all of this work to be taken forward. These are:

- The WMCA social economy strategy, currently in development.
- Birmingham social enterprise city partnership.
- Greater collaboration between the social enterprise cities of Birmingham and Coventry (which is already proving beneficial).
- Key public works such as HS2 and opportunities such as the CG2022.

5) More needs to be done, however, to incorporate place-based impact investment as a consideration in specialist business support for the sector. This must be about more than just developing “pipelines of deals”, which has tended to be the primary concern of finance providers. Specialist business support needs to focus more on:

- Raising awareness and understanding of social finance, ‘we don’t need finance to start but to grow’.
• Helping social enterprises build their evidence-base of social value and impact and better articulate their social and commercial impact.
• Trading and sustainability.
• Developing some targeted social investment funds e.g. Commonwealth Games or geographically-based.
• Raising awareness of ‘development time’ when moving into a new place. It can take a minimum of two years to gain the trust of the ‘community’ and local organisations.
• Using social investment to help lock wealth into places and support initiatives that address poverty and homelessness.

3.2 Recommendations

At the moment, however, developing an agenda that will see place-based impact investing become a reality in Birmingham remains a big – possibly overwhelming – ambition. It needs to be broken down into achievable steps, do-able priorities and a meaningful framework.

Three immediate actions are therefore recommended:

1) Given that a local impact fund for the West Midlands and a pool of place-based impact investment expertise already exists, it would make sense to ensure that the Social Economy Strategy currently being developed by the WMCA makes specific commitments to incorporating this into its priorities, including helping to raise or secure resources to strengthen such efforts further and to bring place-based impact investment to other parts of the WMCA territory.

2) It would also be helpful if a small group of partners could be identified who will work together to develop a specific place-based impact investment strand as part of Birmingham Social Enterprise City. This to include commitments for a specific programme of work and some ideas about securing resources to help make this possible. There was a strong desire expressed to see more joined-up action by key players in social investment and Birmingham Social Enterprise City offers the perfect context within which to attempt this.

3) Key public authorities should commence work immediately to ensure that the social value and impact commitments of HS2 and CG2022 (and any other major public works or initiatives) are “fit for purpose” and maximise the contribution these public goods can make to local communities and impact investing in place. It would make sense if the WMCA could lead on this.

4) USE-IT! legacy work should use the lessons and good practice of place-based approaches to regeneration in order to:
• Emphasise and explain the positive impact such approaches have for local communities.
• To support the replication of such approaches in other parts of Birmingham and nationally.
• And to influence the approaches and priorities of social investment bodies.
APPENDIX 1

Impact Investment for Place: Breakfast meeting with Big Society Capital

Biographies

Melanie Mills, Big Society Capital, Social Sector Engagement Director

Melanie is leading Big Society Capital’s work to support social enterprises to engage with social investment. Formerly Chief Executive of Social Enterprise West Midlands CIC, Melanie led it from a publicly funded project to a sustainable social enterprise through four years of trading and growth. With a background of 20 years in retail Melanie has also deployed her commercial skills to run her own consultancy working with community organisations and charities to raise funds and to look at new ways of sustainable income generation. Melanie is particularly focused on busting the myth that social investment is just a London centric activity and leads on our work across the Midlands and North.

Outside of her day job Melanie supports the sector in other ways and is the Social Enterprise Champion for Greater Birmingham and Solihull LEP and Chair of Governors at a rural primary school in Leicestershire.

Claire Spencer, West Midlands Combined Authority (WMCA), Senior Policy Advisor – Public Services and Inclusive Growth

Claire is a committed localist who combines a passion for empowering communities of place and interest to make change with a commitment to creating the conditions for collaborative endeavour to thrive. She is currently working with the West Midlands Combined Authority as a senior policy adviser within the Public Service Reform team, focusing on shaping and delivering the region’s burgeoning inclusive growth agenda, including by supporting the Social Economy Taskforce. She has worked across the public, private and third sectors, founded a community renewables co-operative, and has also held public office as a councillor in Birmingham.

Grace England, Resonance, Social Investor

Grace is an Investment Manager at Resonance, based in Resonance’s Birmingham office. Her main role involves managing the Resonance West Midlands SITR (Social Investment Tax Relief) Fund, which is a social impact investment fund designed to dismantle poverty in the West Midlands region, through making affordable and flexible investment opportunities available to high impact social enterprises in the area. This involves both raising investment into the Fund from individual investors, as well as supporting social enterprises to take on growth investment to grow their business and social impact. Grace also manages Resonance’s Angel Investor
Network, supporting individuals to make investments that are aligned with the social issues that they are passionate about tackling. Over the last five years at Resonance, Grace has led on origination, due diligence and execution on a number of social investment deals across all three of Resonance’s fund management areas (Property Funds, Community Assets, and SITR Funds), and has been directly responsible for c. £2m worth of investment into social enterprises.

Joel Blake OBE, GBSLEP, Executive Officer for Growing Businesses

Joel is a multi-award-winning entrepreneur and speaker, with over 15 years of experience in helping companies integrate diversity, finance and technology to drive growth. He is currently the Executive Lead for Growing Business and Access to Finance for the Greater Birmingham & Solihull Local Enterprise Partnership. Joel started his out as a social entrepreneur in 2001, creating one of UK’s first diversity recruitment consultancies. In 2013, Joel co-founded and helped to scale a financial lending firm that supported over 650 UK businesses, before going on to launch an AI-powered data analytics start-up for the financial services sector. Joel has authored independent reports on the needs of small business owners for the government and financial institutions, and advises professional bodies on how to innovative their existing businesses support strategies and initiatives.

Joel is a National Ambassador for the Institute of Leadership and Management, Chair of The Supper Club Midlands Forum and a Fellow of the Centre for Entrepreneurs. He was awarded an OBE for Services to Business Support and Enterprise in 2016.

Dr Steve Walker, ART Business Loans, CEO

Steve Walker has been Chief Executive of ART Business Loans (ART) since launch in 1997.

Steve has contributed extensively to policy issues relating to access to finance and support for small businesses including Social Enterprises, at both regional and national level, drawing from his practical experience. He is a regular presenter upon access to finance practice and policy both in verbal and written form and has had many articles published in his area of expertise.

From 2000-2006 he was a member of the Small Business Investment Taskforce, an advisory, non-departmental public body, advising the Small Business Service and through it the Government on all matters relating to finance for businesses and has become one of the leading UK practitioners in the Social Finance sector. He served on that body and was instrumental in supporting through national and local funding the growth of the CDFI sector and early stage equity funding for businesses. He has served as a member of the West Midlands Regional Finance Forum and also serves currently is upon the advisory access to finance board of the Greater Birmingham and Solihull Local Enterprise Partnership.
Steve was awarded an Honorary Doctorate in 2007 by the University of Birmingham for services to enterprise and access to finance. In 2016 he became also an honorary research fellow at the University.

He was named Responsible Finance Leader of the year at the 2018 Citi Micro-entrepreneurship Awards in March 2018.

**Councillor John Cotton, Birmingham City Council, Cabinet Member for Social Inclusion, Community Safety and Equalities**

John was first elected as a Labour member of Birmingham City Council in 1999 and represents the Glebe Farm and Tile Cross Ward in the east of the city. As Cabinet Member for Social Inclusion, Community Safety and Equalities, he is passionate about building stronger, safer communities and tackling the inequality and poverty that still holds back too many of our fellow citizens.

John has previously held Cabinet portfolios with responsibility for Housing, Health and Adult Social Care. He has also served as Chair of the Council’s Co-ordinating Scrutiny Committee, which acts as the authority’s “watchdog” on matters of corporate governance and performance, the Health and Social Care Scrutiny Committee and the Birmingham Health and Wellbeing Board.

Outside of the Council, he has had a varied career working in private industry, as assistant to a Labour MP, in the voluntary sector and as a freelance consultant. He is also a school governor, a trustee of a local charity and an active member of the national executive of the Labour Housing Group.
## Appendix 2

### Attendees

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Alcock</td>
<td>Anthony Collins Solicitors</td>
</tr>
<tr>
<td>Joel Blake</td>
<td>GBSLEP</td>
</tr>
<tr>
<td>Samantha Browne</td>
<td>Diamond You</td>
</tr>
<tr>
<td>Cllr John Cotton</td>
<td>Birmingham City Council</td>
</tr>
<tr>
<td>Sarah Crawley</td>
<td>iSE</td>
</tr>
<tr>
<td>Carole Donnelly</td>
<td>Coventry University</td>
</tr>
<tr>
<td>Grace England</td>
<td>Resonance</td>
</tr>
<tr>
<td>Iram Fardus</td>
<td>Witton Lodge</td>
</tr>
<tr>
<td>Nikki Fenton</td>
<td>Unity Trust Bank</td>
</tr>
<tr>
<td>Rebecca Giannelli</td>
<td>iSE</td>
</tr>
<tr>
<td>Matt Hadlington</td>
<td>HS2</td>
</tr>
<tr>
<td>Kathy Hopkin</td>
<td>Co-op Futures</td>
</tr>
<tr>
<td>Jason James</td>
<td>Unity Trust Bank</td>
</tr>
<tr>
<td>Fran Jones</td>
<td>CLES</td>
</tr>
<tr>
<td>Birgit Kehrer</td>
<td>ChangeKitchen</td>
</tr>
<tr>
<td>Tony Kennedy</td>
<td>Alderman for Birmingham City Council</td>
</tr>
<tr>
<td>Andy Lee</td>
<td>NatWest</td>
</tr>
<tr>
<td>Adrian Leonard</td>
<td>Anthony Collins Solicitors</td>
</tr>
<tr>
<td>Karolina Medweka</td>
<td>Birmingham City Council</td>
</tr>
<tr>
<td>Melanie Mills</td>
<td>Big Society Capital</td>
</tr>
<tr>
<td>John Murray</td>
<td>NatWest Social &amp; Community Capital</td>
</tr>
<tr>
<td>Conrad Parke</td>
<td>USE-IT</td>
</tr>
<tr>
<td>Trevor Rees</td>
<td>Enso Impact</td>
</tr>
<tr>
<td>Pauline Roche</td>
<td>RnR</td>
</tr>
<tr>
<td>Austin Rodrique</td>
<td>Birmingham City Council</td>
</tr>
<tr>
<td>Ted Ryan</td>
<td>RnR</td>
</tr>
<tr>
<td>Sallie Ryan</td>
<td>iSE</td>
</tr>
<tr>
<td>Alun Severn</td>
<td>BSSEC</td>
</tr>
<tr>
<td>Jack Skinner</td>
<td>Sport 4 Life UK</td>
</tr>
<tr>
<td>Claire Spencer</td>
<td>WMCA</td>
</tr>
<tr>
<td>Sally Taylor</td>
<td>Boost Impact</td>
</tr>
<tr>
<td>Simon Veasey</td>
<td>iSE</td>
</tr>
<tr>
<td>Lisa Vicary</td>
<td>Fuse participant</td>
</tr>
<tr>
<td>Steve Walker</td>
<td>ART</td>
</tr>
<tr>
<td>Joy Warmington</td>
<td>BRAP</td>
</tr>
<tr>
<td>Simon Wilson</td>
<td>Pioneer Group</td>
</tr>
</tbody>
</table>