

# Investment Stories - North East England - 2020 - 2021

## Women Directing Social Enterprise



TRADING THROUGH COVID - 19

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## **Forward**

The impact of Covid-19 on the global economy has been dramatic. In the UK we saw the worst recession for three hundred years. Lockdown restrictions happened at speed with little time to plan. Government support initially seemed slow and disproportionate to emerging needs. Against a public health crisis and economic uncertainty community based social enterprises faced the prospective of falling trading income, unsustainable overheads and increasing social need from vulnerable communities. Fast forward eighteen months from March 2020, the world and state of the UK's voluntary and community sectors look and feel a lot different. However, the future remains uncertain, full of challenges and the full impact of Covid-19 still to be determined. This report sheds light on the lived experience of eleven community based social enterprises, led by women, who survived the immediate impact of Covid-19 and have now started the recovery phase of – Building Back Better.

This report is a collection of narratives from social entrepreneurs who lived through Covid-19 in a personal and professional capacity. It is their accounts of what happened, how they responded and their plans for the future. The accounts detailed in this report emerged from Action Learning, which is participatory in nature and designed to allow participants to solve problems through collective action. This report reflects a process of mutual support amongst social enterprise leaders. It is shared learning experience.

There are three broad action focused themes which come out of this report: 1. Business Models, 2. People and 3. Access to Finance. In our conclusions we make a number of suggestions of how best to support social entrepreneurs in a post Covid-19 world. In the end the unifying factor which made the difference in all the narratives was social purpose. Covid-19 was just another seemingly insurmountable challenge for each leader which they needed to overcome to deliver their social aims. This basis of each narrative: Challenge, Opportunity, Optimism and Hope.

*- Linda Rutter, Director, New Leaf New Life Business Solutions CIC, December 2021*

## **Introduction**

In November 2020 New Leaf New Life (NLNL) secured funding from the Connect Fund to carry out a research project into the impact of Covid on the resilience of community based social enterprises. We collaborated with eleven female social entrepreneurs to understand needs, responses and aspirations for social investment and business support following Covid. Our collaborative model focused on engagement through shared learning, social investment, fundraising, business pivoting, strategy development, networking and personal coaching. NLNL delivery model for the Lived Experience Network incorporated:

- Conversation based Action Learning Sets
- One to One Coaching
- Story Telling – Investment Story Board
- Pre-investment Support
- Investment Support
- Post Investment Support
- Business Pivoting
- Covid Grant funding support
- Peer Mentoring

## **Aims of the Research Project**

The project was initiated to understand needs and the impact of Covid. The project aimed to:

- Build a network of shared learning
- Provide individual tailored support
- Understand what support works best
- Understand how social investment has been used by small organization to get through Covid
- Develop a better understand of what resilience means for community based social enterprises
- Inspire others and celebrated the work of female social entrepreneurs working in some of the most deprived areas of the North East during the worst economic recession in three hundred years.

## **Formation of a social investment Women's Learning Group**

During 2019 NLNL recruited social entrepreneurs for a social enterprise leadership course delivered by Social Enterprise Academy and financed by Big Issue Invest Trust. The majority of participants were female social entrepreneurs working in highly deprived communities in the North East. Following the course an informal network of peers emerged sharing information and exchanging idea amongst likeminded people. The onset of Covid restrictions in March 2020 put on hold further development of the group. However, in the autumn of 2020 the idea of capturing responses to Covid and sharing experiences through a research project emerged.

## **Social Entrepreneur Narratives**

The narrative for each social enterprise is told by the entrepreneurs themselves in their own words. Each account follows a set format for each interview focusing on the immediate impact and response to Covid and looking forward to the future. The use of social investment is a unifying theme across narratives. Social investment has been used for two primary purposes – organisational survival and organisation development in response to increased demand.

**About New Leaf New Life (NLNL)**

New Leaf New Life (NLNL) engage, and support emerging and established social enterprises to help marginalised communities across the North East of England. NLNL provide support to the NE social economy. We provide support on business planning, financial modelling, investment readiness support, governance and legal structures, grant funding, blended finance, product and service development and social impact. NLNL operates directly through networks at a grass roots level, relying on word of mouth, credibility, track-record and self-referral. We support and enable local social entrepreneurs from disadvantaged neighbourhoods and target groups to set up and grow social enterprises. Our work to-date has focused on helping social enterprises build and adapt trading models to support them taking on blended finance for growth and development. Through this work we have built up an impressive network of social enterprises who have all been recipients of social investment.

# The Social Entrepreneurs



**Afi & Felicite**



**Lynn**



**Loree**



**Zoe**



**Janine**



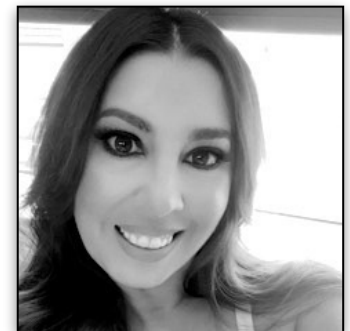
**Clare, Julie & Ingrid**



**Pam & Laura**



**Debbie**



**Deloris**



**Anita**



**Katherine**



## The Social Enterprises

<b>Afi Dometi</b>		<b>Lynn Summerside</b>		<b>Loree Moran-Wilson</b>	
<b>Africawad Recycling CIC</b>		<b>B Active NB Fit CIC</b>		<b>Make Your Way CIC</b>	
Legal status:	CIC	Legal status:	CIC	Legal status:	CIC
Established:	2015	Established:	2005	Established:	2013
Directors:	4	Directors:	3	Directors:	5
Staff:	2	Staff:	3	Staff:	2
Volunteers:	12	Volunteers:	4	Volunteers:	8
Pre-Covid trading:	£84,537	Pre-Covid Trading	£110,000	Pre-Covid-trading:	£56,000
Annual Beneficiaries	396	Annual Beneficiaries	2164	Annual Beneficiaries	1902

<b>Zoe Breeze</b>		<b>Janine Leopard</b>		<b>Ingrid Hall</b>	
<b>Breeze Creatives CIC</b>		<b>The Link (Redcar) CIC</b>		<b>Dreamshine CIC</b>	
Legal status:	CIC	Legal status:	CIC	Legal status:	CIC
Established:	2014	Established:	2011	Established:	2019
Directors:	3	Directors:	4	Directors:	3
Staff:	4	Staff:	11	Staff:	1
Volunteers:	6	Volunteers:	0	Volunteers:	8
Pre-Covid trading:	£252,257	Pre-Covid trading:	£380,000	Pre-Covid trading:	£23,700
Annual Beneficiaries	410	Annual Beneficiaries	519	Annual Beneficiaries	1103

<b>Pamela McKenna</b>		<b>Deb Byers</b>		<b>Deloris Martin</b>	
<b>Community Catering Initiative</b>		<b>Sunderland Home Grown</b>		<b>North East Dance</b>	
Legal status:	CIC	Legal status:	CIC	Legal status:	CIC
Established:	2004	Established:	2015	Established:	2007
Directors:	3	Directors:	4	Directors:	6
Staff:	2	Staff:	5	Staff:	4
Volunteers:	8	Volunteers:	11	Volunteers:	3
Pre-Covid trading:	£46,257	Pre-Covid trading:	£79,475	Pre-Covid trading:	£166,875
Annual Beneficiaries	9154	Annual Beneficiaries	809	Annual Beneficiaries	2796

<b>Anita Heskett-Saddington</b>		<b>Katherine Hodgkinson</b>	
<b>Fiscus North CIC</b>		<b>Colbolt Too</b>	
Legal status:	Charity	Legal status:	CIC
Established:	2005	Established:	2014
Directors:	5	Directors:	4
Staff:	4	Staff:	2
Volunteers:	3	Volunteers:	3
Pre-Covid trading:	£370,788	Pre-Covid trading:	£178,148
Annual Beneficiaries	3500	Annual Beneficiaries	788



## Social Entrepreneur Lived Experience

### Survival Capital: Loans taken in order to survive Covid

#### Africawad Recycling CIC

##### Company Snapshot

Africawad Recycling provide a unique work and learning environment for African women who have the right to work in the UK but are struggling to find a job due to language and/or social barriers. Through a recycling 'cash for clothes' social enterprise individuals partake in live activities which include coaching, mentoring, training and deliver the support measures designed to overcome the specific barriers and meet the specific needs of African women helping them into economic independence. Activities raise the aspirations of local African women, up skill, build confidence and a sense of self-worth and contribute to a more sustainable prosperous local community. Africawad's main trading income come from their 'cash for clothes' and textiles recycling programs.

##### Reasons for taking on loan finance

Because if we were to survive, we knew we would need money to re-start our business once the pandemic allowed us to trade again. We used all our resources paying bills which had to still be paid, and helping our community. A loan meant we had money in the bank in case we needed it for our first shipment of clothes - and the government made it attractive to us.

##### Morale

We were scared of covid and worried about having to still pay bills. We were anxious that we might not be able to trade again. The time was very slow for us to start trading so we felt unsure of the future.



## Activities

We made a sewing project to help train our community and to raise the spirits of our women from working together to help others by making face masks; and we supported families with what they needed to get by. We did telephone checks on our community to help people feel looked-after.

## Personal resilience

We find ways to make things work. We put extra of our own time to keep the project going and we support each other when times are worrying by talking to each other and by asking for help to find solutions. We try our best to be resilient but it is sometimes very anxious.

## Company resilience

Our company resilience depends on how resilient we are as people running it.

## Looking Forward

### Recovery planning

We have negotiated new terms with our suppliers and we have reopened our shop. We are watching our opportunities to trade very closely and looking for new partners to work with. We are continuously looking for cheaper options to reduce our costs so we can make our money and resources work better for our community.

### Additional investment

We would like new grants but will not look for new loans till we are sure we can pay them back once our business picks up again.



## Key Learning over 16 months of operations in a pandemic

During the pandemic it was key to have access to support. We needed support and were able to access grants and investment opportunities because of this. We were able to respond to increased needs because we adapted quickly and were prepared to change at short notice. We learnt during this period of greatest assets was our links with our community and the support we are able to access to respond.



## **B Active NB Fit CIC**

### **Company Snapshot**

B Active NB Fit offer exercise activity and holistic therapies, working with stakeholders to develop a model of social prescribing and a community hub for health and wellness activity, specifically supporting vulnerable older people. Activity programme includes health and fitness activity, social inclusion activity, reminiscence, lifestyle or confidence building courses, walking groups, learning new skills or enjoying a social activity in a public park setting. B Active N B Fit have trained instructors who act as the Social Health Mentors, social care and exercise and fitness.

Reasons for taking on loan finance

We took the loans to safeguard our business.

Morale

We came together as a team and supported each other, as we did face the fear of lost income and uncertainty. We stayed motivated for the benefit of our service users as they were more vulnerable.

Activities

We pivoted to online activity including facebook, telephone calls, door step motivation and window visits.

Personal resilience

We remained versatile and resilient through the passion of our ethos and remembering why we started 18 year ago

## Looking Forward

### Recovery planning

We plan to build on our activities and vision.

### Additional investment

Yes, we are looking to develop our outdoor space as a Dementia Park, and will seek further investment in the form of grants and loans to help us achieve this

### Key Learning over 16 months of operations in a pandemic

We learned to be flexible, to stay strong and positive; knowing when to seek external support to enable us to work on our finances during the pandemic. We have confidence in our business model, and learned to share good practice with other social enterprises. We learned to take time for ourselves, and to maintain a healthy workforce.





## Make Your Way CIC

### Company Snapshot

Make Your Way CIC have an established community furniture recycling/up-cycling production community shop front premises based in the Hendon ward, Sunderland. Their work aims to deliver a powerful rehabilitation experience for ex-offenders and offenders, the social enterprise is led by people with personal experience of the criminal justice system, to provide holistic support for ex-offenders (at risk of re-offending) at a time when they need it most, giving people who are vulnerable, marginalised and disadvantaged somewhere to go; places that 'belong' to them and provide comprehensive packages of support. MYW have made strong networks in the local community and have a contract in place with Sunderland Local Authority and social housing groups who support and establish housing streams for vulnerable adults, providing furniture packages/house furnishing for individuals in need. MYW also provide a community distribution service doing food bank collection and delivery and furniture collection and delivery.

Reasons for taking on loan finance

To keep as reserve funding for when funding is difficult and Covid funding support stops.

Morale

We worked just as hard and were committed to helping those who needed our provision. Activities We stuck to covid rules sanitising every hour and used grant funding to offset core salaries that enabled us to stay open and deliver emergency food provisions and emergency household furniture packages to those in need.

Personal resilience

Same as usual, looking out for those in need, never letting hurdles get in my way.

Company resilience

We're motivated by the increased need of the clients; and that I had got funding for staff wages - rather than us being confined to our homes, and resorting to apply for universal credit.



## Looking Forward

Recovery planning

We are not in recovery. I made sure we stayed strong throughout the Covid 19 crisis. It's work as usual now.

Additional investment

Yes, as we are hoping to expand our service, and to expand our team.

Key Learning over 16 months of operations in a pandemic

That it is best to keep calm and carry on; to seek external support to work on funding; and to work in partnership with others.

## Breeze Creatives Community Interest Company

### Company Snapshot

Breeze Creatives was established to promote engagement and participation in arts through educational and recreational activities which develops skills and confidence of individuals. Activities include facilitation and management of an artist's hub in both Newcastle and Sunderland where they train, mentor, develop and provide affordable artists work space, deliver an independent Foundation Art and Design course, provide three gallery spaces which showcase local, national and international artists, and a lecture facility which allows for collaborations with the local universities and colleges and to deliver The Barlow Series, lecture program. Breeze Creatives main trading income comes from studio letting and hire of gallery space.



### Reasons for taking on loan finance

Because at that same time we were given a four week notice from our landlord meaning that we had to find a new premises, so we knew that there would be a short term loss of profit while we rebuilt, with the added pressure of covid. We were confident that this would be a short term loss.

### Morale

The pandemic didn't really affect our morale as we provided services for creatives throughout with a safe place to continue their work. If anything, it made us more focused on helping our community remain connected.

### Activities

We stayed open just by putting sensible measures within the building, and were fortunate that all members of our team were happy to continue to operate. We were able to do some work remotely.

### Personal and Company resilience

We are very resilient in our self-belief and ambition for the project, which helps carry us forward. The pandemic has made us realise, though, that we need to be at a higher level of financial resilience in order to survive the next unknown.

## Looking Forward

### Recovery planning

Our plans for recovery are to establish a stable income stream through high occupancy of the studios, in both JMC and the Athenaeum. Then we plan to develop the remaining space in both buildings into revenue streams - in Sunderland through the development of a working studio; and at the JMC through the rental of the Halls and meeting spaces. Alongside this we would look for funding to help us to create an outdoor sculpture trail and public gardens.

### Additional investment

Yes, we are looking for investment through grants to develop the Athenaeum and the JMC.

### Key Learning over 16 months of operations in a pandemic

Our key learning points have been that we need to be more open minded and more innovative in our approach to exploring new income streams.



Another key learning point has been the recognition of the fragility of the arts, and of artists' spaces. The pandemic has taught us that we need to be more holistic in our approach to space and that the arts has an important role to play in creating a balanced working lifestyle.



## The Link (Redcar) CIC

### Company Snapshot

The Link provide professional mental health and emotional well-being support to children and young people (3-18 years) and their families in Redcar. The Link have delivered a total of 13,892 1:1 sessions within the last 3 years. The Link team has capacity for 100 – 120 one to one cases at any given time. The Link are also one of the preferred providers on the Middlesbrough Therapeutic Family Service Framework and Redcar and Cleveland Emotional Health and Wellbeing Framework. The Link have also been providing Post Adoption care across the North East since 2015 and are one of Sunderland's Together for Children's biggest supplier of Post Adoption Support. The Link also have a portfolio of schools that we have service level agreements with across the Tees Valley they provide an Emotional Wellbeing Practitioner in school for an agreed amount of time.

### Reasons for taking on loan finance

We took out the Bounce back loan as we were aware our 'sales' generated income, and also 'spot purchase' contract income was on hold / stopped until face to face support could recommence, and we were not sure how long this would be.

### Morale

In the interests of the safety of our service users and staff we took the decision to work remotely from 18th March 2020. Initially, I think there was a little bit of excitement around this new way of working (at home/ less travel etc.). However, once things became more real and it was obvious that this wasn't short term, this impacted on team morale. Our practitioners especially missed the ad-hoc / informal support and advice from their peers, and there were constant questions as to when we would be able to work back in the office and support our service users face-to-face. Given the increase in complexity of the mental health of our service users during lockdown, the team support was more important than ever! Weekly HR catch-up's were booked in to take place virtually, and we returned to the office as soon as we were able to within the government guidelines and COVID safe working practices.

### Activities

The support offered to service users during COVID was remote, either online through video conferencing or via telephone.

### Personal resilience

We reflected on how supportive we are towards each other as a staff team and board to ensure we could provide the best possible support to our children and young people.

### Company resilience

We learned that we are very adaptable and quick to respond to external influences that force unwelcome change. This whole organisational resilience in the face of the pandemic, with unknown consequences, has brought about an ethos of strength as a service, and a workforce which supports, with a positive vision for long term, sustainability of the organisation.

## **Looking Forward**

### Recovery planning

The Link has been appointed the Lead organisation to deliver the NHS England funded Mental Health Support Team in partnership with 7 other organisations. This increase in commissioning and BI Social Investment is supporting putting the organisation back on track of being less reliant on grant funding and more sustainable through contracting and sales.

### Additional investment

Yes, I am due to look into grant funding to support core/infrastructure costs (Henry Smith / Tudor Trust).

## Development Capital: Loans taken in order to develop services during Covid

### Dreamshine Community Interest Company

#### Company Snapshot

Dreamshine was set up to service the older community and the unemployed in Wallsend and provides a number of activities including training, workshops and one to one support to promote a sense of well-being which empowers, develops and equips individuals for life and builds resilience. It has a 'Well-being' training Café which provides local residents with the opportunity to undertake direct work placements, participate in nutritional programs and cookery lessons and a number of daily programs combining food and social interactions to support improvement in mental health and wellbeing of individuals in the local area. Dreamshine's main trading income come from Café and training provision and services obtained through personal budgets.

#### Reasons for taking on loan finance

Because our business model is viable with or without a Pandemic - if anything the Pandemic has boosted the need for our services.

#### Morale

If anything, the pandemic made us more determined to succeed and overcome challenges.



### Personal resilience

Off the map. All 3 x directors are incredibly resilient and we just do not give up or give in. We are all flexible, and we are each capable of taking the lead, or stepping back and letting others lead when needed. Company resilience It is present in all aspects of the business. Our staff and volunteers are all incredibly resilient and had to take some incredibly challenging and emotionally draining 'phone calls, sometimes lasting up to 2 hours at a time, - and then still crack on with their own lives to get their own families through the Pandemic.



### Looking Forward

#### Recovery planning

We plan to GROW. We have now officially launched our hub and café (the social enterprise aspect). Both are now open 6 x days per week in September from 7 am until 4 pm. We are constantly looking for funding opportunities but understand that in order to thrive and survive our social enterprise model needs to rapidly take off.

#### Additional investment

Grants, yes; loans, no.

#### Key Learning over 16 months of operations in a pandemic

That anything is possible even when it feels impossible.

## Community Catering Initiative CIC

### Company Snapshot

Community Catering Initiative CIC provide a community café, food delivery to local day centres and older people's houses, cookery training programmes, PAYF Food stall and Community Allotment. Community Catering Initiative has, 22 years' experience in managing a Community Café, delivering food-based services to the local community of Walker, Newcastle. The cafe and its activities are utilised by over 200 local people per week. Their work aims to use food as a vehicle for improving the quality of lives of local residents who are affected by social isolation, poverty and disadvantage and provide a focus for health and wellbeing activity

#### Reasons for taking on loan finance

We took the loan to develop our outdoor space – outdoor seating and sensory garden.



### Morale

We turned our café into an emergency food bank and hot meals delivery service free of charge to local families in need and vulnerable older people who were shielding. We came together as a community and supported each other. We were determined to make the best use of our resource for our local community during the pandemic. We supported each other.

### Activities

We opened as a food bank and hot meal delivery service. We also switched to online activity including cookery lessons and recipes on our facebook page.

### Personal resilience

We are determined, and motivated to help others - committed. We co-operated with others. We're empathic. We're not afraid of feeling vulnerable; not afraid of asking for help.

### Company resilience

We worked on our funding strategy to ensure survival, and relied on our 20-years trading history, knowledge and experience to pull us through. We took onboard external support.



### Looking Forward

#### Recovery planning

Complete our outdoor sensory garden and eating area and rebuild our income model.

#### Additional investment

We may have to look at additional grant income to help with our recovery from lost sales.



Key Learning over 16 months of operations in a pandemic  
Staying together, supporting each other, and to share our experience with others. We learned how important it is that local people run local services for their community, that are able to stay open and serve their needs whilst everything else closes down around them. And we learned to take time out to heal and recover.

## Sunderland Home Grown CIC

### Company Snapshot

SHG operate a trading and training garden centre facility in Thompson Park, Sunderland. Their aim is to transform the range of services available for adults with learning disabilities and mental health problems. They have developed the site for growing, production, distribution, training, health and social care, educational and employability and have an average of 40 vulnerable adult learners on site that go through a structured learning programme based around horticulture activities and are supported by health mentors. The focus is on practical and emotional support which enables participants to access further opportunities to enrich their lives.

### Reasons for taking on loan finance

We took the social investment loan to develop our second site and the bounce back loan as a precaution due to the uncertainty of the pandemic.

### Morale

Everyone pulled together and helped each other, we worked as a team.

### Activities

We got permission from the council to remain open and support the people who still wanted to attend due to their enduring mental ill health.

### Personal resilience

I am a strong woman who believes in what I do. I am committed and determined.



### Company resilience

We are a good team who always pull together, we work to our strengths for the benefit of others.



## Looking Forward

Recovery planning

We plan to build the company through expansion so we can increase the help we give in our community. I would like to be able to replicate our model in different areas of the North East

Additional investment

Yes, we need investment for the expansion plans.

Key Learning over 16 months of operations in a pandemic

We learned to have a financial reserve if possible; to be supportive to our team as they are the heart of the company; to have a strong organisational structure in place; and to keep moving forward.



# North East Dance Community Interest Company

## Company Snapshot

North East Dance use dance and creative arts to improve outcomes around health, wellbeing and social issues in deprived communities. They have a studio bringing 250 square metres of empty commercial floor space back into productive use, and have delivered successful programmes both directly to local community members and on behalf of multiple schools, local authorities, regeneration agencies and other community groups, reaching beneficiaries from target groups. NED use dance and fitness as a means to tackle health and social issues, their programme of activities aims to:

- Improve individuals' health and wellbeing
- Reduce levels of obesity
- Support participatory dance projects
- Support emerging communities to develop their own performance related projects
- Influence mainstream provision to incorporate dance as a form of intervention for health and wellness.

Reasons for taking on loan finance

To support our cash flow and to develop our company.

Morale

Staff members were worried, but we remained supportive and held regular meetings with staff to keep them updated and motivated.

Activities

Our work is with those which are most vulnerable, and our services were still needed throughout the pandemic, although we did lose a high portion of our work due to lock-down restrictions and only being able to offer online, which was not suitable for those with a disability.

Personal resilience

Personally, I'm a black woman who has had to be resilient all my life. The company has the same ethos as me: work hard, be all inclusive, remain supportive, be ambitious.

Company resilience

Our company resilience is excellent. The company is now 14 years old. We have seen tough times and great times, and we've continued to deliver under every circumstance. We are both creative and entrepreneurial and this came to the fore-front during the pandemic.



## **Looking Forward**

### Recovery planning

We are as always looking for new contracts, continuing to adapt delivery to all changes made, whether national or local. We will also seek funding, retrain staff where necessary and adapt accordingly.

### Additional investment

Yes, we are looking for grants and potential borrowing in the future.

### Key Learning over 16 months of operations in a pandemic

Resilience is key. Planning both financially and for changes in delivery was important. Supporting staff and supporting our clients and participants was very important. We learned to be more innovative.

## **Fiscus North Ltd**

### **Company Snapshot**

Fiscus is an established charity which provides support and advice to people in crisis situations. They provide debt, benefits, welfare rights, employment and enterprise support and advice. Working with vulnerable individuals, based in the Cooperative Centre in Hendon Sunderland which is within the top 5% most deprived wards in the UK. Fiscus also have ownership of the cooperative building and provide managed workspace to local community businesses. Each year Fiscus work with over 900 individuals; helping beneficiaries who are often at crisis point and/or on a spiral of despair.

### Reasons for taking on loan finance

To invest our way through the pandemic by developing our community premises to generate income via a trading community café'.

### Morale

The pandemic had a massive effect on the morale of the people running and working for Fiscus. But it also built a new resilience with the fantastic support of our funders, FISCUS directors and community partners.

### Activities

Everything changed for us overnight at the end of March 2020 but we ploughed on. We already had Help Through Crisis lottery funding which was the backbone of enabling us to continue our work, and this gave us confidence. I took the decision to keep the Co-op Centre open but diverted the rest of FISCUS staff and volunteers to home and remote working initially until we knew more about the rapidly changing COVID-19 rules and restrictions.

### Personal resilience

Better than I could have imagined, thankfully. I think, like many leaders, your resilience emerges





when it's most needed, regardless of anything else going on such as personal issues, fear of the unknown, your mental health issues, and the mental health and well-being of your small team of staff and volunteers. You are driven to do what you do.

#### Company resilience

FISCUS is a very resilient little underdog – always has been, always will be, due to our dedicated team of staff, volunteers and directors, and through proving and improving our community crisis work - doing what we do best.

#### Looking Forward

##### Recovery planning

Be brave and bold. Our strategic goals for 2021 and beyond are to Help People Through Crisis, Create Community Spaces to Connect, Sustainably Recycle & Reuse and aim to underpin Diversity, Equality & Inclusion across everything we do. On a practical level we will generate more income through trading and borrowing if necessary. For example, we aim to change the use of some of the spaces at the Co-op Centre to provide more community and social spaces and opportunities including a new café, community garden, and expanding our Baby Bank and Community clothes bank and our advice and crisis services.



##### Additional investment

Yes, FISCUS will always seek appropriate, targeted investment. We will speculate to accumulate because we need to invest in our social enterprise development including persuading investors to invest grants and loans, even at some degree of risk, in order to make meaningful gains to support our work. We can do this due to a 15-year successful track record.

Key Learning over 16 months of operations in a pandemic

Always expect the unexpected. Establishing whether we are 'engaged' or 'just good friends' with our partners. Chasing funds & forced 'marriages' between partners don't work long-term. Sharing resources & funds with trusted partners leads to long-term relationships, shared visions and goals and better outcomes for service users.

People first - placing people at the centre of our services is essential to establish what we need to do, and why. Remember to try not to neglect close family during the next pandemic. You cannot put a price on health and happiness. Do not be afraid to FAIL – our First Attempts In Learning are vital learning steps. She who dares, wins .... or rather, survives. Audacity and courage are vital in the sector; if you falter or fall, you have to get up, dust yourself off and keep going.

## **Cobalt Too CIC**

### **Company Snapshot**

Cobalt Too have converted a disused building in Ouseburn; Newcastle into a 3-storey creative hub; providing conference and social space on the top floor, creative managed workspace on the second floor and the ground floor acts as an entertainment space. During the last 2 years we have engaged different groups from within the immediate surrounding communities and have established a community programme of creative activity. They are in the process of developing their back-yard space into creative incubation pods.

Reasons for taking on loan finance

We took on a loan to develop co-working areas and additional affordable studio spaces alongside a hospitality offer. We wanted to develop these in order to help us develop long term sustainability and resilience.

Morale

We are used to adversity, so after the initial meltdown where we had no idea what would happen I don't think our morale has been too affected. In some ways its possibly been boosted by the space the lockdowns opened up, for more time to think and plan strategically and to undertake tasks that we needed to get done a long time ago, e.g. creating a better website, etc.

Activities

Our arts venue was not able to open but, as we offer individual artist studios as well, they were able to continue to open throughout most of it.

Personal resilience

I'm far from over it, but I try to do a little bit of yoga each day and walk the dogs which allows the time needed for trouble shooting, planning priorities and next moves - all of which helps with my own resilience. I'm definitely exhausted. This year hasn't been for the faint-hearted. There were challenges.

Company resilience

Currently, while we undertake these developments, we are stressed and fragile, but we are undertaking these challenges and risks deliberately to ensure long term resilience.



## **Looking Forward**

### Recovery planning

Our recovery plans are multi-faceted! Firstly, we are investing in a co-working area created in response to the surge of home working/non permanence office working space. We are developing it as a spacious, well-spaced area suitable for socially distanced workstations as well as for evening events and functions. Outside, we are developing 13 - 16 new, affordable studio spaces for designer makers, alongside a semi-outdoor hospitality offer and an art room for community events and a printing press.

### Additional investment

Yes, its likely that we will need extra money to complete the art yard and people's art room.

### Key Learning from the pandemic

We've learnt that everybody has processed this collective trauma and challenge differently; that we can't anticipate how people will react; and that we just need to remain as kind, patient and consistent as we can. We've learnt that sometimes unexpected challenges create the best outcomes. We've learned that being able to laugh and hope for the best is useful!





New Leaf New Life CIC Offices at Hendon, Sunderland, UK

## Conclusions

Covid and the restrictions put in place have been unprecedented. The challenges to locally-rooted community enterprises have focused on increasing social need against declining trading income and an uncertain outlook. It is too early to understand the full impact of Covid on trading models and social investment appetite however a number of observations and conclusions have come out of our work which can be used to inform further discussion and exploration in future work.

### Blended Finance

The use of blended finance models was a key feature across all the community enterprises who took part in the research project. The idea of grant dependency and building services through grant models seemed redundant to our learning cohort. The idea of blending sources of capital for different purposes was embraced by all participants. Different sources of capital were seen as offering both benefits and challenges depending on organisational goals and needs.

### Business Models

It was clear the idea of single revenue line business models was not seen as a route to sustainability during or coming out of the pandemic. In order to survive, develop and grow organisations need to be ready and willing to change and adapt and use multiple revenue lines: trade, grant, donations as a way to move forward.

### Resilience

Resilience is built through leaders. The support they get from board members, staff, service users and wider stakeholders is critical to maintaining resilience across an organisation. This was a constant theme with our research. Support directed towards individual leaders has tremendous impact on morale and mental well-being. Leadership is critical, particularly lived experience leadership.

### Recovery

Trade income is going to be vital for organisations as they come out of Covid restrictions. Grant funding and the availability of grants going forward is seen very much as a challenging area. The immediate impact of Covid was a surge in grant funding however grant funding is getting more difficult to access and opportunities for funding are declining. Trading income gives organisations more control and is seen as a means of reducing uncertainty.

### Support

Having access to support which was delivered by experienced community practitioners with direct lived experience of social investment, grant funding and business development was crucial to each organisation as they responded to Covid and planned for the future. Support has to break down barriers, be accessible and delivered by people who have experience of the issues they are seeking to address. Peer support is vital.

### Investment Readiness

This term is narrow in focus and needs a much broader remit of pre and post investment support built around new models of peer led learning and capacity building. Covid has increase the appetite for social investment as a tool for recovery however investor will need great levels of support to engage community-based organisations.

### Shared Learning

Share-learning is a low cost effective method of responding to the needs of community based social enterprises. More learning network offer the opportunities for emotional and practical support. The use of online technology makes this much more accessible via platforms such as Zoom and Teams.



“We used all our resources paying bills which had to still be paid, and helping our community... - We were scared of covid and worried about having to still pay bills. We were anxious that we might not be able to trade again... - We try our best to be resilient but it is sometimes very anxious... - Our community needs help and we can switch quickly to helping them”.

*- Africawad Recycling CIC*

“We turned our café into an emergency food bank and hot meals delivery service free of charge to local families in need and vulnerable older people who were shielding... - We did not charge for the food bank or meals delivered. We provided this free of charge to our local community in a time of need. Our core staff team remained in employment and worked full-time throughout the pandemic. We are local women who live in the Walker Ward and wanted to stay strong for our community membership... - We learned how important it is that local people run local services for their community”.

*- Community Catering Initiative CIC*

“What motivated us was wanting to keep the project going for the people who benefit from our services... - I am a strong woman who believes in what I do. I am committed and determined... - We worked with other CICs and various voluntary groups taking support and activities to the community”.

*- Sunderland Home Grown CIC*

“We’re motivated by the increased need of the clients; and that I had got funding for staff wages - rather than us being confined to our homes, and resorting to apply for universal credit... - We worked with other social enterprises, but many closed... - We are not in recovery. I made sure we stayed strong throughout the Covid 19 crisis. It’s work as usual now”.

*- Make Your Way CIC*

“We have also been amazed by the amount of new business start-ups in the creative industries, as Covid has forced people to reconsider their working practices, so we knew that we’d have a new audience... - Our key learning points have been that we need to be more open-minded and more innovative in our approach to exploring new income streams”.

*- Breeze Creatives CIC*

## APPENDIX 1

### Social Investment, Bounce Back Loans, Grants and Trade in Numbers

Chart 1: Social Investment Loans Per Social Enterprise

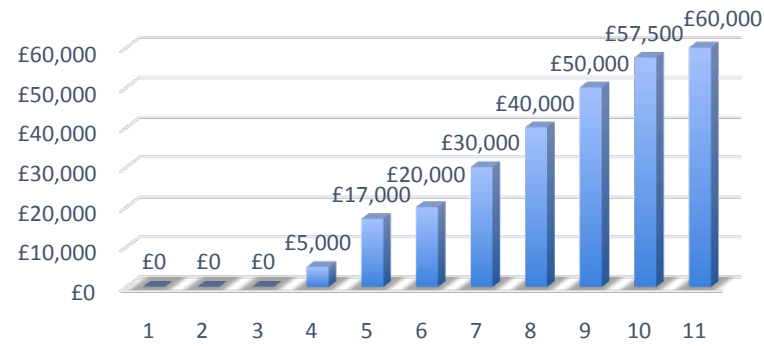


Chart 2: Bounce Back Loans Per Social Enterprise

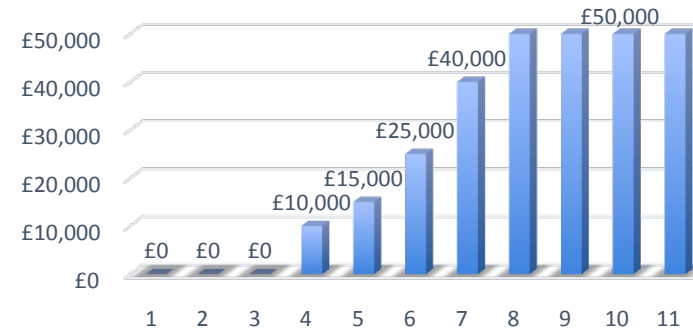


Chart 3: Grants Income Per Social Enterprise

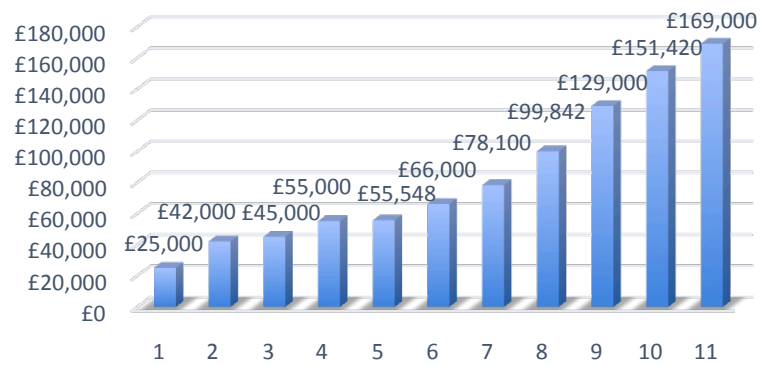
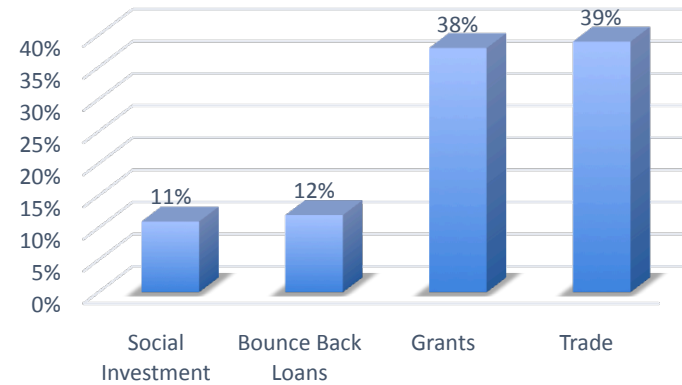


Chart 4: Income Distribution



#### CHART 1 - SOCIAL INVESTMENT TOTAL £279,500

Of the 11 lived experience members, eight took social investment loans during the pandemic, amounts ranging from £5,000 to £60,000.

All eight received one-to-one support on areas relating to pre-investment, loan application process, and post investment.

Of the eight members that took on social investment, five took on Social Investment (SI) loan finance during May-June 2020, and three took on SI Loan finance during July- September. 2020.

All eight SI Loans were linked to Growth and Development activity during the pandemic

NLNL acted as the broker between investee and investor.

#### CHART 2 - BOUNCE BACK LOANS TOTAL £290,000

- Of the 11 lived experience members, eight took out Bounce-Back loans (BBL) during the pandemic, ranging from £5,000 to £50,000
- All eight took the BBL as a safeguarding measure at the outset of the pandemic
- All eight felt that the application process was clear and straightforward, with an immediate decision
- All of the eight members that took on Bounce Back Loans during April-June for safeguarding and cashflow.
- Five of the eight members took on both Bounce Back loans and Social Investment loans. The timing of the loans reflect the impact of the pandemic, with BBL taken at the onset of the pandemic, and SI loans taken to cope with increased demand on services, pivoting activity in response to the needs of their beneficiaries.

#### CHART 3 – GRANTS TOTAL £915,000

- Of the eleven lived experience members, eleven secured grants during the pandemic, amounts ranging from £25,000 to £169,000
- All eleven applied and were successful in securing Covid-related grant funding
- All eleven members felt that grant funding was made more available to trading social enterprises during the pandemic
- Grant funding was secured during June 2020 through July 2021

#### CHART 4 - INCOME DISTRIBUTION TOTAL £2,420,157

- Trade and grant income accounts for 77% of income across all social enterprises
- Social Investment and Bounce Back Loans both played a role in providing access to finance roughly on an equal basis
- Five social enterprises took on both Social Investment and Bounce Back Loans

## APPENDIX 2

### Findings

During the outset of this project Action Learning was placed at the centre of our discussions with social entrepreneurs. NLNL sought to understand and capture narratives through participative dialogue. Our finding emerged from the collective conversations we held with each participant. They are based on the narratives which have emerged from these conversations. Our findings reflect the lived experiences of the people with spoke to their needs, experience and hopes for the future.

#### Support Findings

- Engagement needed to stimulate investment
- Pre-investment support
- Post-investment support
- Mixed grant / loan products available to support recovery
- Objective financial advice and support - face to face contact
- Clear supported pathway and referral routes to investment
- Investors need a longer reach into communities to be better able to access those furthest away from the investment journey.
- Connecting investees in geographic locations or sector based - would encourage peer investee learning and mentoring
- Look at the benefits of having regional and or local delivery programmes that connect more at a community level to encourage those furthest away from the investment market place to explore
- Engage local investees to showcase Social Investment in Localities
- Run workshops and potential training on Social Investment throughout Regions
- Have the capacity and resources to stimulate the market place through workshop and animation activity around social investment
- Develop a programme of activity that opens up the front end of the pipeline to remove barriers to engagement

#### Bounce Back loan Findings

- Seen as an opportunity to keep going at a crucial time in unprecedented circumstances
- Loan offered with minimum paperwork as there was a common understanding of the challenges being faced
- From application to decision to money in the bank took less than 7 days
- Loan funding was offered with no restrictions and offered flexibility to be able to cashflow and respond to the pandemic
- Seen as a rapid response to safeguarding
- Loan amount was capped at 25% of overall trading income with repayment figures demonstrated in the online application form. This made it easy to understand and make collective decisions around amounts borrowed.

#### Main rationale for taking Social Investment loans:

- Growth and Development opportunities coming out of the restrictions
- Seed investment for new premises
- Working Capital for new / additional income for critical service contracts
- Longer-term financial planning
- Succession and Recovery Activity



## Covid Recovery Grants Findings

- Expected fall in income
- Maintain front-line service provision
- Enable adaptation, innovation and development of new areas of work
- Meeting increased demand
- Pivoting online, and reaching out to more beneficiaries

## Human Resources Impact Findings

- All of the case-load social enterprises have remained open during the pandemic. Some were able to pivot to social service, temporarily forfeiting trade.
- Safeguarding of staff and beneficiaries is priority - undertaking policy review
- More aware of maintaining good mental wellbeing within the company
- Able to share vulnerabilities and fears in an open and honest forum
- Managing mental health during the pandemic in relation to change fatigue
- Responding to crisis is also sparing entrepreneurial behaviour and creative approaches to delivering services and funding / finance
- Covid has put organisations under tremendous pressure. Burn-out of key staff and directors is a real danger. Organisations will need capacity support to fully come out of Covid. This is a long-term emerging need.

## Barriers to Investment Findings

- Need to have the resource available for pre- and post-investment support
- Provide grant / loan investment products and interest only lead in periods
- Encourage peer investee learning and mentoring
- Look at the benefits of having regional and or local delivery programmes that connect more at a community level to encourage those furthest away from the investment market place to explore
- Engage local investees to showcase Social Investment in Localities
- Run workshops and potential training on Social Investment throughout Regions
- Recovery and Resilience

## Investor Engagement Findings

Investors and support organisations have taken the time to observe, learn, respond and support their existing investees. Social Investors need to work closely with social enterprise business support organisations at a local level to ensure that their products have the added value of tailored support programmes. Charities and social enterprises need:

- Coaching
- Tailored Support
- Capacity Building
- Support on blended finance
- Access to finance/fundraising capacity

Lived experience learning session	Learning outcomes	Support provided
Introductory session. - Participants discussed their investment journey to identify the main barriers and challenges that they want to work through.	Participants: <ul style="list-style-type: none"> <li>• Have a clearer understanding of how their organisation utilises social investment to support their beneficiaries and communities.</li> <li>• Create ideas and opportunities for things they may want to do differently.</li> <li>• Have an honest and open dialogue around income models and the use of investment</li> </ul>	One to one coaching and support
Leadership in social enterprise settings, including entrepreneurial leadership and Investment	Participants demonstrated: <ul style="list-style-type: none"> <li>• An understand of the complexities of leadership challenges in a social investment context.</li> <li>• Ability to apply leadership principles to their unique community contexts.</li> <li>• Share, learn, review and enhance their own leadership in a peer-to-peer setting.</li> </ul>	Support to identify own leadership challenges and explore goals for themselves and their social enterprise. Open dialogue around the opportunity to establish a NE Lived Experience SE Network
Using an honest and open dialogue to maintain wellbeing for ourselves and others.	Participants demonstrated: <ul style="list-style-type: none"> <li>• Better understanding of the concept of wellbeing and its benefits in a social trading setting.</li> <li>• Apply mindfulness to themselves as individuals, leaders and the way they manage peer and professional relationships.</li> <li>• An understanding of themselves in relation to others, as well as team roles.</li> </ul>	Group facilitation and one-to-one coaching sessions.

Finance skills, trading models and social investment .	<p>Participants demonstrated:</p> <ul style="list-style-type: none"> <li>• Knowledge of financial management and understanding of how to effectively use financial information to manage their organisations.</li> <li>• Understanding the social investment market place and social investors.</li> <li>• A shared understanding of repayable and non-repayable investment.</li> </ul>	One to one support with assessing social investment deals and grants.
Social capital development through networking to achieve goals.	<p>Participants demonstrated:</p> <ul style="list-style-type: none"> <li>• Understanding the principles of effective networking</li> <li>• Identify key stakeholders</li> <li>• Benefits of peer mentoring</li> <li>• Shared Lived Experience</li> </ul>	Group facilitation and support on developing networks and actions to achieve goals. Open dialogue around the opportunity to establish a NE Lived Experience SE Network
Social Story telling – Case Study material	<p>Participants completed:</p> <ul style="list-style-type: none"> <li>• Structured questions on their experience of trading during Covid; social investment and grant programmes. Finding demonstrated:</li> <li>• Agility and creative thinking</li> <li>• Entrepreneurial behaviour</li> <li>• Resilience</li> <li>• Good understanding of the role of repayable, non-repayable investment and trading income – blended finance and mixed income models.</li> </ul>	One to one support
Financial and business planning and succession planning.	Participants were better able to: Develop business and financial plans to better inform the SE with recovery strategy. Consideration of succession planning and how to be more resilient to significant changes in leadership and governance.	Support with developing finance, business and succession plans.

Social Investment – Experience and Challenges	<p>Participants shared:</p> <ul style="list-style-type: none"> <li>• Lived experience of loans secured</li> <li>• Changes landscapes during the pandemic</li> <li>• New loan requirements</li> <li>• Barriers to accessing investment</li> <li>• Need for capacity building to be able to better understand the loan process</li> <li>• Need for more market stimulation and local support around pre-investment</li> <li>• The relevance of peer support</li> </ul> <p>Participants were able to:</p> <ul style="list-style-type: none"> <li>• Secure new social investment deals</li> <li>• Secure bounce back loans</li> <li>• Access support as and when required</li> </ul>	Discussion forum, peer mentoring and one to one support activating new loan applications
Grant – the role and relevance of grant income during a pandemic	<p>Participants demonstrated:</p> <ul style="list-style-type: none"> <li>• Ability and creativity in securing grant income</li> <li>• Ability to recognise fit for purpose grant funding</li> </ul> <p>Participant were able to:</p> <ul style="list-style-type: none"> <li>• Activate grant applications</li> <li>• Secure grant funding</li> <li>• Understand the role of grant funding and sustain beyond grant funded period</li> </ul>	One to one support, coaching and mentoring

All sessions were interactive, focusing on tangible issues relevant to each participant and their own social enterprise and social investment story. Wellbeing, Sustainability, Equality, Diversity and Inclusion were crosscutting themes.