

Introduction to social impact investment

The logo for Big Society Capital features the words "BIG", "SOCIETY", and "CAPITAL" stacked vertically in a bold, white, sans-serif font. A vertical bar with three colored segments (light blue, teal, and grey) runs through the center of the text, separating the words "BIG" and "SOCIETY" from "CAPITAL".

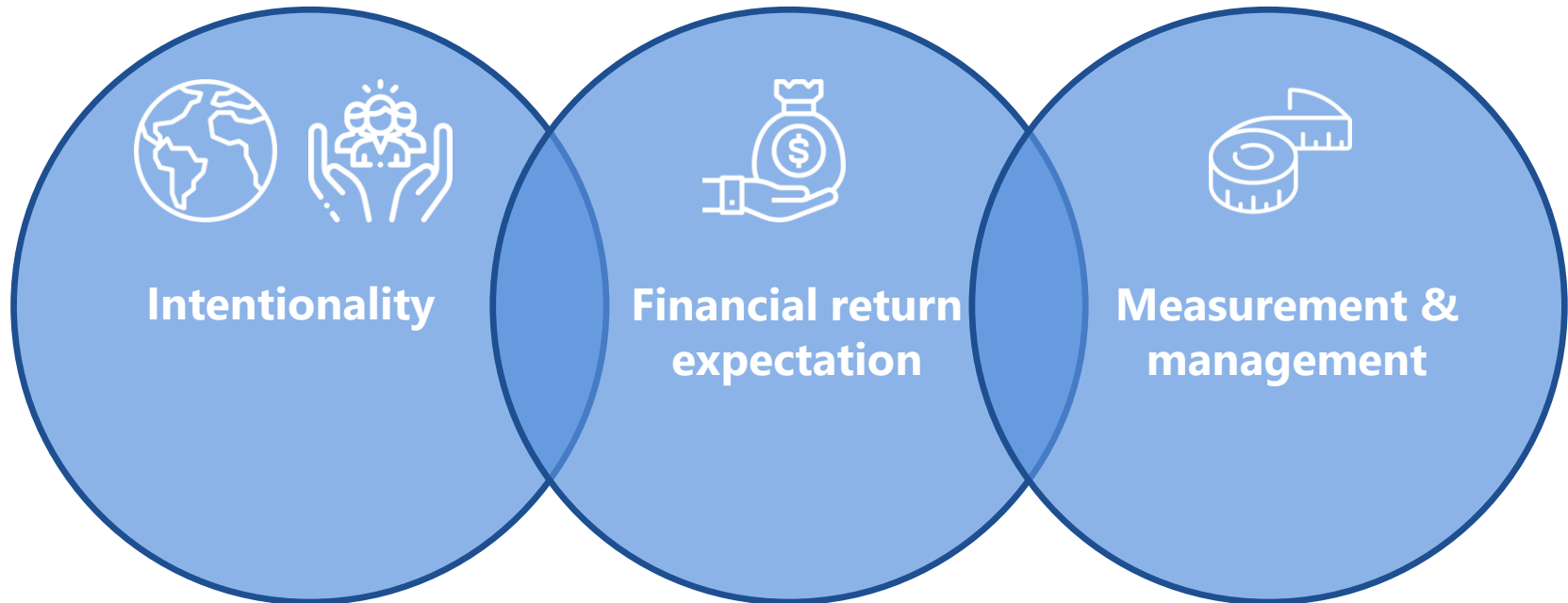
**BIG  
SOCIETY  
CAPITAL**

**Triangle Trust 1949 Fund**

- 1. Introductions**
  - 2. What is social impact investment?**
  - 3. Role of Big Society Capital**
  - 4. Case Study – InHouse Records**
  - 5. What to consider when starting your journey**
  - 6. Resources**
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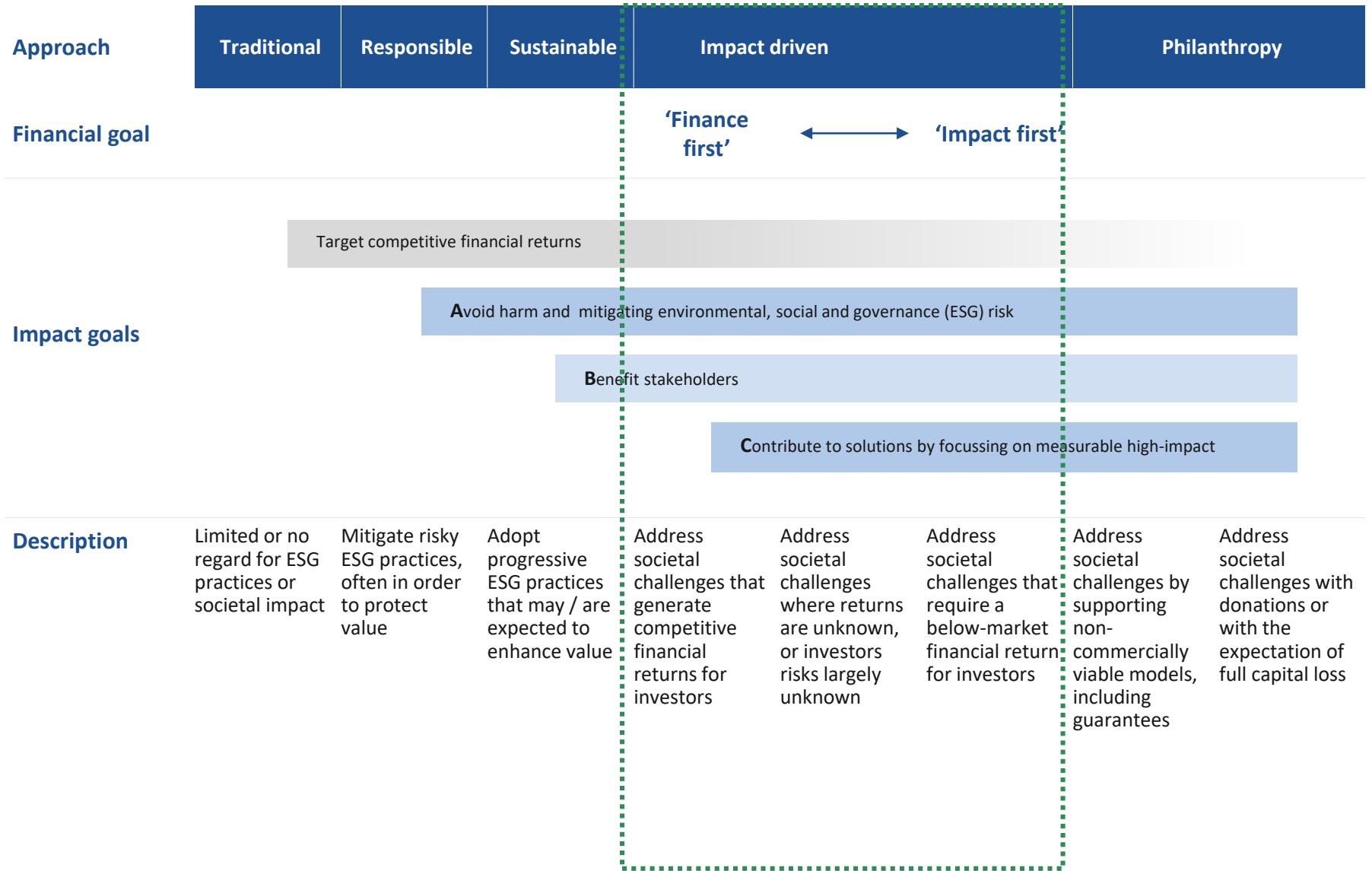
# What is social impact investing?

Investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return<sup>1</sup>



<sup>1</sup>The Global Impact Investment Network definition of Impact Investing

# The Spectrum of Capital





# Another tool

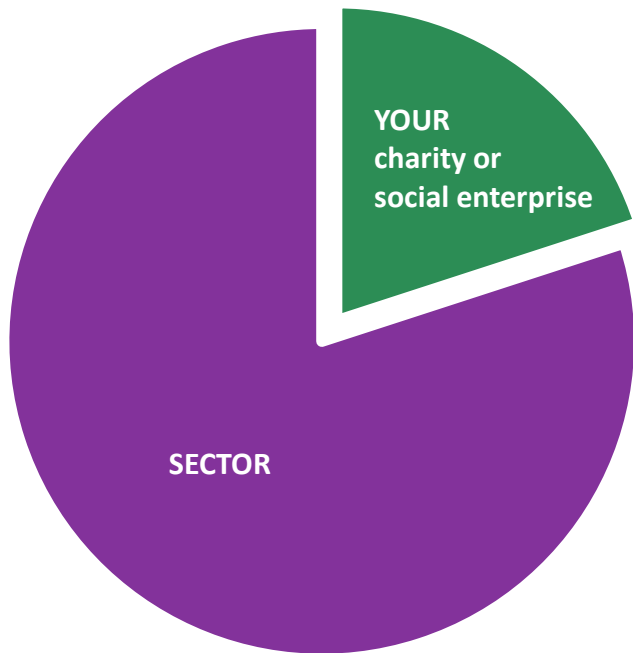


**Social Investment exists to support and create impact by helping to build:**

- Innovation
- Growth
- Sustainability



# Why Social Investment?



Recycle money available



Attract additional funding



Be more flexible than grants



Enable enterprise to direct grant income to where most needed



Bring business discipline (effectiveness)



Bring wider support and engagement with your mission



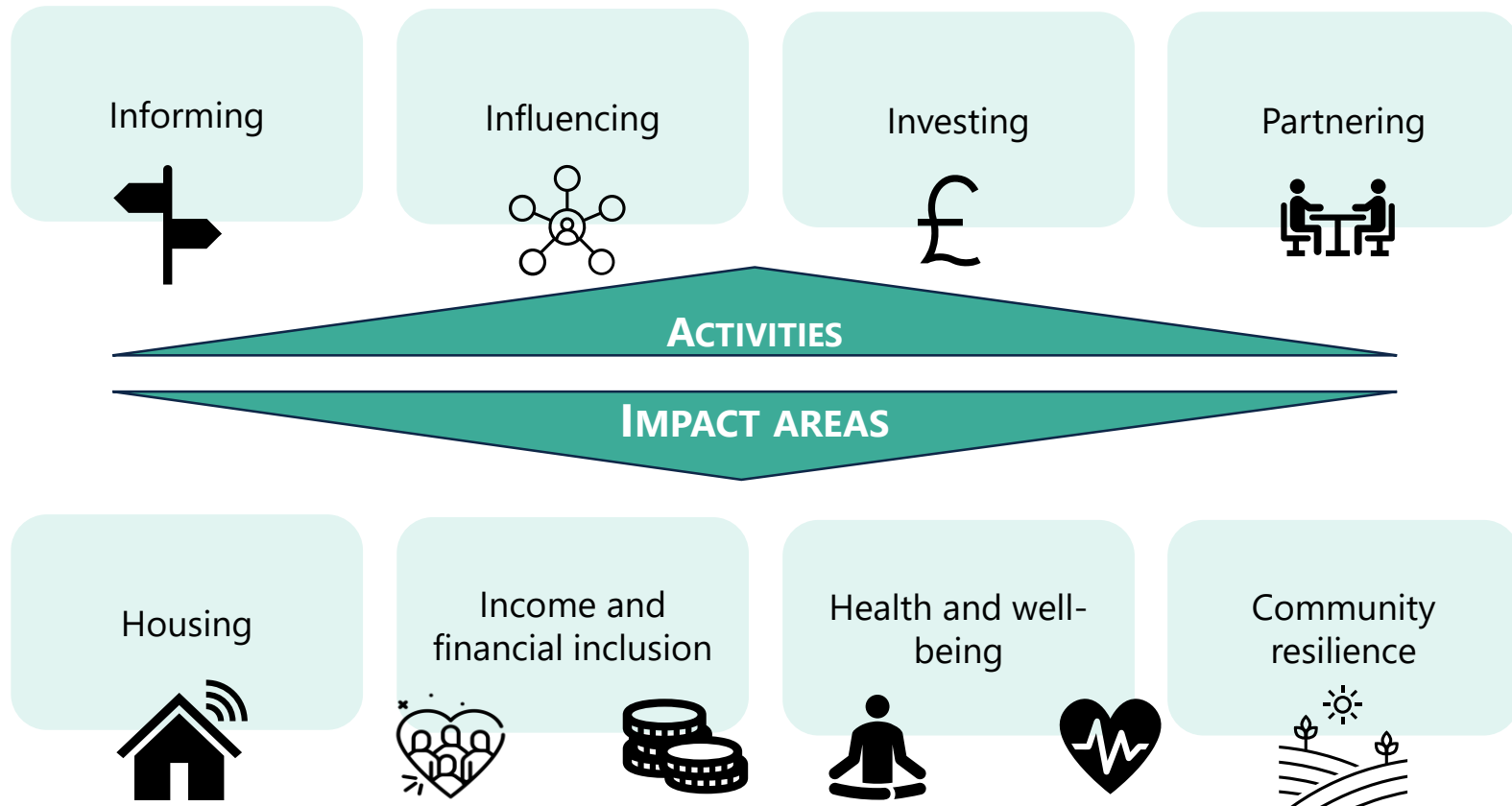
Bring involvement/expertise from motivated investors



Sharpening focus on social impact

# UK landscape - BSC's goal...

...connecting investment capital with social enterprises, charities and social purpose organisations to help improve people's lives.



# InHouse Records



## Challenge

In March 2020, due to the impact of Covid, InHouse was unable to deliver its face-to-face provision for learners in prison. With rising mental health challenges for prisoners in isolation, InHouse needed to pivot quickly, and in April 2020 implemented an 'edutainment' magazine and distance learning programme for the general prison population. After 9 months of testing, InHouse was in a strong position to roll out its programme nationally.

## Revenue model

They first requested an unsecured loan of £77,000 to develop a partnership model with Caroline International, Sony Publishing and Pirate Studios, to deliver its through-the-gate services to graduates. InHouse approached CIDF for a second investment of £20,000, to scale its new prison-based programming nationally, increase capacity to develop new content and curriculum, and evolve InHouse's delivery methodology from face-to-face to distance learning. It primarily earns income through service contracts with prisons and by selling the music and merchandise of artists under the InHouse Record label.

## Impact

InHouse's future relationships with Caroline/Universal and Sony Publishing will provide further opportunities for its graduates to progress personally, professionally, and musically, either as record label apprentices or as signed artists on the label. The second investment allowed the organisation to respond to rising loneliness and isolation in prisons, as a result of the pandemic, and supported efforts to provide lower-cost provision and multiple entry points to engage with the organisation.

## Key Statistics

-  **Duration:** 5 years
-  **Cost of capital:** 6.8%
-  **Turnover:** Not available
-  **Investment:** £97,000 (2019: £77,00; 2021: £20,000)
-  **Product type:** Unsecured loan





# What to consider when starting of

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- 1. What are your aims when making social investment?**
  - 2. Investing directly vs. working with partners/intermediaries**
  - 3. How does social investment fit within your overall strategy?**
  - 4. What are your capacity constraints as a foundation?**
  - 5. Importance of securing buy-in from across the organisation**
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## Resources

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- The Social Impact Investment Group (SIIG): [https://www.acf.org.uk/ACF/Connect\\_collaborate/Special-interest-groups.aspx](https://www.acf.org.uk/ACF/Connect_collaborate/Special-interest-groups.aspx)
  - Esmee Fairbairn insights: <https://esmeefairbairn.org.uk/our-support/social-investment/>
  - Good Finance: <https://www.goodfinance.org.uk/>
  - Get Informed: <https://www.getinformedgoodfinance.org.uk/>
  - Ufi Voc Tech Trust seminar on '100% for Impact': <https://weekofvoctech.co.uk/events/100-percent-for-impact>
  - Impact Investing Institute: <https://www.impactinvest.org.uk/>
  - Friend's Provident Foundation 'ESG Olympics': <https://www.friendsprovidentfoundation.org/library/resources/esg-investing-olympics-state-of-the-sector-report/>
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