An Introduction to Blended Social Investment with the Key Fund and Andy Croft 17<sup>th</sup> July 2025



our mission is to provide the 'right kind of money at the right time' for the development and growth of sustainable and impactful community and social enterprises that are unable to secure support from elsewhere.



### **Blended Finance Models**

A combination of loan / grant funding

- £5,000 £150,000. Over 1-7 years
  - >30% Grant, 1% loan fee
  - E.g. On a £150K blend:-

Loan of £115,400 termed over 5 years, monthly repayments £2,548

Supporting grant £34,600

- Start-up / Become sustainable / Solve a seasonal problem / Bridge a gap / Buy equipment or property (capital) /
  - Working Capital for day-to-day costs / Energy improvement
    - Flexible Finance options

Whatever your organisation needs most!

### Case Study

- CHILDRENS HOSPICE
- Bank Decline
- £150K blended investment approved
- Use of Grants
- Benefits
- 1. Internal
- 2. External
- Impact on beneficiaries

**Relationship-based approach** 

As a Social Enterprise ourselves, we understand the pitfalls and challenges. We consider:-

- The business
- The social impact
- Needs and priorities
- Past finances and future finances
- 4 kinds of people

### Transparency and understanding the impacts

- What do you need the money for
- How much do you need Affordable
- When do you need the money
- Geographical location / areas of operation



1. Online application

**Business Tools for applicants** 

Cash flow forecasts - Key-Fund-Monthly-Cashflow-Template.xlsx (live.com)

Business plan - 9.58-Key-Fund-Business-Plan-Template.docx (live.com)

2. Meeting / Conversation

3. Assessment Report

4. Investment Panel



#### Is Social Investment Right for You?

- Do you have (or want to build) an income stream?
- Are you confident your business model can repay?
  - Are you open to trying new funding models?
- You don't need to be big just ready and supported.

#### Challenges to factor in

- Loan element of a blended investment to be repaid in full
- 🔺 Not suitable for all projects
- 👍 Can take time and effort to secure
- A Requires ongoing reporting, e.g. use and evidence of spend

#### Where to Find help

- Good Finance (www.goodfinance.org.uk)
- Local infrastructure organisations
- 📞 Talk to others who've done it
- 📩 Q&A session to follow

# In this financial year we have enabled:



Loan £3.4m +

Grant £2.3m

Leverage £10.6m

## =£16.3m

Business created/ sustained 100

Jobs created/ sustained 60% of investment into 35% most deprived



78,000

# In the last 23 years we have awarded:



Loan **£49.4m** 



6rant £23.3m



Leverage £62.6m



Business created/ sustained

3,000





