



The Connect Fund – Funding Guidelines

The Connect Fund has been set up to strengthen the social investment market in England to better meet the needs of charities and social enterprises. Our vision is to facilitate the development of a strong, sustainable, collaborative community of social investment providers that work together to build a better market.

The fund provides grants and investment to develop shared infrastructure resources for a market that supports mission. The Connect Fund supports tools, partnerships and initiatives that advance a more open and accessible social investment market.

What is the Connect Fund?

The Connect Fund, previously known as the “Social Investment Infrastructure Fund” is a £1.8 million fund for grants and investments that The Barrow Cadbury Trust manages in partnership with [Access – the Foundation for Social Investment](#). The fund supports intermediaries and infrastructure organisations to make social investment work better for a wider, diverse range of charities and social enterprises.

The Connect Fund seeks to build a better social investment market by:

- improving the connection of social investment to charities and social enterprises
- better connecting social investment intermediaries through shared data and resources
- connecting existing voluntary sector infrastructure organisations to the social investment market

Shared infrastructure can build a more open and accessible social investment market focused on social mission. Better sharing of tools, data and resources can lower transaction costs, promote diversity and innovation, and facilitate learning and feedback to move social investment forward. This initiative can bring new voices to social investment that represent the needs of the social sector.

What funding is available?

The Connect Fund will open for the first round of funding from **5 June to 2 July 2017**.

The initial expression of interest (EOI) for grants will focus on grants to address gaps in the infrastructure of the social investment market in England (See 1. below). This initial EOI will be followed by further funding strands:

- 1. Grants to address gaps in the infrastructure of the social investment market.** The fund seeks proposals that will foster partnership, collaboration, and open source solutions for shared benefit. The fund will support initiatives that include, but are not limited to, themes of:

- Data or information solutions - shared standards, platforms or management information systems for the social investment market
 - Human capital solutions - talent management, skill development, diversity and equality in social investment
 - Network solutions – strengthening networks for advocacy, feedback, learning and voice in social investment
 - Resource sharing solutions - fresh thinking or solutions to current barriers to blended finance, investment readiness, high transaction costs, due diligence, legal documentation, communications and marketing
- 2. Investment for existing social investment intermediaries**, to enable them to increase capacity, skill and effectiveness, grow their business or reach new markets, in ways that increases strength, resilience and sustainability as well as improving the product offer to VCSEs. This will initially take the form of data gathering to evidence demand and type of investment required by the social investment sector.
 - 3. Feasibility grants to test approaches for sectors or places to engage with social investment** to explore models of enterprise-driven funding solutions via voluntary sector infrastructure, community foundations or membership bodies. A key objective is to extend the reach of social investment by geography, sector, and on an equalities basis to diversify and widen the scope of the market. This will take the form of small grants for feasibility studies to explore social investment capacity building, brokering, and advice or scoping of social investment funding programmes.

Underpinning the Connect Fund is **the ambition to accelerate change by creating learning partnerships** that can advance practical solutions to shared challenges. This could involve convening learning groups based on emerging issues that arise from expressions of interest from the sector.

The Connect Fund is **engaging with the social investment market to shift the narrative** to focus on the funding realities that social organisations face. Social investment is one tool for charities and social enterprises to consider as they explore a pathway to generating income through assets or trading.

Who can apply and Timescales

The Connect Fund is not intended for frontline charities or social enterprises working directly with beneficiaries in the social sector. If you would like more information about social investment go to [Good Finance](#). For programme grant funding, please refer to the [Barrow Cadbury Trust](#).

Grant funding from the Connect Fund is intended for organisations operating in the social investment market in England. This might include fund managers, advisors, brokers, platforms, networks, interest groups, charities or social enterprises working or engaging with the social investment sector.

Feasibility grants are targeted at voluntary sector organisations, membership or umbrella bodies that are supporting places or sectors to engage with social investment.

Investment is intended for existing social investment intermediaries operating as fund managers, advisors or brokers in England. As described above, this will initially take the form of data gathering to determine the structure and nature of demand.

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Funding available	EOI date	Target audience	IMC decision
1. Grants to fill gaps in missing market infrastructure	5 June – 2 July 2017	Sector partnerships; Social investment intermediaries; charities; social enterprises; research entities; early stage initiatives; related sector organisations	23 Nov 2017
2. Feasibility grants to test approaches for sectors or places to engage with social investment	2 Oct – 5 Nov 2017	Voluntary sector infrastructure orgs; membership bodies; community foundations; sector, place or equalities networks	Feb 2018 or May 2018 (depending on readiness)
3. Data gathering on demand for investment	Initial responses from 5 June on a rolling basis	Existing social investment intermediaries	May 2018

What are the eligibility criteria?

Funding strand	Eligibility criteria
1. Grants to address gaps in the infrastructure of the social investment market	<p>1. Your organisation, or a designated partner, provides finance, advises on or engages with the social investment market in England.</p> <p>2. Your organisation, or a designated partner, has legal authority or powers to manage grant funding.</p> <p>3. Your organisation, or a designated partner, has a Board or governing body to whom the project will be accountable.</p>

	<p>4. The project you propose will create shared benefit for the social investment sector in England.</p> <p>5. The output of your project will be open source and/or openly distributed.</p>
2. Data gathering on investment	<p>1. Your organisation is a fund manager, advisor, arranger, broker or platform active in the social investment market in England</p> <p>2. Your organisation would, in theory, consider investment or patient capital from the Connect Fund.</p> <p>AND/OR</p> <p>3. Your organisation wants to contribute to a discussion about how existing social investment intermediaries in England can increase the strength, resilience and sustainability of business model(s).</p>
3. Feasibility grants	<p>1. Your organisation is a voluntary sector infrastructure organisation; membership body; umbrella organisation; sector, place-based, or equalities network; or community foundation.</p> <p>2. Your organisation would like to explore new ways to connect, broker or build the capacity of VCSEs to access social investment, ideally in partnership with other organisations.</p> <p>3. You will test capacity building, brokering, and/or advisory services on social investment for charities and social enterprises or are scoping provision of social investment funding.</p>

How to Apply?

The fund seeks grant proposals that will foster partnership, collaboration, and open source solutions for shared benefit in the social investment market in England.

We expect most proposals to fall into the range of small grants (£5,000 to £15,000); medium grants (£20,000 to £40,000) or large grants (£45,000 to £60,000). This is an estimate. A proposed grant request should reflect budget needs in line with potential for social impact.

Step 1: Complete a [short online enquiry form](#)

Step 2: We will review all of the EOIs and get back to applicants following the close of the funding period.

Step 3: Selected applicants will be invited to submit a [full application form](#).

Step 4: We will assess the full grant applications, and may ask you for further information.

Step 5: Final decisions will take place at the next appropriate Barrow Cadbury Trust Investment Management Committee.

If, following submission of the initial enquiry form, you are invited to make a full application, the assessment and decision process may take up to four months.

Investment: Please complete our [investment survey](#) to provide data on the type, amount, and purpose of funding required, specifically for social investment intermediaries.

What problem is the Connect Fund is trying to solve?

Charities and social enterprises require small amounts of affordable finance to allow them to create more social impact, particularly as they develop ways to earn income. Despite having been set up for this purpose, many social investors struggle to provide this type of finance.

Why is this? The social investment market is immature. The type or structure of finance on offer might make it too expensive. There are many information gaps and lack of shared data. Resources could be better shared to lower transaction costs. Social enterprises need capacity building to be investment ready. Brokers with strong connections to specific places or sectors may be required.

Some of these challenges can be addressed by catalysing shared resources and market infrastructure; and by testing new ways for existing voluntary sector infrastructure to engage with social investment.

Why Barrow Cadbury Trust?

The Access Foundation chose the Barrow Cadbury Trust to deliver the Connect Fund because of our experience in social investment, expertise in voluntary sector infrastructure, and our approach, which is to work in partnership with those we fund towards a common goal.

Our model of working is to focus on a small number of policy areas, where we have deep knowledge, and try to influence decision-makers and practitioners by building an evidence base, advocating for change and ensuring that people affected by social injustices are heard by those in positions of power.

As a social justice foundation with an interest in social investment, Barrow Cadbury Trust has long been aware that social investment products on offer do not serve large sections of the social sector. [Our values](#) – including collaboration, engagement, independence and learning -- inform the development and delivery of the Connect Fund.

What is infrastructure?

The Connect Fund is supports a shared approach to social investment infrastructure. By infrastructure, we mean social investment market intermediaries and support organisations, plus the shared processes, tools, networks and partnerships that enable best practice. The fund further explores how existing voluntary sector infrastructure, community foundations and membership bodies representing local, equality or sector perspectives, can engage with enterprise-driven funding solutions related to social investment.

Further information

If you would like to be kept in touch with updates and information about the Connect Fund please [email Sian Williams](#) to have your name added to the mailing list.

The Connect Fund Manager is [Jessica Brown](#). You can contact her directly with ideas or questions relating to your application or submission to the fund.

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You can also [follow The Connect Fund on Twitter](#).

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