



Funding options to aid energy cost resilience

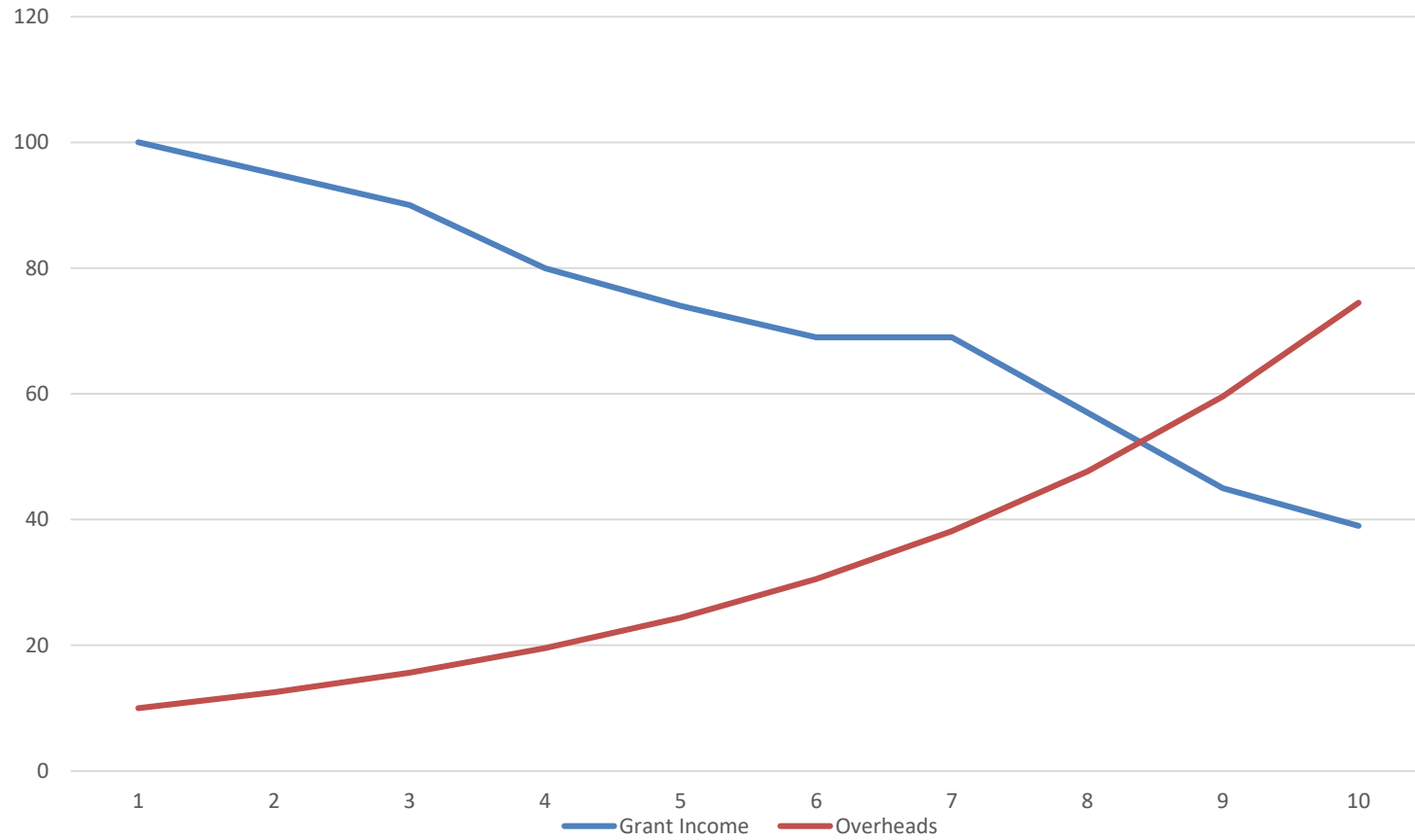
- Adrian Bean (Lead Investment Manager) **Key Fund**



Key Points

- *The main options*
- *What is social investment*
- *Who are Key Fund?*
- *Key Funds energy resilience support*
- *Additional available support*

Grant dependency?



How else?

- *Fund from reserves*
- *Approach a high street lender*
- *Consider Social Investment*





What is Social Investment?

Social investment is the use of repayable finance (with Key Fund often with a grant element added) invested into a social organisation to help it achieve its purpose and increase its impact on society. This type of finance can help provide working capital, enable organisations to buy new assets, and grow their business overall

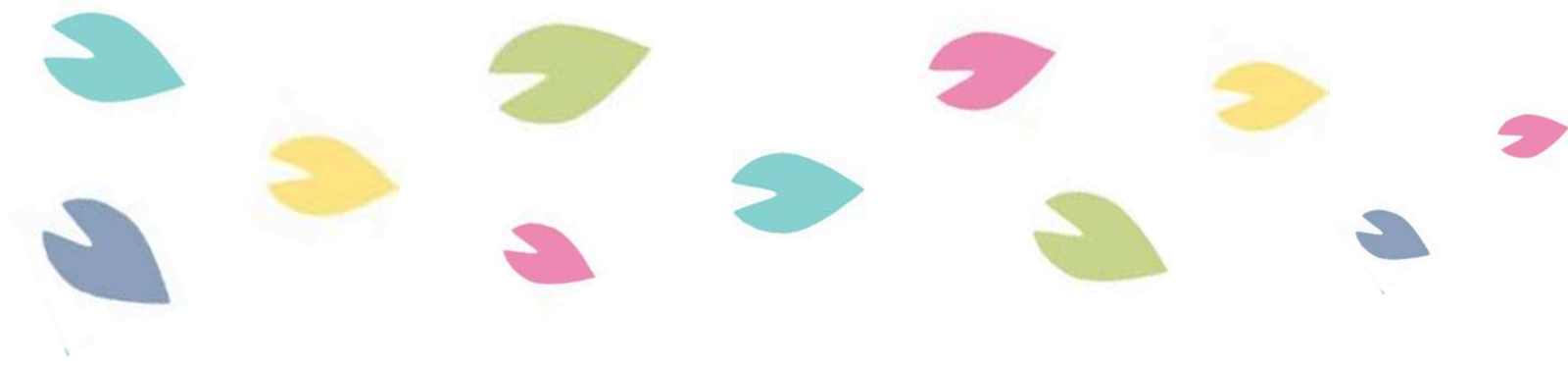




Key Fund

a Social Investor operating across the whole of the North of England and the Midlands.





We invest in community and social enterprises that have traditionally been excluded; turned down by mainstream banks and building societies.



How we do this

We provide finance – flexible loans and grant/loan packages to help community and social enterprises to start-up, become sustainable, or grow. Up to £150,000. Often with some grant element.

Most facilities are totally unsecured.

It's not just about the money.

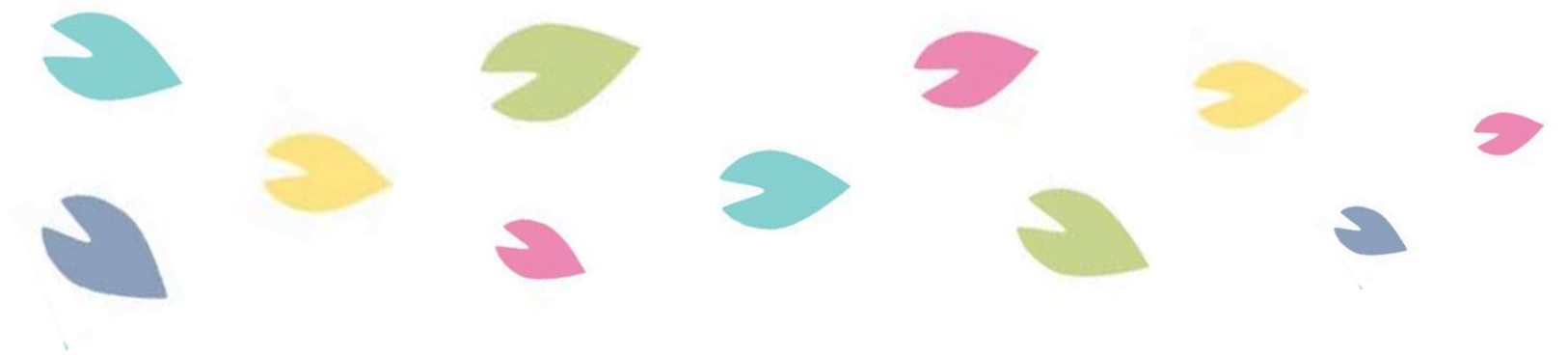
It's also about providing the right kind of support to help our investees have the best possible chance of success.

The process....

Who we invest in.....

- ***Community, Social Enterprises and Cultural Organisations who have traditionally been excluded; turned down by mainstream banks and building societies.***
- ***Particularly those in disadvantaged areas.***
- ***Our investees have one crucial thing in common – the ambition to build and strengthen***





***From community-run pubs to pools,
libraries and theatres to local co-
operatives, we've been there funding all
of these.***

***We can fund assets, working capital,
growth and development.***

Pros	Cons
Flexible by value & purpose	Interest and Fees
Choice	Security - occasionally
Fairly quick	Due diligence
Blended funds	Follow up data
Specialisms	
Relationship	





Funding Options Available From Key Fund Towards Energy Resilience

- *Primary Energy Resilience Fund*
- *Northern Impact Fund*
- *Flexible Finance Fund*



General Eligibility Requirements

- *Must be an incorporated entity.*
- *Must have clear social aims and objectives, and fit one of the following descriptions:*
 - Not for private profit*
 - Asset locked or private profit distribution restrictions in structure/governing document.*
 - Have clear policies or restrictions around profit distribution (e.g. Community Benefit Society)*
- *Must be based within England.*
- *Must be an SME - less than 250 employees, t/o less than E50m, net worth less than E43m.*
- *Have a board of minimum 3 directors / trustees*
- *Must have been declined by a bank.*

Primary Energy Resilience Fund



PLEASE NOTE THIS FUND IS STILL IN DEVELOPMENT AND MAY CHANGE

- *Purpose – to enable community and social enterprises to retrofit energy generating/saving technology on community owned or managed buildings, with an initial focus on stabilising or reducing energy costs.*
- *Minimum Investment Amount - £10,000*
- *Maximum Total Amount - £150,000*
- *Up to 40% of total available as grant, where justifiable to support cost stabilisation or reduction.*
- *Energy Audit information will be required*
- *Minimum Term - 12 months usually*
- *Maximum Term - 7 years usually*
- *Interest rate - 6.5% flat (c12% APR)*
- *Arrangement fee - 1%.*
- *Security – mainly unsecured. Security may be taken in instances where an asset is being enhanced with support from ERF, and where there is a realistic risk of the loss of the asset to the private or public sector*





Northern Impact Fund

- *Minimum Amount- £5,000*
- *Maximum Amount- £150,000*
- *Minimum Term- 1 month*
- *Maximum Term- 5 years usually*
- *Purpose – Finance to support the development or growth of trading activity, including cash-flow, working capital, and asset development or purchase.*
- *Security – mainly unsecured. Security may be taken in instances where an asset is being directly purchased and where there is a realistic risk of the loss of the asset to the private or public sector*
- *3 product options as follows:*
 - *Product 1 – 30% of loan amount as grant, interest rate at 6.5%, arrangement fee of 1%*
 - *Product 2 – 18% of loan amount as grant, interest rate at 4%, arrangement fee of 1%*
 - *Product 3 – Shariah compliant with no interest, arrangement fee of 3.5%*



Flexible Finance Fund

- *Must have been substantially trading for over 3 years (over 50%).*
- *Must have been negatively impacted by the pandemic or the 'Cost of Living Crisis'.*
- *A pre-agreed credit limit up to a maximum of £150k (minimum of £25k).*
- *Ability to draw down as required (as long as financial performance tracking projections), in multiples of £25k (paid within 5 working days) for initial 5-year period.*
- *Ability to make bullet reductions during initial 5-year period, in multiples of £10k, as income realised without penalty.*
- *At end of 5-year initial term, the outstanding balance converts to a standard 3-year term loan.*
- *Arrangement fee of 2% paid at acceptance of offer.*
- *Interest rate payable monthly, based on amount drawn at 4% per annum.*
- *Standby fee for non-utilised balance of 2%, charged 6 monthly in arrears (linked to reviews).*
- *Funds primarily to support cash flow, working capital or capital expenditure.*



Questions and Conversation



Good
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<https://www.goodfinance.org.uk>



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Browse our list of social investors and advisers using the map or the form below.

Covid-19: Use the Product Type filters to search for the Coronavirus Business Interruptions Scheme (CBILS), Resilience Recovery Loan Fund (RRLF), Community Investment Enterprise Facility (CIEF) and other types of emergency finance.

Find out how social investors are responding and access resources [go to our resource hub](#).

COOKIE SETTINGS





REACH

Grants

- Typically up to £15,000
- Can be used for internal & external costs, BUT
- What is funded is determined by what the investor needs
- Currently nearly 30 approved Access Points



Get in touch

- Visit www.reachfund.org.uk
- Call on 020 3096 7900



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www.thekeyfund.co.uk



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