



# Community Matters: Funding Fair Key Fund

17 March 2026  
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**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.**



# What is social investment?

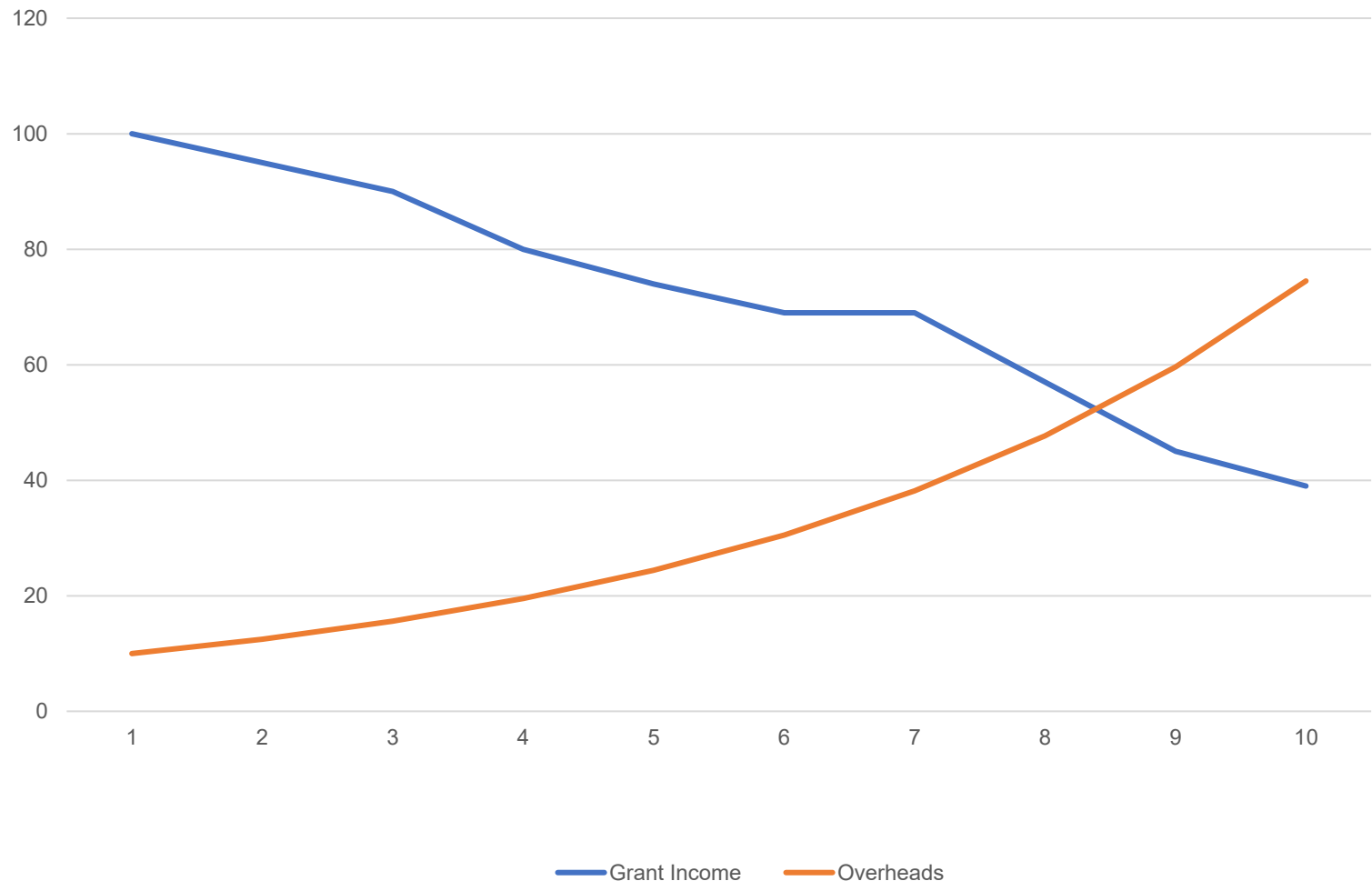
Social investment is the use of **repayable finance**, that helps your organisation do more good



<https://www.youtube.com/watch?v=rUrKGENE9ME&t=75s>



## The Grant Dilemma





## Why use social investment?

- Grow your services
- Start or expand income-generating activities
- Buy an asset e.g. new premises, vehicle
- Maintaining cash flow or to cover a gap in income (e.g. bridging loan; match funding)
- Become less dependent on grants and build long-term sustainability

# Types of social investment products

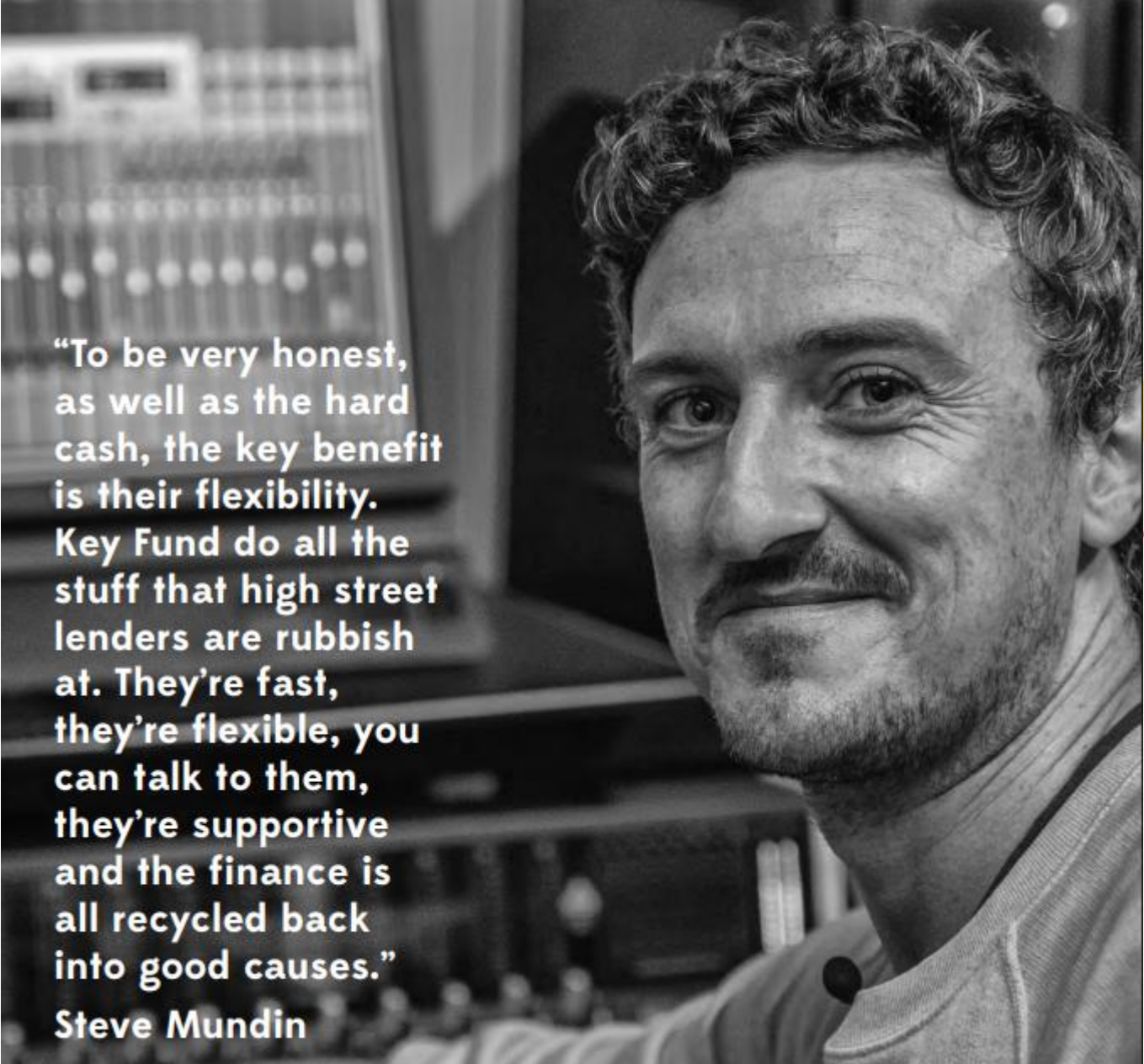
## e.g. Key Fund

- A combination of loan / grant funding
- £5,000 - £150,000. Over 1-7 years
- A package of funding that is a mixture of investment, that needs to be repaid and a grant that doesn't need to be repaid.
- For example, a grant of £27,000 alongside a loan of £63,000 that needs to be repaid over 5 years with 6.5% interest provides total investment of £90k.



# Example: Higher Rythmn

- Not-for-profit, Music Industry, Media and Learning organisation based in Doncaster
- Services include: recording studio, radio station, music and media courses and qualifications and creative enterprise support
- Support young people and adults to progress their personal development, learning and build transferable job and life skills.
- Secured investment from Key Fund including £90k blended package to purchase premises.

A black and white portrait of Steve Munding, a man with curly hair and a mustache, looking slightly to the right with a slight smile. He is wearing a light-colored sweater. The background is blurred, showing what appears to be a computer keyboard and some office equipment.

**“To be very honest, as well as the hard cash, the key benefit is their flexibility. Key Fund do all the stuff that high street lenders are rubbish at. They’re fast, they’re flexible, you can talk to them, they’re supportive and the finance is all recycled back into good causes.”**

**Steve Munding**



# Is social investment right for you?

Ask yourself:

- Do we have (or want to build) an income stream?
- Are we confident we can repay e.g. have a surplus from rental income or selling products/services, membership fees, contracts
- Clear business model (plan)
- Appetite for risk -> ask your Board
- You don't need to be big – just ready and supported.



# Where to find out more

## Good starting points:

- 1) [www.goodfinance.org.uk](http://www.goodfinance.org.uk)
- 2) Talk to others who have taken on social investment
- 3) Talk to Key Fund or other social investors



# Key Fund

- ✓ We're a social enterprise
- ✓ We provide finance – both loans and grant/loan packages
- ✓ Focus on the North of England and Midlands
- ✓ We invest in community and social enterprises that have traditionally been excluded; turned down by mainstream banks and building societies;
- ✓ Wide-range of sectors
- ✓ Focus on impact on disadvantaged people and places.



# Total Impact in 24 Years



**£483m**

of Impact



Additional funds of

**£66.5m**

have been levered in as a  
direct result of our investment

New Jobs Created / Safeguarded

**4433**



Loans & Grants

**£76.6m**

Individuals supported

**178,000**



Businesses Created

**3,100**

# What we offer:

## Northern Cultural Regeneration Fund

This fund aims to support the development and growth of creative and cultural businesses across the North, that deliver social impact.

- ✓ Investments up to £150k
- ✓ Loans can only be used flexibly for capital or working capital

## European Regional Development Fund - ERDF

This fund aims to increase the number of social enterprises in the Yorkshire and Humber Region that can access the finance that they need to develop and grow.

- ✓ Loans of up to £300k
- ✓ Maximum term of 10 years
- ✓ Interest charged at 6.5% flat

## Northern Impact Fund 2

Providing finance to support the development or growth of trading activity, including cash-flow, working capital, and asset development or purchase.

- ✓ Investment from £5,000 to £150,000
- ✓ Term 1-5 years

## Property Fund

This fund aims to support social enterprises over 1 year old looking to purchase or develop properties in the Yorkshire and Humber region.

- ✓ Investments up to £300k
- ✓ Term up to 10 years
- ✓ 4.5% flat interest rate

## Energy Resilience Fund

Provides blended (grant and loan) to enable enterprises to retrofit energy generating/saving technology. To stabilise or reducing energy costs



# Key Fund

Growing Enterprise in Communities

<https://thekeyfund.co.uk/client-stories>

<https://thekeyfund.co.uk/client-stories/really-neet/>



# How to apply

**1. Eligibility – must be incorporated**

**2. Meeting / Conversation**

**3. Application – anytime, online**

Key docs: Business plan, financial information etc

**4. Assessment process**

Assessment report and client visit

**4. Investment Panel (meets monthly)**

**<https://thekeyfund.co.uk/apply/>**





**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
- ✓ Key people: Directors and staff, customers and beneficiaries

We're here with practical information for your business. Learn about business planning, running a business and more.

WHAT DO YOU NEED?

SEARCH

## Welcome to the Resource Centre

### RESOURCE TOPICS

TOPICS ^

#### Start up business ideas

For a successful business, you need a viable business idea, the skills to make it work and the funding. Discover whether your idea has what it takes.

#### Set up a business

Forming your business correctly is essential to ensure you are protected and you comply with the rules. Learn how to set up your business.

#### Skills and wellbeing

Advice on protecting your wellbeing, self-confidence and mental health from the pressures of starting and running a business.

#### Business planning

Learn why business planning is an essential exercise if your business is to start and grow successfully, attract funding or target new markets.

#### Financing a business

It is likely you will need funding to start your business unless you have your own money. Discover some of the main sources of start up funding.

#### Tax and National Insurance

Businesses and individuals must account for and pay various taxes. Understand your tax obligations and how to file, account and pay any taxes you owe.

#### Business law

Businesses are required to comply with a wide range of business laws. We introduce the main rules and regulations you must comply with.

#### Sales and marketing

Marketing matters. It drives sales and helps promote your brand and products. Discover how to market your business and reach your target customers.

[Enterprise Toolbox \(startupinfohub.co.uk\)](http://startupinfohub.co.uk)

## Not quite social investment ready?

- Reach Fund grants: £5,000 to £15,000 to help charities and social enterprises to provide key information that social investors require.
- Available via an Access Point: an approved social investor
- Examples: support with updating your business plan, producing financial forecast, governance support, specific legal work, evidencing social impact.
- For more information, please speak to Key Fund (an Access Point) and read the guidance notes available at: [www.sibgroup.org.uk/funds/reach-fund/](http://www.sibgroup.org.uk/funds/reach-fund/)



Thank you

Any questions?


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