

February 2022

## Statement in response to the Adebowale Commission on Social Investment

Social entrepreneurs and social enterprise leaders in Greater Manchester have read with great interest the report of the Adebowale Commission on Social Investment. We recognise the issues that the report has laid bare and agree with the need for “comprehensive structural reform” to the social investment market.

Social enterprise and social investment are intrinsically linked through their focus on impact – making a difference for people and planet. What’s happening locally and globally means that at the current time, the focus on driving up impact (rather than just making profit), is more vital than ever.

Our experiences in Greater Manchester also support the conclusion about inclusion and equity particularly, although not exclusively, in relation to race. Although here in Greater Manchester local initiatives have been established to address this issue, such as the BAME Advocacy for Social Entrepreneurs (BASE) project.

We see from experience that a lack of patient, concessionary capital for social enterprises and the lack of flexibility around investment regulation has contributed towards the poor take up of social investment. With the notable exception of the blended finance of the Growth Funds of the Access Foundation for Social Investment, the programmes and funds just aren’t designed to be accessible to the majority of social purpose businesses and enterprises. The current development work of Big Issue Invest and UnLtd shows what could be achieved with the right capital.

There is also a real lack of support to negotiate the sheer complexity of applying for and sustaining impact investment. There are initiatives underway in Greater Manchester to provide that much-needed support, such as through the Resonance Community Developers Fund, which provides financial support to help communities develop proposals for social housing and community-owned sports facilities.

Investment funds that recognise the financial value of the social impact being achieved are key to increasing the numbers of social enterprises accessing investment. Furthermore, evidencing the impact should be through the outcomes of the work done and not by having to comply with an ‘outcomes matrix’.

As social entrepreneurs and social enterprise leaders in GM, we fully support the recommendations made by the Commission and would be keen to be involved in their delivery – including a new principles-based national strategy for social investment which enables social businesses and enterprises, trading charities and community businesses to operate successfully as businesses *and* to create a wider social impact.

We welcome further social investment programmes, particularly those with a place and identity focus, and the creation of a place-led social enterprise infrastructure to support the growth and development of social enterprises that can access social investment. The learnings from the Local Access Partnerships in Bolton, Oldham, Stockport and Wigan evidence that these developments should be co-created with the places and communities in which they operate, and build from the strong and successful networks and funds that have been developed in places like Greater Manchester.

On behalf of the Greater Manchester Social Enterprise Action Group and Social Enterprise Network, we would be very happy to collaborate with you further around future strategy, development and projects relating to social investment.

Yours sincerely



Rose Marley, Chair of Greater Manchester Social Enterprise Action Group



Nickala Torkington, Co-Facilitator of Greater Manchester Social Enterprise Network