London Borough of Camden

A Community Wealth Fund for Camden

Research on the local need for investment and support

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Introduction

Over the last 18 months, a Community Wealth Fund ("the Fund") in Camden has been in the making. It is a radical approach to how we address the inequality and disparity across our borough by sharing the benefits of Camden's economic growth and wealth more fairly with our people and communities.

As an investment fund, it will provide long-term and low-cost finance (through various routes such as loans and equity to people, businesses, and organisations across Camden. It will focus on organisations and businesses that benefit the people of Camden and are contributing to the joint ambitions of Camden's communities.

Initially, the Fund will invest in businesses and organisations which can evidence how they are supporting the Diversity and Youth missions set out in We Make Camden, our vision for the future of the borough:

1. **Diversity Mission**: By 2030, those holding positions of power in Camden are as diverse as our community – and the next generation is ready to follow; and,
2. **Youth Mission**: By 2025, every young person has access to economic opportunity that enables them to be safe and secure.

It will also prioritise founders from under-represented backgrounds, who may face disproportional barriers to financing, due to systemic barriers and existing manifestations of power and privilege.

The need for research

Much work has been done already to develop the vision of the Fund. Its purpose as an investment and policy tool is outlined in this policy report by the UCL Institute for Innovation and Public Purpose. The business proposition, which considers the approach to governance, participation, co-investment, and capitalisation, is also currently in development.

However, while there is strong strategic rationale for the Fund, the vision assumes that there would be sufficient demand for a local Fund and that the proposed design of the Fund would be appropriate for the types of enterprises trading in Camden. Evidence was needed to test these assumptions. This report presents a summary of our synthesised findings and offers recommendations for the next stage of design of the Fund.

Research approach

The Fund's current strategic objectives made several assumptions about the business and social economy landscape, including the nature and health of relevant enterprises, their propensity to take on investment, their ability to repay, and their capabilities to provide opportunities for young people.

This piece of research aimed to test these assumptions, while also highlighting any structural or business support barriers local organisations may face in achieving their desired growth. The insights from this research are not meant to be generalisable; rather, they serve as a preliminary evidence base to reduce the risk of decision-making and point to areas where further rigorous research should be conducted.

This is important for the work developing the Community Wealth Fund as it:

- Helps stress test some of our assumptions around the demand for certain types of investment within Camden
- Helps inform the design of the types, characteristics, and terms of the investment and financial products for the Fund
- Collects further data on the ability for local enterprises to supply opportunities for young people in the borough

The overarching question which shaped our research was:

“What are the market needs and capacity for investment?”

This question was broken down into seven sub-questions, and appropriate methods were selected to explore each line of inquiry.

Research sources and methodology

A concurrent research design was used, where quantitative and qualitative data were collected at the same time. Four key sources served as the evidence base: research interviews, Future Camden Fund focus group, Camden Business Survey, and existing literature.

The research interviews and Future Camden Fund (FCF) focus group were used to dive deeper behind the statistics, and explore the context, rationale, and decision-making behind businesses’ choices, whereas the Camden Business Survey and existing literature targeted questions for which we would have liked generalisable insights. Minority-led organisations were prioritised, to highlight the experiences of people from backgrounds which tend to be marginalised by traditional financing opportunities. The table below shows the seven sub-questions, and the sources used to address them.

Our research questions and sources

Research questions	Source			
	Research interviews	Future Camden Fund focus group	Camden Business Survey	Existing literature and data
What do the investable early-stage social purpose businesses in Camden (potential target market) look like and how many of different types are there?			X	X
What is the current desire and challenges to growth for social enterprises in Camden?	X		X	
What are experiences of taking on types of finance and/or business support, is there desire for future funding and what are the motivations and needs?	X		X	
What types of investment and business support would help them seek their ambitions and/or deliver social impact?		X		

How many enterprises provide 'youth employment opportunities' and what is the nature of that provision, and how many have the capacity to provide provision in the future?	X		X	X
How many enterprises see themselves as impact motivated, what is the extent of this, and the current maturity of impact measurement/reporting?			X	

Research interviews

In-depth research interviews were conducted with local organisations to understand the appetite for a Community Wealth Fund. This piece of research spotlighted minority-led organisations which are which are based in and/or have substantial operating presence in Camden. Three lines of inquiry were explored:

(1) The extent to which growing their organisation is a key priority over the next 1-2 years;
(2) The types of financial and non-financial support they need to meet their growth ambitions; and,
(3) The appetite for financing tied to increasing economic opportunities for youth in the borough.

Financial support was defined as non-repayable and repayable financing, such as grants, loans, equity financing, and other.

Non-financial support was defined as activities such as mentorship, training, courses, physical spaces, access to networking opportunities or information on available resources.

Economic opportunities for young people were defined as activities that create or increase opportunities for young people aged 16-24, such as training, skills development, work experience, apprenticeships, or employment opportunities which focus on progression and skills development.

11 one-hour interviews were conducted with 10 organisations from December 2022-January 2023. These organisations varied in key characteristics such as the organisation type, industry, age, funding sources, and current focus on young people, providing a holistic starting point to understand the diversity of needs within the borough. Of these 10 organisations, 4 had an appetite for repayable financing, whereas 6 sought other forms of finance. For those interested in repayable financing, their current opportunities for young people ranged from non-existent to mature offerings, whereas young people were the core beneficiaries of all organisations seeking other forms of finance. A closer look at the methods and sample characteristics can be found in Appendix A.

Given the distinct financial needs of these two groups, the findings from interviews were split into these two groups, for individual analysis.

Limitations

Some key limitations to consider for the research interviews:

- **Small sample size:** Only 10 organisations were interviewed. These research interviews are not intended to be generalisable insights; rather, they provide in-depth understanding behind the needs, motivations, and challenges each organisation within the sample faces in achieving growth over the next 1-2 years. As the journey of each organisation is unique, and financing decisions and appetite are often linked with the organisational history and founder preferences, these insights make no claims as to the proportion of organisations within Camden which may agree or disagree with these insights.

- **Convenience sampling:** This sample is mainly comprised of participants who have a prior affiliation to Camden Council, which have already provided some form of economic opportunities for youth in the past. Taken together, their appetite for financing tied to the youth mission may be more positive than the general market, although this has not been tested.

These limitations have been mitigated by triangulating the evidence with quantitative results from the 2023 Camden Business Survey, which included 13 questions relevant to the Fund. The survey results provide a more representative view of the overall demand for financing in the borough.

Business survey

The Camden Business Survey is a biennial survey to help the council understand the current circumstances of local businesses to inform the council's economic plans, interventions and business support offer to help businesses manage the current economic circumstances and promote business growth.

We worked with the Inclusive Economy team to target questions in the survey specifically for the Community Wealth Fund to help us understand business growth ambitions, business support needs, experiences of investment, desire for future investment and importance given to (and current reporting of) social impact. We also requested that a sample of the businesses surveyed be social enterprise businesses to gain a wider perspective of the diverse business landscape in Camden and from organisations as potential recipients of social impact investment.

The research was conducted by Public Perspectives, a research and evaluation specialist consultancy for local government. A telephone survey of 1,009 businesses located in Camden was completed at the end of 2022. A wide variety of businesses sizes (from self-employed to 50 plus employees) and sectors were surveyed. Quotas were set based on latest data to ensure demographic representativeness by business size and sector (and results re-weighted at the analysis stage to bring them exactly into line with local business demographics).

At least 50 businesses/organisations that responded could be described as social enterprises (for example, a registered social enterprise, CiC or CiO, Cooperative).

Limitations

Some key limitations to consider for the Business Survey:

- **Recall bias:** The survey was restricted to 15-20 minutes interviews, a challenging time frame for participants to properly consider the answer they provide to options given to them. This risks a higher likelihood of recall bias, where the participant replies with the first answer that comes to mind

- **Inconsistent participants:** There is no information on the job role or position within the organisation of participants, meaning a challenge of consistency and potential limits of organisational knowledge not being accounted for. For example, where a junior staff member may not have information on decisions that a CEO is responsible for (or vice versa), or in bigger organisations where branch level employees might not have insight on head office level plans
- **Broad questions regarding repayable finance:** To note when comparing survey results and our interviews that questions relating to being interested in repayable finance in the future, our interviews were specific to the next 1-2 years, while the survey was not time bound

Future Camden Fund focus group insights

The Future Camden Fund (FCF) is a £500K grant and business support fund launched to Camden social enterprises in early 2022. The Fund encourages entrepreneurial activity to stimulate new and sustainable revenue streams and initially funded entrepreneurs from minority backgrounds, such as those from Black, Asian and other ethnic backgrounds, those with a disability, care leavers and women. Alongside the funding, it provided entrepreneurs with mentoring from Expert Impact and a package of courses from School for Social Entrepreneurs.

In November 2022, we held a focus group session with seven London-based social entrepreneurs (see **Appendix B**). The session had a dual purpose – to help inform the second phase of the FCF (including exploring a repayable finance offer), and to contribute to our intelligence gathering for future initiatives such as the Community Wealth Fund.

The focus group workshop explored entrepreneurs' perspectives on a future business support offer, designing inclusive application processes, and alternative funding models compared to traditional, unrestricted grants.

Limitations

Some key limitations to consider for the Future Camden Fund focus group:

- **Participant characteristics:** The social entrepreneurs taking part operate across different London boroughs, so they will not be able to reflect nuances of experience of the local Camden context
- **Small sample size:** The sample size is small, so caution required when drawing generalised conclusions on participant perspectives
- **Specific definition of repayable finance:** The discussion topic on repayable finance was about repayable grants (or 0% interest loans) in combination with grants, not solely about loans and equity, so special caution needed when drawing conclusions on participant perspectives on appetite for repayable finance

Existing literature and data

In addition to the sources mentioned already, we conducted a cursory search of the relevant literature and an analysis of existing data sets. Throughout our findings section of this report, we reference London and UK wide reports and data sets that talk about the wider investment and business support needs of social purpose businesses.

Synthesising our insights

We took a concurrent mixed methods approach to develop this evidence base. To synthesize the outputs, insights from the research interviews served as the base upon which additional sources were compared. Areas of convergence and divergence were identified, and insights were reshaped as a part of this process.

Our findings

Our findings are presented in four sections:

1. **Market sizing**;
2. **Organisations seeking repayable finance,** which have capacity to take on repayable financing;
3. **Organisations seeking other forms of finance**, which either have no capacity or have some other objection to taking on this type of investment; and,
4. **Measuring impact on missions**

Within the second and third sections, insights are presented in the following order (if relevant): financial support, non-financial support, and mission alignment (economic opportunities for young people). When given consent, the names and organisations of participants are shared.

A summary of the insights and recommendations can be found **here**.

Overall limitations

Gaps in evidence are clearly noted and where possible, additional quantitative research has been commissioned via the Black Pound Day survey, to address some limitations. The Black Pound Day survey seeks to provide generalisable insights regarding Black-owned businesses in Camden. Results can be expected in late 2023.

Section 1: Market Sizing

Overall, one in five businesses in Camden are still interested in repayable financing, despite current economic conditions

The difficult economic climate is top of mind for most businesses, with demand for repayable financing limited to a minority

Most are primarily seeking support to navigate economic headwinds - such as grants, financial aid, and support with debt management (62% of businesses, out of 1,009 surveyed), or assistance with the cost of living and energy crises (51% of businesses). While 1-in-5 businesses (21%) were either quite likely or very likely to seek investment to scale up their business, the remaining 4-in-5 either said they were unlikely or were uncertain about the likelihood of this. Of the businesses likely to seek investment, small businesses (5-49 employees) were less likely to seek investment. Women-owned and minority ethnic background-owned businesses were slightly more likely to seek investment, and social enterprises were quite unlikely (only 9%) to do so.

Fears around interest rates crowd out desire to take on investment, despite needs

While 78% of businesses either have low or uncertain demand, only 20% of businesses said they had no need for investment. The rest of the tempered demand is driven by fears around the inability to repay (30% of businesses), the cost of capital (22%), and uncertainty over their business's future financial stability (11%).

The survey revealed three groups regarding the propensity to take on financing:

1. 31% could be incentivised by low interest rates;
2. 20% were uncertain – it would depend on the economy and/or likely benefits; and,
3. 44% of businesses could not be incentivised. This stance may result from a variety of factors, including a lack of need (as mentioned above), unsuitability, and religious or ideological objections, factors explored in the '**Organisations seeking other forms of finance**' section below.

Limitations of these conclusions

The business survey only focused on interest in **repayable** financing for growth, neglecting other forms of investment such as equity financing. Additionally, 'repayable financing' was not defined; thus, respondents' answers were influenced by their individual understanding and awareness of the term, which could lead to varying responses. We have included a few questions on the Black Pound Day survey to mitigate these limitations; results are expected in late 2023.

Recommendations:

- **Impact of Fund's objectives on demand:** Given businesses' focus on surviving current economic conditions, the Fund should clarify how the Diversity and Young People missions will be tied to its offerings. These criteria may increase costs for businesses; the impact on market size is unknown and should be explored
- **Debt offerings:** Offer competitive interest rates, which balance flexibility for investment targets and financial sustainability for the Fund. Consider how terms (e.g. payback periods) could be designed to decrease the burden on businesses
- **Educational opportunities**: Provide educational opportunities on the different types of financing available, to help businesses arrive at an informed decision

Social enterprises could be ideal investment targets; however, the number and nature of their investment needs should be further explored

There may be approximately 900 trading social enterprises operating in Camden, of which many could be potential investees now or in the future
Social enterprises, businesses that trade for a social or environmental purpose, are a key potential target group for the Community Wealth Fund, as they are impact-driven and may potentially generate long-term financial returns.

There is limited data on the number of social enterprises in Camden which seek financing; to estimate a rough scale of demand, a back-of-the-envelope calculation must be made. Since Social Enterprise UK estimates there are around 15,500 social enterprises in London, and London Councils estimates 6% of London businesses operate in Camden, we may assume that there are approximately 930 social enterprises in Camden. Given that 62% of social enterprises have applied for or considered applying for finance, we would find that 577 local social enterprises likely fit this profile. While further research must be conducted to validate these assumptions, this calculation may provide a rough estimate of market size for the Fund.

There is an active ecosystem for investment in social enterprises in the borough
Data from Big Society Capital show that 19 social impact investors have made 77 investments into 63 social enterprises registered to Camden since 2014, via debt, equity, a mix, or other instruments. Investments ranged from £6,334 to £4.2m, with a median of £50,000 (higher than London's median of £27,500). While this shows active local investment, it also likely underestimates the total amount of activity, as it does not include investments by mainstream providers, such as banks, venture capitalists, community finance development institutions, and other institutional investors.

Place-based investors with strict eligibility criteria and investment offerings face limited market demand
The Centre for London finds that investors in regional impact funds with strict eligibility criteria often face a limited number of investable organisations, resulting in a mismatch between the intended size of their investments and the smaller needs of investees. In these cases, strict eligibility criteria and other factors relating to the suitability of available capital (such as scale, flexibility, and terms), shrunk the pool of potential investees beyond the Funds' expectations. While eligibility criteria and other covenants shrink the market size, awareness of the Fund is also a key factor which determines the size of the applicant pool; it is unclear the extent to which the challenges faced by the Funds were due to overly restrictive covenants or ineffective marketing.

Recommendations:

- **Source data from mainstream investors:** Obtain a clearer picture of the quantity and demand for financial investment of impact-driven businesses in Camden
- **Learn from existing investors:** Connect with local impact to understand the tools and networks they used source investable propositions in the borough
- **Access strategy:** Develop an access strategy to widen the reach of the Fund

Section 2: Organisations seeking repayable finance

Local start-ups interested in repayable financing are underserved

Camden has the second highest number of start-ups in London (State of the Borough, 2023). However, they face barriers to accessing financing from mainstream opportunities such as banks, venture capitalists, equity providers, friends and family, and grants.

Banks require a proof of concept, which can exclude start-ups

> "With a bank loan, you probably need a little more certainty about your numbers have, about what you're going to make and when you're going to make it. But a lot of start-ups just don't that certainty really figured out. Because even investors are betting on something that's going to work in the future."

– Founder

Venture capitalists seek higher-risk investments, which can exclude low-risk businesses

"We are too boring for venture capital. So we're not high risk enough...we're not gonna grow explosively. But we are also too exciting for banks. So lots of banks have said they will lend us money once we have a first site open in the UK..."

– Laura, Founder at Co-Laboratories

Equity and convertible loans can exclude businesses which seek to raise small amounts

> "We're very interested in [equity or convertible loans] as well, [but] equity in the US is much easier to get, whereas I was advised by Deloitte...[that] unless you're raising 10 million, you're not getting to equity in the UK..."

– Laura, Founder at Co-Laboratories

Financing from friends and family is only accessible to those who have the connections to begin with

> "So, friends and family being like super working class, that's a no-no because everyone is struggling like me."

– Vanessa, Founder at Sankofa Storytelling Arts

Grants have strict eligibility and usage criteria, which can prevent businesses from making the best use of the funds

Businesses are often prevented from using capital to fund essentials such as property and payroll, making taking on financing operationally challenging.

Overall, local start-ups face challenges in accessing suitable financial instruments and terms; existing research shows the same themes for early-stage social enterprises

Research from Centre for London echoes these themes, and shows that there is a shortage of early-stage funding for companies at the social, lower-return end of the capital spectrum (e.g. Co-Labs), as they are slower to scale and considered riskier than commercial venture capital.

Recommendations:

- **Start-up financing:** If start-ups are chosen to be target investees, a range of financial instruments with flexible terms should be provided to best individual businesses' needs

Established businesses have demand for short-term and long-term financing, and are open to both debt and equity opportunities

For established businesses, short-term lending needs are mainly to ease cash flow issues

A low barrier to apply, reasonable interest rates, flexible payback amounts, and the understanding that earnings are seasonal, are key:

> "Invoice financing also been a bit of a help...you know sometimes you need the money before the project is complete. In terms of paying the money back, no stupid interest rates, and in some ways, understanding that—not to sound naïve, but some months it might be harder than others to repay the loan – that some months we might be able to repay the loan a little more and in some months, a little less."

– Ndu, Co-Founder at Word on the Curb

There is also demand for financing to meet long-term growth ambitions; both equity and debt are desired

While retaining majority ownership was important to those we spoke with, they acknowledged equity financing was a highly personal and divisive decision.

Overall, those in the sample were open to the concept, but had concerns over low valuations and potentially giving away too much ownership for not enough money. However, the ability to positively impact more people inspired serious consideration:

> "It is about ownership, but it's not entirely about complete ownership, and we would rather be able to impact a lot of people at a certain level, than just operate on a certain standard because of lack of funding. So we know for sure if we have the investment, we won't worry about pop-up contracts and lease agreements because we'll be able to have at least like a year on lockdown. And then if we have enough money coming in, we're able to hire the right type of people to stay ...we'll be able to take on a lot more brands, do a lot more storage and fulfilment. The growth of the business has been tested on a certain level and that has been exhausted because of funding. But we have everything in place in terms of process, system built with a pilot scheme, ready to go to the next level."

– Kojo, Founder at My Runway Group

For debt, flexible payback periods and amounts, and low interest rates are key.

Recommendations:

- **Equity offerings:** Develop a strategy for business valuations to ensure founders from minority backgrounds are not undervalued
- **Debt offerings:** Ensure short and long-term debt offerings demand a competitive interest rate and consider how flexibility could be introduced in other terms (such as payback periods), to decrease the stress and burden on businesses

While mainstream finance is exclusive, access is also hindered by businesses' ability to find information about suitable options

Businesses struggle to find information about suitable financing options
The business survey showed that of the two-thirds of respondents who did not take on repayable investment in the past, 8% lacked information about the options available, resulting in not acquiring financing despite having a need for it (p. 53).

Businesses lack time, knowledge, and social capital to find suitable options, leading to sub-optimal financing choices or missed opportunities

> "Sometimes [funding is] just not on our radar – sometimes we just don't know where to find these things. Friends say it's the same: we haven't seen these things come our way. Sometimes if you do, it's just a couple of days before the deadline. I've signed up to a couple newsletters, told the team...they have done the same and we just literally haven't seen these things like come our way."

– Kojo, Founder at My Runway Group

> "When you start, you know, first of all, there's my own lack of knowledge. I'm a corporate guy. I've never gone out and started my own business until now. And so when you're starting a business, you have an idea. You bring on a CTO, you cobble together somse money and create a prototype, and then all of a sudden, it's about scale...when you think of scale, instantly – VC...I feel like once you start down that path, it's really hard to come off it...I do feel like it was the only option I knew because it was only option I read about."

– Founder

These effects are exacerbated for founders from underrepresented backgrounds, who may lack the social capital required to access financing

> "One of the biggest challenges is accessing people – where do you find the marginalised groups who really need the capital but aren't being offered it?"

– Llewellyn, Advisor at Co-Laboratories

From this evidence base, it is unclear what the supply looks like in the borough, and whether the underserved market is primarily due to a matching issue, where businesses are unable to access existing financing opportunities.

Recommendations:

- **Access strategy:** Devise an access strategy to reach businesses which do not have existing connections to the Council, reducing the risk of replicating existing market matching issues. To inform this strategy, research on the search strategies Black business owners use to access financing has been commissioned as part of the Black Pound Day survey; results may be expected in Q3 of 2023
- **Landscape of supply:** Conduct further research to understand the nature of market supply in Camden (see 31 Ten's report for analysis)

Systemic discrimination through both equity and debt financing routes have impacted founders, creating additional barriers to obtaining finance

Systemic discrimination creates additional barriers for founders from underrepresented backgrounds to access financing, across the entire journey from start-up to maturity
Some founders we spoke with through the research interviews and Future Camden Fund workshops shared a glimpse of the systemic racism, ableism, and sexism they faced in accessing financing. We elevate a few experiences founders have faced below, to illustrate the change which much be realised as part of this Fund.

Awareness: Founders may miss out on learning about financing opportunities due to existing systems of power and privilege, and the relationship-based nature of acquiring finance.

Options: Financial products which include interest may exclude some Muslims from applying, as riba is haram (i.e. interest is forbidden by Islamic law). Creating Sharia-compliant financial offerings could make the Fund more inclusive and equitable.

> "If it would involve interest, then we'd be completely against it as quite a few of us are Muslims and interest is against our religion. That is something to consider…and if especially within Camden, you have quite a large Muslim population."

– Hafid, Founder at Camden United FC

Consideration & application: Text-based applications with character limits, and inaccessible language can disproportionately impact neurodiverse and dyslexic founders, particularly those who cannot afford professional application writers. Designing touchpoints for neurodiverse audiences improves accessibility for all.

Evaluation: At the evaluation stage, we heard numerous experiences of systemic racism preventing founders from accessing both equity and debt:

> "Equity is easier to come across and if you uh, if you are certain and background, if you look a certain way, you will get the equity easier than others and you know that's just that's just the nature of it. There's a lot in place to try and address that, but the balance you know, in practice that's still very much the investor landscape."

– Founder

> "A big challenge was getting the loan in the first place. Like you know, I'm a homeowner. I own my own home. And I have done for six years, five or six years. And yet, you know, even though I was willing to put that up as an asset to loan against, because of an issue I had with a student bank account from 4-5 years ago, loaning money was difficult. Regardless of being profitable every year in the business, loaning money was difficult.
>
> And so like there's fundamental barriers and blockers for people who have one issue, one tiny, miniature issue to their name. Whether you can index that to anything, I don't know, but getting money from banks is very challenging…And so those are some of the issues that exist for founders, particularly for founders from underrepresented backgrounds, like, you know, they're more likely to potentially have financial difficulties and things like that.

> So if you're preventing them from being able to just get a basic loan, then what can we expect from growth of businesses in this country?"
>
> – Ndu, Co-Founder at Word on the Curb

We also heard experiences of founders being subjected to a disproportionate amount of scrutiny over their application, to the point where they felt criminalised by the decision-makers.

Final valuation: Women and founders from Black, Asian, and other ethnic backgrounds tend to be undervalued by investors, which results in a self-reinforcing issue when they take on the financing. They need supportive investors which respect and encourage valuations based on existing market evidence.

> "A huge issue is people undervaluing women and BAME. It's a self-reinforcing issue – less funding goes towards women and BAME-founded companies. It's really important with those companies to have very hands-on or supportive investors – people who can be cheerleaders for them. Say look, they get 20 million, you should get 20 million – you're doing similar things. It's overcoming some of those barriers people perceive becoming self-reenforcing, I believe, is very, very important."
>
> – Llewellyn, Advisor at Co-Laboratories

> "New founders – especially women and minority founders, find it really hard to sell their value to the same extent, and often take lower offers. So that's partly why they get less funding. So [our fund] can just give them all of our information and say, no, actually you should be asking for this. This is what you deserve to get."
>
> – Laura, Founder at Co-Laboratories

Post-valuation journey: While founders did not elaborate on any discrimination experienced post-funding, we acknowledge these themes can persist after funding has been secured.

Extant literature supports our findings

Turning to extant literature, The Centre for Impact echoes our findings and shows that in London, systemic discrimination through both equity and debt financing routes has impacted founders. They suggest that access to finance is a key barrier to growth for underrepresented founders, and that overall, the start-up landscape needs to be improved in racial and gender diversity of founders and their teams.

At a national level, Social Enterprise's The State of Social Enterprise report and Commission on Social Investment further support our findings, showing businesses led by people from minority backgrounds face disproportional access to financing in the UK. Disabled people in particular, receive half as much money as the overall average, and 44% expect their application to be rejected, compared to 15% overall.

Recommendations:

Systemic equity and inclusion: The Fund should devise a set of policies, practices, and metrics to ensure organisations led by women, ethnic minorities, disabled people, and people of other underrepresented backgrounds are not disproportionally excluded or negatively impacted by the opportunities provided by the Fund, and that people from backgrounds of privilege and power are not disproportionally favoured. Pieces of work may include:

- **Strategy:** Devise a diversity, equity, and inclusion strategy, which considers intersectionality. Ensure representation on the Community Wealth Fund investment team. Commit to reporting on diversity, equity, and inclusion metrics
- **Awareness:** Devise an outreach strategy, and include activities such as 'Meet the Funder' days and webinars
- **Options:** Provide Sharia-compliant options (such as equity). Provide education around the different options, so businesses can assess the best option for their needs. Provide clear criteria to help businesses gauge eligibility
- **Consideration & application:** Design all touchpoints, such as the communications and application processes, for neurodiverse audiences, to improve accessibility for all. Some aspects to consider include: using Easy Read, providing more face-to-face opportunities prior to the application stage, accepting video applications alongside text, and enabling organisations to use existing pitch decks
- **Evaluation:** Provide clear decision-making criteria, establish due diligence guidelines, and provide feedback regardless of selection outcome
- **Final valuation:** Support people from under-represented backgrounds to assert fair-market valuations. Establish controls to ensure fair valuations across investments
- **Post-valuation journey:** Ensure wrap-around support and reporting requirements are fair and equitable across investees
- **Alignment with similar funds:** Explore potential partnership opportunities with other London-based impact funds (such as the Growth Impact Fund), which are directly addressing disproportionality in investment

Overall, these efforts may altogether drastically reduce the probability of perpetuating systemic inequities.

Non-Financial Support

When speaking about financial investment, founders in the research interviews strongly believed that capital, paired with an ecosystem of non-financial support would benefit their organisations. Four core specialised support services – Legal, Admin, HR, and Operations -- quickly emerged as key demands for start-ups. Networking opportunities and affordable space were desired by organisations at any stage of maturity.

Specialised support in Legal, Admin, HR, and Operations would enable early-stage start-ups to scale quickly

Founders agreed that specialised support in Legal, Admin, HR, and Operations would enable their organisations to scale quickly, as these 4 core areas which often get overlooked due to time and resource constraints, can hold back growth

> "I think across the board with any business – those 4 things [Admin, Legal, HR, Ops] – are probably what gets overlooked the most and are the most fundamentally important. You get to a point where you can't start to work with massive clients because it just takes 6 months to get over a line, because they need you to sign these forms and you have no idea what they're after...
>
> [Whether I would trade equity for non-financial support] depends on the stage of maturity – now, not necessarily, because I hire people. But if this conversation was 2 years ago, then I probably would have been more inclined to give away something if someone could guarantee that I wouldn't have to pay for that and that the people I'm getting are good enough or better than I have. But since I didn't have this option then, now I have people I pay, so it's not that attractive to me anymore."

– Ndu, Co-Founder at Word on the Curb

Some founders of early-stage start-ups noted they would be willing to trade equity for this non-financial support; that they would view it as a fair trade of money for value, provided these services cater to their industry and specific circumstances.

Recommendations:

- **Core 4 support:** Develop a strategy on providing a specialised ecosystem of support for start-ups, whose needs may differ based on their business models and sectors

Investors which can unlock access to connections such as potential customers and partners are valued as much as investors which can inject cash; minority founders benefit especially

While the Business Survey revealed only 3% of businesses sought networking opportunities as business support, businesses from our research interviews declared this as a key form of support which could help them overcome hurdles and to scale.

An investor which can connect businesses to key decision-makers can enable them to obtain a proof of concept, convert quickly, and expand their reach:

> "If you'd ask me three, six months ago, I would have said it's all about money. But what I found is that contacts into key accounts...being able to get in front of some of these large organizations who have the kind of problems that our platform could fix, I think that for me is probably equally as important as financing at this point."

– Founder

> "I know money is important – we keep saying that – but access is also very key to us. Because of 10 years of working in the arts and commerce, we now have communications with people where we can be a partner – they will integrate our marketplace in their platform so customers can see our products. Sainsbury's, Sephora, Selfridges – those kinds of introductions can help us. Money is pretty much everything, but access is also very key in terms of what we're looking for."

– Kojo, Founder at My Runway Group

Founders from minority backgrounds benefit especially from this support:

> "Here, it does still help to have those connections and especially if you're a woman as well or a minority founder. Because you have way less of these connections to start with. Statistics show this a lot, but with extra help, they're way more likely to succeed."

– Laura, Founder at Co-Laboratories

Llewellyn, an Advisor to Co-Laboratories, noted that minority-led must be connected to the greater economy; otherwise, a silo forms:

> "You end up with a company or fund that specifically invests in minority founders, but then it becomes this silo of minority start-ups and they're not well-connected with the greater economy. How do you go from serving underserved communities to helping them to connect with other businesses?"

Recommendations:

- **Serving as a facilitator:** Define the Fund's role as a facilitator and its ability to connect target businesses with greater opportunities
- **Additional role of co-investment**: Explore the potential role co-investors can play in opening opportunities and networks for minority-led organisations

The lack of affordable space prevents businesses from establishing and growing in Camden

The business survey revealed 6% of businesses were seeking affordable workspace and support with commercial property off the top of their minds; however, in-depth conversations with Founders revealed that the lack of affordable space is a key threat to businesses establishing and flourishing in the borough.

For some determined to stay in Camden, pop-up agreements can be a short-term solution; however, the lack of stability stagnates businesses. Kojo, the Founder at My Runway Group, outlines the knock-on effects the lack of affordable space has on his business:

> "If we don't have a long term plan or stability, it's hard to make certain decisions. You can't even take on some brands because you can't promise them more than three months, you know? And some brands take a longer time to sell than others. So it just makes it difficult for you to be able to help as many Black brands as you want because you don't have stability yourself. And also, landlords usually will put a paying tenant over you because that's how they keep their lights on. And if somebody comes and they have a lot of money to pay for rent, they will literally just, you know, wrap up your pop-up period, in about 2 weeks."

Recommendations:

- **Provisioning affordable space:** Determine how the Fund may support local businesses in directly providing, or working with local partners to provide affordable spaces

Mission Alignment: Economic Opportunities for Young People

Founders in research interviews shared some complexities associated with tying mission outcomes to the financing; namely, the support they require to provide meaningful opportunities for young people, and to source them for these opportunities.

Organisations which do not have mature offerings for young people require significant support to deliver meaningful opportunities

Most businesses in Camden do not have mature offerings for young people
The business survey defined youth economic opportunities as formal employment and apprenticeships, showing over half of businesses (56%) do not provide employment to young people. About 1-in-10 businesses (13%) employ apprenticeships, with most employing just 1 or 2 at a time. Larger organisations were more likely to provide these opportunities.

Set-up and operational costs are high for those without existing offerings; support could increase the propensity to take on mission-linked capital
Interviews with local businesses examined economic opportunities for young people through a broader lens, in the form of training, skills development, work experience, apprenticeship, or employment opportunities. Businesses noted the high costs required to provide a quality experience.

A founder shares their views:

> "I also have to be honest about our time. Training and support is a challenge because even my own team, we've challenged when we've looked to bring in interns. We could bring in an intern to do loads of stuff and in fact, in the past we even tried to source two interns. But then what that means is that you have to train two people, upskill two people, and make sure two people are being shadowed. That creates additional work, if you want to make sure it's done right. If we can get generic packages, then I would be all for that really, because we can build on that rather than drawing up something from scratch."

Ndu, a Co-Founder at Word on the Curb, which provides opportunities for young people, reflects on the challenge of setting up the necessary infrastructure:

> "If a Fund was saying do these things, then you have access to funding for it, then it would probably make us add provisions that can tick the box of whatever it is that you need. But if we were starting from zero, I don't know because that's a bit of a harder one to think about."

– Ndu, Co-Founder at Word on the Curb

Recommendations:

- **Co-design**: Involve young people in the design and evaluation of opportunities, to ensure the experiences are meaningful for participants
- **Young entrepreneurs**: Explore directly investing in young entrepreneurs (e.g. 'Camden Young Ventures' from the Inclusive Economy Youth Employment Offer)
- **Support for programmes for young people**: Develop support to help organisations build delivery capacity. Examples include onboarding guides, management guides, and safeguarding policies

Accessing young people remains a challenge due to the resources required to source potential participants

Accessing young people and connecting them with available opportunities is a challenge due to the investment required to source potential participants

Llewellyn, and Advisor at Co-Laboratories, reflects:

> "From our experience, one of the biggest challenges is access. For instance, I'm thinking specifically about one company -- they're very committed to this idea of diversity and hiring outside of the bubble. But where do you find these people? How do companies find people who fill that space? Where can someone get the education to say, 'Ok, now I can do lab work,' and then get in front of these early-stage companies? So how do you connect them?"

While this market matching issue may exist, there are local organisations ranging from front-line service providers to research agencies, which already have strong connections with young people and may serve as a facilitator for these connections

> "Camden as a borough who we've worked with from a research perspective, will have problems and struggles in engaging the relevant people, like the relevant young people, so we can easily support them on that as well."

– Ndu, Co-Founder at Word on the Curb

Recommendations:

- **Access strategy:** Devise a strategy on accessing underserved young people and connecting them with these opportunities
- **Alignment with Good Work Camden:** Ensure efforts are in sync with Good Life Camden and its youth opportunities project (held by the Inclusive Economy team)

Section 3: Organisations seeking other forms of finance

Providing early-stage start-ups with patient, non-restricted finance and mentorship can help them become investment-ready

Early-stage organisations need mentorship and patient, non-restricted capital to develop a clear offer and sustainable revenues
Organisations can get stuck in continuous start-up mode due to precarious, short-term funding, restrictive covenants, and a lack of support. Providing early-stage start-ups with unrestricted, non-repayable finance and mentorship can enable them to develop the clarity, confidence, and capacity to take on repayable finance in the future.

Vanessa, the founder of Sankofa Storytelling Arts, explains how mentorship and patient finance would help her business:

> "I'm really up for having mentors. Mentoring is great, but it would be really key to have a mentor that understands the process of a start-up. Because people like me, we're always in start-up mode until the next big thing happens – be that funding dries up, or the next pandemic. You might be on Universal Credit half the time. Funding is precarious. It would have to be over 2 years minimum to see some kind of growth."

The need to provide finance alongside mentorship is echoed in research by Centre for London, where founders shared that there is not enough finance provided alongside support. One interviewee said, "There's a saying that Black founders are over-mentored and underfunded...(this) is still very typical."

Future Camden Fund workshop participants echoed the desire for coaches who 'have their skin in the game,' and are incentivised to help them succeed. In terms of their financial needs, some social enterprises are commercially viable and seek repayable and match-trading finance, whereas others are not and only seek grants. In general, participants felt:

- **Grants** were popular due to the low-risk nature of the offering.
- **Match-trading** (funding that pound-for-pound matches an increase in income from trading) was considered beneficial in helping set targets, managing risk, and using the funding to meet goals; however, it could be difficult for organisations without a clear trading offer.
- **Blended finance** (grant and loan combined) was considered beneficial in making investment more affordable; however, individual appetite for risk determined demand.

Beyond repayable finance and grants, research by Shift found that equity is also desired: approximately 1-in-5 surveyed social purpose organisations have a demand for patient, risk-bearing (equity or quasi-equity) finance. A range of financial instruments should be explored and evaluated as potential offerings.

Recommendations:

- **Early-stage support:** Consider how the Fund could support early-stage start-ups through education, tailored financial investment, and non-financial support

Community organisations which deliver key services to young people may be uncertain or unable to take on repayable financing, but could benefit from social investment

Some organisations are unlikely to take on debt as they fear it would incentivise them to prioritise contracts from those with a higher willingness-to-pay:

> "That's why I'm conscious – because we haven't taken a loan before – just the idea lingers in the back of our mind. That can perpetuate in our project work. We deliver projects to people—like £800 projects because that's all they have. That would translate to us stop taking those types of work, even though it's a big investment in the community. We're working with organisations with miniscule budgets...we're talking about 10, 15 young people, a budget for 5 young people, and we're like OK, you know? Just because we're locals and we understand there's not enough to go around or it can be stretched thin."

– Raqhib, Founder at Your Bike Project

Other organisations do not charge young people for participating and are funded entirely by grants, making loans an unsuitable tool:

> "We don't charge anything because we're very big on that. Within us as an organization, we've got a bit of conflicted opinions, to be completely honest. Some people are like, 'Actually, some people can afford to pay and we should charge the people that can pay. And for whoever who can't pay, we work towards [supporting] that.' Then others are like, 'Actually football's a luxury, but football shouldn't be a luxury. It should just be a right, and it should just be free.' So we're still going back and forth on what that looks like going forward, but at the moment it's completely free. But saying that, we have like 100-150 people that take part every single week. And at the rate we're operating now, we need like £70,000 a year minimum to do what we're doing and that's not even at full capacity. We'd love to get to a point where we're not just relying on funding, because funding is not guaranteed."

– Hafid, Founder at Camden United FC

Future Camden Fund participants suggested instead of financial returns, social value targets could serve as a means for repayment. Exploring these options could support the long-term success of opportunities for young people in the borough.

Recommendations:

- **Create investment opportunities for community organisations:** Develop social financing offerings suitable for community organisations (e.g. using social value targets as means for repayment)

Non-Financial Support

Organisations interested in other forms of financing also found that affordable space and networking opportunities would enable them to continue delivering their services.

Affordable spaces and networking opportunities would also enable this group to sustainably deliver services for young people

The lack of affordable space in Camden jeopardises the delivery of programmes for young people, particularly for organisation which deliver in-person services
The lack of affordable space is exacerbated for organisations which conduct in-person activities with young people, for example, applied arts courses, sports teams, in-person mentoring and training. Raqhib, the Founder at Your Bike Project, shares the impact the privatisation has on delivering his service:

> "We were previously operating in an open space in the park, but one day when we went to do the project in park, there was a notice that said the pitch would be taken away and they would be putting in a luxury flat. It was disheartening. We had nowhere to go. Nothing in the area that reflected our need. We're currently based in the Horticulture Education Centre. It's going through a consultation right now but meanwhile it's being used as a community space.
>
> Young people are being alienated on their own turf. There's so much privatisation happening across London. When these spaces are diminishing, it leaves a gap. People are being left behind. Young people are being picked up by different departments of the Council...these are the people that essentially are going through the revolving door. And once it starts, it's very hard for them to have that exit strategy in place. So we just make sure that there's measures where young people can be themselves, like any other service provider."

Investors which can unlock networking opportunities can help minority-led organisations to continue to make a positive impact
Vanessa, the Founder of Sankofa Storytelling Arts, shares her views:

> "There are other people like me who are equally frustrated but still striving to make a difference in a world that is not always open for people like us, that don't have big groups, or that aren't joined to a church...It's just many single parents like me with great ideas and some experience."

Matt, the Director of Operations at Circle Collective, emphasises that investors could leverage their networks to facilitate a bigger impact
For example, LandSec requires contractors to work with its charities, such as Circle Collective, which results in more creation of opportunities for youth, in different roles and sectors.

Recommendations:

- **Network approach:** Consider how the Fund could leverage local connections – such as youth service providers, target investment organisations, and other partners – to facilitate affordable space, relationships, and opportunities within the borough

Section 4: Measuring impact on missions

Only one in four businesses consistently measure and report their impact; these activities may be costly and burdensome, particularly for smaller organisations

A minority of businesses consistently measure and report their impact
Only 24% of businesses overall measure their impact; large businesses with over 50 employees were more likely to do so.

Measuring impact can be costly
Conducting due diligence, measuring impact, and reporting can be more costly for smaller organisations, which lack resources and scale. Interview participants have noted that some funders lack awareness around the burden of administrative reporting: some requirements have cost the organisations more than they received in funding. Reporting requirements should be scrutinised for their usefulness as well as the potential burden on beneficiaries. Matt, the Director of Operations at Circle Collective, shares his views:

> "We have to remember all the time we do, every hour of our work – there's a cost associated with it. People forget about it. I think we had one person give us—I think—5 grand, and I reckon I must have spent about 2.5 grand on that on the reporting, on the amount of time they wanted. I think there has to be an understanding of what you give and what you get back."

Earlier-stage organisations require guidance
Future Camden Fund workshop participants noted that support on measuring impact and selling their social mission and purpose to other funders would be useful.

Recommendations:

- **Impact measurement guidance:** The Fund should define impact measurement, develop a framework to assess whether organisations are contributing to the specified mission(s), and provide support to enable organisations to measure and report their impact. Preliminary research on suggested impact measurement frameworks is supplied in **Appendix C**

Summary of insights and recommendations

Market Sizing

Overall, one in five businesses in Camden are still interested in repayable financing, despite current economic conditions	**Impact of Fund's objectives on demand:** Given businesses' focus on surviving current economic conditions, the Fund should clarify how the Diversity and Young People missions will be tied to its offerings. These criteria may increase costs for businesses; the impact on market size is unknown and should be explored **Debt offerings:** Offer competitive interest rates, which balance flexibility for investment targets and financial sustainability for the Fund. Consider how terms (e.g. payback periods) could be designed to decrease the burden on businesses **Educational opportunities:** Provide educational opportunities on the different types of financing available, to help businesses arrive at an informed decision
Social enterprises could be ideal investment targets; however, the number and nature of their investment needs should be further explored	**Source data from mainstream investors:** Obtain a clearer picture of the quantity and demand for financial investment of impact-driven businesses in Camden **Learn from existing investors:** Connect with local impact to understand the tools and networks they used source investable propositions in the borough **Access strategy:** Develop an access strategy to widen the reach of the Fund

Organisations seeking repayable finance

Financial Support

Local start-ups interested in repayable financing are underserved	**Start-up financing:** If start-ups are chosen to be target investees, a range of financial instruments with flexible terms should be provided to best individual businesses' needs

Established businesses have demand for short-term and long-term financing, and are open to both debt and equity opportunities	- **Equity offerings:** Develop a strategy for business valuations to ensure founders from minority backgrounds are not undervalued - **Debt offerings:** Ensure short and long-term debt offerings demand a competitive interest rate and consider how flexibility could be introduced in other terms (such as payback periods), to decrease the stress and burden on businesses
While mainstream finance is exclusive, access is also hindered by businesses' ability to find information about suitable options	- **Access strategy:** Devise an access strategy to reach businesses which do not have existing connections to the Council, reducing the risk of replicating existing market matching issues. To inform this strategy, research on the search strategies Black business owners use to access financing has been commissioned as part of the Black Pound Day survey; results may be expected in Q3 of 2023 - **Landscape of supply:** Conduct further research to understand the nature of market supply in Camden (see 31 Ten's report for analysis)
Systemic discrimination through both equity and debt financing routes have impacted founders, creating additional barriers to obtaining finance	**Systemic equity and inclusion:** The Fund should devise a set of policies, practices, and metrics to ensure organisations led by women, ethnic minorities, disabled people, and people of other underrepresented backgrounds are not disproportionally excluded or negatively impacted by the opportunities provided by the Fund, and that people from backgrounds of privilege and power are not disproportionally favoured. Pieces of work may include: - **Strategy:** Devise a diversity, equity, and inclusion strategy, which considers intersectionality. Ensure representation on the Community Wealth Fund investment team. Commit to reporting on diversity, equity, and inclusion metrics - **Awareness:** Devise an outreach strategy, and include activities such as 'Meet the Funder' days and webinars - **Options:** Provide Sharia-compliant options (such as equity). Provide education around the different options, so businesses can assess the best option for their needs. Provide clear criteria to help businesses gauge eligibility - **Consideration & application:** Design all touchpoints, such as the communications and application processes, for neurodiverse audiences, to improve accessibility for all. Some aspects to consider include: using Easy Read, providing more face-to-face opportunities prior to the application stage, accepting video applications alongside

text, and enabling organisations to use existing pitch decks

- **Evaluation:** Provide clear decision-making criteria, establish due diligence guidelines, and provide feedback regardless of selection outcome
- **Final valuation:** Support people from under-represented backgrounds to assert fair-market valuations. Establish controls to ensure fair valuations across investments
- **Post-valuation journey:** Ensure wrap-around support and reporting requirements are fair and equitable across investees
- **Alignment with similar funds:** Explore potential partnership opportunities with other London-based impact funds (such as the Growth Impact Fund), which are directly addressing disproportionality in investment

Overall, these efforts may altogether drastically reduce the probability of perpetuating systemic inequities.

Non-Financial Support

Specialised support in Legal, Admin, HR, and Operations would enable early-stage start-ups to scale quickly

- **Core 4 support:** Develop a strategy on providing a specialised ecosystem of support for start-ups, whose needs may differ based on their business models and sectors

Investors which can unlock access to connections such as potential customers and partners are valued as much as investors which can inject cash; minority founders benefit especially

- **Serving as a facilitator:** Define the Fund's role as a facilitator and its ability to connect target businesses with greater opportunities
- **Additional role of co-investment:** Explore the potential role co-investors can play in opening opportunities and networks for minority-led organisations

The lack of affordable space prevents businesses from establishing and growing in Camden	- **Provisioning affordable space:** Determine how the Fund may support local businesses in directly providing, or working with local partners to provide affordable spaces

Mission Alignment: Economic Opportunities for Young People

Organisations which do not have mature offerings for young people require significant support to deliver meaningful opportunities	- **Co-design:** Involve young people in the design and evaluation of opportunities, to ensure the experiences are meaningful for participants - **Young entrepreneurs:** Explore directly investing in young entrepreneurs (e.g. 'Camden Young Ventures' from the Inclusive Economy Youth Employment Offer) - **Support for programmes for young people:** Develop support to help organisations build delivery capacity. Examples include onboarding guides, management guides, and safeguarding policies
Accessing young people remains a challenge due to the resources required to source potential participants	- **Access strategy:** Devise a strategy on accessing underserved young people and connecting them with these opportunities - **Alignment with Good Work Camden:** Ensure efforts are in sync with Good Life Camden and its youth opportunities project (held by the Inclusive Economy team)

Organisations seeking other forms of finance

Financial Support

Providing early-stage start-ups with patient, non-restricted finance and mentorship can help them become investment-ready	- **Early-stage support:** Consider how the Fund could support early-stage start-ups through education, tailored financial investment, and non-financial support

Community organisations which deliver key services to young people may be uncertain or unable to take on repayable financing, but could benefit from social investment	- **Create investment opportunities for community organisations:** Develop social financing offerings suitable for community organisations (e.g. using social value targets as means for repayment)

Non-Financial Support

Affordable spaces and networking opportunities would also enable this group to sustainably deliver services for young people	- **Network approach:** Consider how the Fund could leverage local connections – such as youth service providers, target investment organisations, and other partners – to facilitate affordable space, relationships, and opportunities within the borough

Measuring impact on missions

Only one in four businesses consistently measure and report their impact; these activities may be costly and burdensome, particularly for smaller organisations	- **Impact measurement guidance:** The Fund should define impact measurement, develop a framework to assess whether organisations are contributing to the specified mission(s), and provide support to enable organisations to measure and report their impact. Preliminary research on suggested impact measurement frameworks is supplied in Appendix C

Appendix A
Methods and Sample Characteristics

Methods

Semi-Structured Interviews

11 research interviews were conducted with 10 organisations from December 2022 to January 2023. The one-hour semi-structured format allowed us to develop an in-depth understanding of their organisational context and growth ambitions. The interviews were conducted virtually. Each participant consented to a recording of the interview for transcription purposes. Participants were compensated £40 as a show of appreciation for their time and input.

Recruitment Sources

Participants were recruited in November and December 2021, primarily through the Inclusive Economy team. Recruitment pipelines included staff connections, Future Camden Fund workshop participants, and the Inclusive Economy newsletter. Externally, Impact Hub, a local incubator, shared the research opportunity through their staff network and newsletter. While Camden-based Social Enterprise UK (SEUK) members were contacted for this project, this pipeline yielded no participants. The difficulty in connecting with organisations with no prior affiliation with the Council and the drawbacks of convenience sampling is discussed later in the Limitations section (in the main body).

Inclusion Criteria

As the research interviews were commissioned while decisions on whether the Fund would provide grants or repayable financing was pending, initial inclusion criteria for participants were broad: Camden-based and/or Camden-operating organisations which have taken on any type of financing in the past were eligible. These criteria yielded organisations such as charities and Community Interest Companies (CICs) which are financed through non-repayable financing, such as grants and/or philanthropy. In order to support the evergreen principle of the Fund, research recruitment efforts were then refocussed to capture these perspectives.

Thus, the final participant pool is comprised of 4 organisations which have capacity to take on repayable financing (target organisations), and 6 organisations which have either no capacity, or have some other issue with taking on this type of investment (non-target organisations).

Sample Characteristics

Participants

Research participants were key personnel who could speak to the intricacies of fundraising for their organisation. 11 participants were interviewed for this project, which included 9 founders, 1 director of operations, and 1 advisor.

To ensure the research interviews elevated the voices of women founders and founders from Black, Asian and other ethnic backgrounds who historically face disproportional barriers to financing, select demographical data was collected to monitor the sample characteristics.

All 9 founders opted to self-identify, providing the following statistics: 4 of the founders are women, 4 have a disability**,** and 8 are from Black, Asian and other ethnic backgrounds. The ethnicity of founders are shown in the table below:

Ethnicity of Founders

Ethnicity	Number of Participants
African	4
Any other Black, Black British, or Caribbean background	2
Bangladeshi	1
Pakistani	1
English, Welsh, Scottish, Northern Irish, or British	1

Organisations

There are two distinct groups of organisations: those seeking repayable financing, and those seeking other form of finance. Their key characteristics such as the organisation type, industry, age, funding sources, and current focus on young people are shown in the table below.

Characteristic	Seeking repayable finance	Seeking other forms of finance
Number of organisations	4	6
Appetite and capacity to take on repayable finance	✓	✗
Organisation Type	Private Limited Companies	2 charities, 3 CICs, and 1 private limited company
Industry	Media, biotech, infrastructure, retail, tech	Education, performing arts, retail, cycle maintenance, and sport
Age	Pre-operational to 10 years in business	Pre-operational to 12 years in operation

Funding sources	Ranging from primarily self-funded (except for short-term loans) to primarily externally-funded (having taken on multiple rounds of institutional financing)	Grants and philanthropy
Current focus on young people	Ranging from non-existent to community programmes, internships, and employment	Young people are the core beneficiaries of all organisations; opportunities include providing a safe space as a source of early intervention, community programmes, training and education, core skill development, and employment

Appendix B

Future Camden Fund Participants

Sample Characteristics

Future Camden Fund workshop participants and their area of focus

Organisation	Impact area / beneficiary group
Foundervine	Business support and advice for start-ups
Enna	Recruitment for neurodivergent talent
Kundakala	Art empowering disadvantaged women
Creative Opportunities	Creativity for disadvantaged young people
Big Creative Education	Education and training
Jacksons Lane	Employment in arts and culture
The Elfrida Society	Supporting people with learning disabilities

Appendix C

Impact Measurement: Strategic Considerations

Measuring social impacts of investments

The Community Wealth Fund will invest in ideas and businesses which generate benefits to the people of Camden, focusing on the missions that are part of the borough vision. Measuring the impact of those investments will be crucial to identifying the effects that the Fund is having on its stated missions. To measure the impacts of the investments, there are several necessary elements:

Defining the desirable measurable outcomes for the Fund

For example, for the Young People mission, a possible outcome could be that people aged 16-24 have good employment, training, or education outcomes. Measures could be both quantitative (e.g. employment, earnings, and education attainment) and qualitative (e.g. satisfaction with employment and opportunities, feeling hopeful for the future). These outcomes could draw on existing and emerging outcomes frameworks in Camden, such as the Good Life Camden measurement framework, and the shared evidence base of the annual State of the Borough report.

Developing a methodology for measuring baseline and outcomes for individual investments

Identifying the impact achieved requires understanding what the starting point is for each of the interventions, what the expected outcomes are, and how data should be collected and analysed. Progress should be monitored throughout the investment lifecycle, and external or independent verification of results should be considered.

Ensuring sufficient resource for measurement

With different scales of investment, it is important to ensure that the resource required to measure the impact is commensurate with the size of investment. A flexible measurement approach can be developed for different levels of investment or types of businesses.

Reporting and transparency for accountability

The measured impact of investments should be reported to the Board and made publicly available. This would allow scrutiny and support the accountability of the Fund, ensuring that it is meeting its purpose.

Possible approaches

A plethora of approaches have been developed over recent years to help investors, businesses, regulators, and the general public to understand and quantify the impacts of investments and businesses on social and environmental goals. Some of the central approaches include:

- Common Approach to Impact Measurement
- Global Evaluation Initiative BetterEvaluation
- Global Impact Investing Network
- OECD Non-Financial Performance of Firms

- OECD Social Impact Measurement for the Social and Solidarity Economy
- Taskforce on Inequality Related Financial Disclosures
- The International Foundation for Valuing Impacts (formerly HBS Impact Weighted Accounts Initiative)

While the approaches differ on indicators, concepts, audience, and scope, they all present an approach to measuring the impacts of businesses on social and environmental outcomes. Some approaches are intended to align environmental, social and governance (ESG) measurement efforts, while others focus on impact investment, where a specific impact is targeted, such as increasing economic opportunities for young people.

The Community Wealth Fund has an overarching goal to achieve the Camden missions, so an impact investment approach will be needed, although there is also a case for adopting a minimal level of ESG-type measurement, i.e. ensuring a minimal ‘do no harm’ standard for businesses in the areas outside of the missions.

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