

# Social Impact Report 2020/2021



Growing  
Enterprise in  
Communities



# Welcome to the 2021 edition of the Key Fund Social Impact Report.

This year, along with all of our usual content we've opened up even further, inviting our team to tell you about Key Fund from their point of view. This reflects the transparent nature of how we operate and the values that underpin our work.



## Leaving Footprints: A Proud Legacy

As I step down, I feel confident in passing on the responsibility and the joy of being Chair of Key Fund to Sam Keighley. Since Key Fund began in 1999, we stuck to our mission. Key Fund is committed to working with clients from their starting point, not necessarily where top down policy makers would like them to be. We are a Northern voice in the evolution of the social investment market.

The antecedence of Key Fund was the dire situation of South Yorkshire following the closure of its coal mines and the restructuring of employment in the steel industries.

To access EU funding, the community sector needed to abide by a complex set of rules. And so, the idea of setting up an intermediary to help local groups access these funds was born.

Key Fund was created by partner organisations: Sheffield Community Development Enterprise Unit, South Yorkshire Community Fund, and the Development Trusts Association (now Locality).

Grants were absorbed, albeit by need, like footprints in the sand. We helped set up a social enterprise trade fair called 'Footsey' - a joke on the stock exchange - but it also alluded to the fact that we wanted to leave footprints; enduring, sustainable social enterprises in poor neighbourhoods which would improve individual lives in a myriad of ways.

Early influential figures in this approach included Isobel Mills at Government Office for Yorkshire and the Humber, a Brit in Brussels, Graham Meadows, and Tom Riordan - then Chief Executive of Yorkshire Forward.

As a former investment manager, I felt the voluntary sector needed to look at an investment approach. To me, it made more sense for the State to financially support this approach. Leaving people in chaotic poverty costs our emergency services, and society, more than investing in effective solutions that offer positive pathways for people.

At first, we did this by offering a £25k grant and £5k loan, to get people to start thinking of enterprising models of service delivery and repay modest amounts. Over time, we moved the dial so the loan was £25k and the grant, £5k. It was a cultural shift.

My belief was cemented in 2004 after attending a conference on Community Finance in Chicago. My eyes were opened by the larger movement in America, powered by the Community Re-investment Act, which married social investment with enterprising service delivery.

As the social investment market grew here, people got more ambitious and started taking on land and buildings. New players emerged, and Key Fund began to work in tandem with other funders. Gradually, we expanded our geographical reach across the whole of Yorkshire, then across the North, and finally, to the West and East Midlands.

Still, Key Fund stuck to its understanding of its clients' needs. Most of our loans are unsecured and under £150k; modest amounts for start-ups and early growth enterprises unable to access mainstream finance, working in deprived communities.

Key Fund also invests in relationships. The team visits its clients, helps develop their propositions, and does an awful lot of hand holding. It's expensive in relation to the loans that we deliver. And it's high risk. But as we continue to emphasise, there is a major cost in doing nothing.

Key Fund is never going to be the biggest funder, but in terms of being one of the most creative and thoughtful custodians of seedling investment, it has learnt a lot and shared its learning with the marketplace.

I always tell investors, given the risks and the places Key Fund work in, we'll probably recycle their finance a number of times over a ten-year period, rather than a one-off grant that will disappear without trace. Social Investment continues to require some subsidy, but the amounts are modest and pale into insignificance compared to sums involved in bailing out other parts of the finance sector.

Today, Key Fund has sophisticated investment teams, a strong senior management and a very experienced board, alongside robust financial and operating models.

We are inspired by our clients, who adopt an enterprising approach to service delivery in response to intractable social issues in the poorest parts of the country. We help them grow, and grow again.

During Covid, Key Fund played a major part in securing and distributing grants to frontline organisations who pivoted their business models, with an agility and commitment that gained a new respect for the sector. Let us hope that these lessons are carried forward into the implementation of Levelling Up and Shared Prosperity policies.

It is a sober reflection that so many of the social indicators across our geography remain stubbornly poor: I can only reflect, with pride, on the good work done by the good people we have been able to support.

I'm immensely proud Key Fund has remained a values-driven organisation. It has a determination to try and make things better. Today, it continues to collaborate with a much richer ecology of social finance intermediaries, to make sure those footprints last.

As we emerge from one of recent history's biggest crises, the organisation continues to play a leadership role, while sticking to its guns. So, now is the ideal time to leave. Key Fund is well placed for the future.

**Hugh Rolo**



**Today, Key Fund has sophisticated investment teams, a strong senior management, a very experienced board, alongside robust financial and operating models**

# Key Fund's New Chair: Unlocking the Future

There are challenges ahead, and I have big boots to fill.

Hugh Rolo is rooted in Key Fund, and deeply respected in the sector, so it's a huge honour to take over his role as Chair.



My values align with Key Fund. Throughout my life I have been driven by a commitment to tackle social injustice and inequality, and to support people to be more than they think they can be.

I know what it's like for people who, for lots of reasons, are faced with an unlevel playing field. We don't choose where or what we're born into.

With over 20 years working in community regeneration, business start-ups, and growth in Bradford, I'm at a stage in my career where I think I can offer my experience and give back to organisations committed to tackling poverty.

To the role of Chair, I bring my own experience as a Key Fund client.

During my time as the Chief Executive of Action for Business Limited in Manningham (2012-2018) in Bradford, Key Fund invested in our enterprise. No longer able to depend on the public sector, Key Fund helped us reinvent, to address disadvantage and discrimination in a practical and lasting way. The work was testament to the spirit of what can be achieved, with the right backing.

A thread in my career is leading change and adapting to new circumstances. If recent times have taught us anything, it's the need to be able to adapt nimbly.

With COVID-19, we know inequalities have further widened, starkly illustrated in 2021 by the Office of National Statistics, which found those from affluent areas live almost a decade longer, and enjoy almost 20 more years of good health overall, than their counterparts in deprived areas.

Key Fund has a remarkable track record investing in disadvantaged communities. I also bring my connections with ethnically diverse communities and networks, which will help further our depth and reach, particularly with those most marginalised groups, so affected by the pandemic.

We are expanding Key Fund's equality, diversity and inclusion commitments and ways of working, to ensure we are relevant and accessible, to all communities.

I'm also keen for Key Fund - as a pioneer in the sector - to continue to use its expertise to really influence national policy. This can only benefit the communities that we work in across the whole of the North of England, as well as the East and West Midlands.

It's my strong belief that our sector, along with the voluntary and community sector in the broader sense, is key to making change and to narrowing the inequality gap.

We will continue to put grants, alongside loans, into the lending mix to help the organisations we invest in to focus on their work.

COVID-19 has shown what can be achieved when we come together to look after and support each other. In many places, neighbours know each other better, there's a stronger sense of belonging, and the UK rolled out probably the world's best vaccine programme through devolving responsibility for roll out to a local level.

It's a good mirror of how the social enterprise sector works.

My drive has always been levelling up that playing field. We need to invest in our frontline organisations to affect real change, and Key Fund is well positioned to do just that. I feel hopeful about the future.

**Sam Keighley**



**It's my strong belief that our sector, along with the voluntary and community sector in the broader sense, is key to making change and to narrow the inequality gap**

William grew up on a farm.

“I knew I was different.” Listening to Joseph and the Technicolour Dreamcoat in the car on family holidays allowed him to dream.

“I connected to Joseph. He was rejected but ended up becoming someone. Growing up, I imagined I could achieve something too, even though I was not having a great time at school.”

# The Show Must Go On



William graduated from Lane Theatre Arts in 2011. Performing took him across the world, but a few years in, he had surgery on his vocal cords which meant he had to give up his touring life.

William started producing and found joy in creating opportunity for others.

“It brought a new passion, and that led on to the idea behind Hope Mill Theatre - what’s now Factory of Creativity.”

Moving to Manchester with his husband Joseph, they saw a need for an accessible venue for emerging artists.

A former Cotton Mill, with no heating and basic plumbing, was on Gumtree. They loved it, but the landlord couldn’t imagine a theatre in the district, notorious for deprivation and crime. After five months of persevering, the landlord agreed.

“October 2015, we got the keys.”

The pair got a £5k start-up loan and threw in their savings. The first six months, they lived in the theatre. If a play made money, it was ploughed into facilities. They began to win awards and critical acclaim.

“We got a lot of industry recognition because we filled a gap in the regional market, and lots of artists were coming through our doors and developing their craft.”

In the first couple of years, they produced 13 musicals, two plays, five London transfers and UK tours.

“I was doing 100-hour weeks, but we always saw the bigger picture and what we believed it had the power to do.”

As a Limited Company, the future of the 140-seat theatre was at risk. Key Fund helped them transition to a charity in 2019. They took on a new space 50 yards from the theatre, refurbished into a community and performance hub.

In the first lockdown, audiences donated £25,000 in the first few weeks. Grants, alongside online ticket sales, ensured they were able to pay every contracted artist, employing over 60 freelance artists in one show alone; a production of Rent streamed to 7,000 households. Its LGBTQI+ festival also moved online, supporting four artists while providing free webinars on trans representation in the arts.

The Hope Mill Theatre School opens this summer after being delayed by Covid. Education is a key objective.

“A lot of people in the arts come from privilege. We want to provide affordable training in a Saturday school for ages four to 18, and 50% of the places will be free.”

The show will go on.



**“It brought a new passion and love, and that sort of led on to the idea behind Hope Mill Theatre, and what’s now Factory of Creativity.”**

**“Key Fund have always been supportive of our journey. When we found out about them, it felt too good to be true because as a new legal entity, we couldn’t get grants or loans. Without Key Fund we certainly wouldn’t be in the position we’re in now, and might still be trying to find someone to help us get the charity started. The good that’s come out of us becoming a charity is huge, and we’ve been able to achieve so many of our objectives. We’re really pleased it’s gone the way it has, we’re just very grateful.”**

**Will Whelton, Factory of Creativity**

**Loan: £100,000**  
**Grant: £100,000**  
**Total invested: £200,000**

**Spotlight:**  
**Factory of Creativity**

# Janelle Thompson

**facilitator at the Factory of Creativity  
Play Reading community group.**

“The Arts have been a lifeline for people in lockdown,” Janelle said. “Yet the industry has been largely ignored. It’s devastating, like you’ve just been disregarded.”



## Spotlight: Janelle Thompson

Janelle moved to Preston to go to university and worked in education and community theatre jobs, before finding an agent to focus on acting.

“I heard a bit about Hope Mill and thought they were definitely people I need to be involved with.”

As a black actor, she is passionate about its inclusive programming.

“They have *The Wiz* on at Christmas and I’m absolutely beside myself. It’s an all-black cast, it’s going to be brilliant! It’s aspirational. It’s hugely important to have somewhere local residents can see magnificent productions without West End prices.”

During lockdown, the theatre appointed Janelle to host its successful play readings, which had to move from a community setting to Zoom, with around 15 people on a ‘pay as you feel’ model.

“It’s a really wide-ranging age group, and people in different stages of their creative journey.”

Janelle started facilitating the Zooms in February 2021. “They bring joy and people together.”

It’s a vocation she’s compelled towards, for her own happiness and well-being.

“To not be able to do the thing you love and work in a supermarket to get by is devastating, it’s just not what you trained for.”

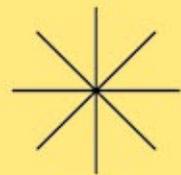
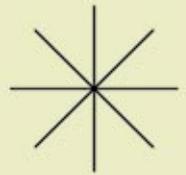
The work provided Janelle with a financial buffer.

“It’s been hugely important because I’ve had that bit of cash coming in, on top of that there’s the feeling that you’re being useful.”

# Fuelling Communities

The Launch Project evolved from 2017 when Natalie Lek decided to make free Christmas dinners for those in need.

“I thought it would be 10 people, but it was 70, and then it doubled, then got to a thousand.”



Those struggling with food poverty were often hidden in the community – single parents, people who lost jobs, the elderly.

“The community needed a mobile food bank, so I found a transit van for refrigerated food which was £2,100. I used the last part of my student loan to buy the van.”

She contacted Gregg’s, asked about its unsold food, and took on five volunteers to collect 400 food items a week.

With no money, relying on volunteers and free food, but rising demand, Natalie was relieved to find Key Fund.

Key Fund gave a £12,831 loan and £2,169 grant in July 2019 to pay for salaries and working capital. Natalie had a business plan, introducing small charges, starting at £3.50 for a week’s shopping.

“I wanted to get away from stigma. You can have a £40k job in July and lose it and not have money coming in for six weeks, so by September you are food broke.

People already feel bad they’ve lost their job and being made to prove you’re struggling makes it worse.”

Then Covid hit.

“Covid has been horrific for the community, it’s damaged a lot of people’s mental health, but it’s put us in a position where we can help more.”

Demand tripled.

“It left us very strained as it was myself and a few volunteers. We haven’t really stopped.”

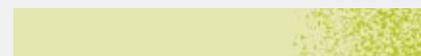
As a new business, they couldn’t use furlough so depended on grants and trading. Their community kitchens ensured they were quick to respond, taking on referrals from local agencies, and offering free emergency food packs.

“People appreciate us and are more aware. One chap came in and burst into tears saying he didn’t know what to do - he had no food, hadn’t eaten in three days and no money - and said he felt so humiliated. I sat him down, made him a cup of tea and gave him an emergency food pack, and said when you get money, join our Pantry, it’s £3.50 a week for all this food. He came back with the money, a card thanking us, and he now volunteers with us.”

Now, they turnover 27,000 food items a month.

The Launch Project moved into its own charity shop in October 2020, with a commercial kitchen upstairs. It provides free hot meals, as well as healthy take-away.

It feeds 5,000 people each month and delivers food to up to 27 houses every day, as well as a click and collect option.



**The Launch Project feeds 5,000 people each month and delivers food to up to 27 houses every day**

**“I was nervous, because we were running on a couple of hundred pounds a month. Key Fund had a chat and sat me down and did the paperwork and it was amazing. I thought it would be like going to the bank, but it was nothing like that. It was a real person sat in front of me listening to what I was doing and why I wanted to do it, who said, actually that’s a really good idea.**

**“The Key Fund money was critical. Considering the position we were in then, and now, it’s down to the Key Fund.”**

**Natalie Lek**

**Loan: £12,831**  
**Grant: £25,419**  
**Total invested: £23,250**

**Spotlight:  
Launch Project**



# **Natalie Lek**

A Mancunian soul-mate to Erin Brockovich, Natalie Lek is an advocate for poverty relief.



## Spotlight: Natalie Lek

Using personal funds, the 41-year-old began her Community Interest Company, The Launch Project, in 2018 in Salford, during the second year of her law degree.

“I used to be a PA for multiple businesses so I’m good with time management,” Natalie explained. “I also have five children that I raised as a single mum.”

Natalie is passionate about mental health.

“We’re more than a foodbank. We recently launched our own well-being and wellness portal, which allows 400 homes to access free mental health and well-being support. That costs us less than £200 per month after some tough negotiations.”

Part of her motivation for studying law is to provide free legal advice to families fleeing domestic abuse.

She’s also completed Neuro-Linguistic Programming (NLP) training and has written The Unicorn Project series of children’s books to help explain abuse in an age-appropriate way, with the support of a child psychologist.

“As someone whose been through abusive relationships, it’s taken me a long time to be nice to myself, be kind to myself, and recognise that things that happened are not my fault. In Covid, the rate of domestic abuse has soared, with perpetrators stuck in homes with victims and children at home, not in school, there’s a real urgency.”

Natalie feels their ever-expanding services will be needed even more in the future.

“If I had my way, I’d have a Launch Project in every county.”

Case study  
Rotherham Rise

# Rising to the Challenge

One of the oldest organisations that supports survivors of domestic abuse or child sexual exploitation, Rotherham Rise began as a charity in 1976.



A quarter of women and one in six men in Rotherham will experience domestic abuse in their lifetime. "It's high, isn't it?" Sue Wynne, CEO, said.

"Over the years my passion and determination has only grown; we need to empower survivors to help overcome the trauma they've experienced."

Services include practical and therapeutic support for over 2,000 people a year, as well as a range of refuge options.

When Covid hit and a stay home order given to the nation, Sue knew they would have to act rapidly.

"Covid had an enormous impact for many in abusive relationships. In normal times, they would potentially have access to other friends or family as a support network. This enforced isolation made the barriers to seek support more difficult to overcome."

"There was a need to reassure people that we were here regardless of lockdown."

In spring 2019, a £300,000 Key Fund loan helped Rotherham Rise buy the building it rented. In October, it completed the purchase. At a time of huge national instability with the pandemic, the building provided stability.

Rotherham Rise receives rent from tenants, providing a new income stream. It created its own community café in the building, which closed during restrictions. The team innovated to online trading, putting together well-being boxes. Sue plans to reinvigorate the online shop in the future to complement the café.

They saw a rise over the year of up to 20% in numbers seeking support. A small organisation, they could make quick decisions in real-time to meet demand.

They came up with a blended solution of remote work and on-site support for the accommodation service, with appropriate risk assessments. They mobilised phone lines, webchats, and virtual group support sessions.

"We delivered posters and information leaflets to supermarkets, vaccination testing sites and cards to households, so people knew they were not alone and support was out there, refuge included."

The team accessed emergency funding to create additional services to increase refuge provision by another eight houses.

A third of Rotherham lives in the top 20% most deprived areas across England. Covid has made inequalities more acute. "We have people who say that without our support, they don't think that they'd still be here."

Rotherham Rise will be even more critical in the future.

"We've seen an increase in people using foodbanks. There's no doubt that choices are already limited for people in domestic abuse; for many, financial stability is a barrier to leaving."

Sue is standing ready. "We'll be in a stronger position, owning the property; it will enable us to develop as the years go on."



**A quarter of women and one in six men in Rotherham will experience domestic abuse in their lifetime**

**"We have had to move premises several times in the last ten years, and it has been expensive and disruptive," Sue explained. "The investment was hugely important. It's provided us stability and long-term plans for our financial position and has allowed us to focus on providing more extensive services to the community and survivors."**

**Sue Wynne**

**CEO Rotherham Rise**

**Total invested: £300,000**

**Spotlight:**  
**Rotherham Rise**



**Service user -  
Lisa\***

Lisa\* suffered sexual violence and physical assaults throughout her 16 years of marriage.

\*Name has been changed.



## Spotlight: Service user, Lisa

Due to Covid 19 restrictions, the abuse became worse. With the family stuck at home she could no longer hide the abuse taking place from her children. It was harder to communicate with the outside world, being watched continuously by her partner.

She mustered her courage to report her partner to the police. She, and her three young children, were supported and placed in temporary accommodation but had to leave after a few days due to safety concerns. Rotherham Rise was able to promptly provide an emergency, safe accommodation space for Lisa and her children.

Lisa said: "I felt an instant breath of relief. Staff were so welcoming and kind. I felt cared for, and that aching feeling of isolation reduced instantly. I was so deeply touched at the warmth, cleanliness and spacious place. I smiled. I saw all my children smile too."

"My children rushed to the bedroom where they had beautifully laid beds with a gift for each. I saw a welcome pack, and all my essentials such as toiletries and food. I had no heating in my house as my husband has become addicted to alcohol and cannabis, which stopped him from working. I feel my prayers have been answered. We were safe."

Lisa added: "Rotherham Rise is that sunshine on a dark, gloomy day and being here has given me hope for my children's future. I am not scared anymore. I feel supported. It's organisations like Rotherham Rise that make me feel this world can be better and safer."

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Awards made 1 April 2020 – 31 March 2021;

**Loan – £1.647 million**

**Grant - £3.672 million**

**Average award Size - £40K**

**Leverage - £2.3 million**

**New Jobs – 34**

**Jobs Safeguarded – 37**

**Businesses Created – 9**

**Businesses Sustained – 125**

**Total Impact – Just over £32 million**

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Total for 21 years up to and  
including 31 March 2021;

**Grant**

**£18.586m**



**Loan**

**£43.363m**

**Leverage**

**£43.285m**



New Jobs

1442

Businesses  
Created



533

Jobs  
Safeguarded

2291



Businesses  
Sustained



2229

Total Impact

Just over £447m

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IMD Data - Indices of Multiple Deprivation

33% of our investments are in the 10% most deprived communities.

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**Case study**  
**Family Gateway**

All staff at Family Gateway have lived experience of the issues they tackle, including Strategic Director, Pauline Wonders.

# Family Gateway



"I was one of six children in a little mining village, squeezed in a council house," Pauline said. "By the end of the week, it was often sugar or tomato ketchup sandwiches." Determined to escape that life, she trained as an accountant, rising to Deputy Director of Finance at Newcastle-upon-Tyne Hospitals, managing a £285m budget.

As part of the council's child anti-poverty unit innovation pilots, she put together a proposal on the Barefoot Professional model, where staff have lived experience. In the pilot, they trained local parents who had overcome difficulties, from homelessness to domestic abuse.

After two years, funding ended. The outcomes were too good to ignore; she suggested it continued as a charity. In 2011, Family Gateway was established.

With salaries underwritten by the council for a year, it had to become self-sufficient. It added a community hub, cafe and catering business, contributing to an annual turnover of up to a million pounds.

Its 27-strong staff provide intensive support to 350 marginalised families a year, with multiple and complex needs at risk of crime, eviction or having their children taken away.

"A lot of these families have been let down by services. The ultimate objective is to get the parents into work, but there's a lot of pre-employability work to do first."

Income comes from schools who pay them to engage children who don't attend, grants and trading.

"The social enterprise was just starting to pick up before Covid, with corporate clients, regular footfall and a takeaway."

Their community centre lost income as tenancies stopped. Income became unstable, but need shot through the roof.

They used their facilities to offer a free family meal service, kickstarted with donations.

"In a year we've delivered over 72,000 free meals made at our premises, chilled and delivered to families, with bags of fresh fruit and vegetables."

Delivering meals was also a way to do welfare checks. The team also used WhatsApp and video calls to keep engagement.

Key Fund gave £37,500 from the Social Enterprise Support Fund, primarily to fund a Head of Community Business, also a trained chef.

"I want it to be the best catering social enterprise in the North East," Pauline said. Her aim is for children in poverty to pick vegetables from their garden and get interested in cooking, to break the malnutrition cycle.

"I was that little girl standing in the free school meal queue. Here I am helping to remove some of those injustices. If I don't drive this business, we won't exist. Who else is going work with these families because nobody else is?"



**In a year we've delivered over 72,000 free meals made at our premises, chilled and delivered to families, with bags of fresh fruit and vegetables.**

**"Without the funding from Key Fund, we would have stumbled along. It allowed us to take that risk and do something we might not have done, because of the timing and not knowing what the funding landscape will be next year. It was absolutely critical. I don't think we'd be where we are now without it. I really don't."**

**Pauline Wonders**

**Total invested: £37,425**

**Spotlight:**  
**Family Gateway**

# Peter White

**Family Entrepreneur  
for Family Gateway**

When Peter got constant headaches, his life began to unravel. He ended up having emergency surgery for a benign tumour.



## Spotlight: Peter White

Before, Peter worked as an engineer.

“My ex-wife’s alcoholism came to a head when I was in hospital,” Peter said. “It drove us apart.”

He needed a job with less travel for his health, and trained as a mentor for youth offenders.

Peter’s step-daughter struggled with mental health issues and could no longer take care of her two young boys.

“The children were going to be taken into care, so I said I’d take them. I had to pack in my work.”

After three years, he was given £30 a week for expenses, with no other income. “I was struggling like hell, left penniless. I was in my late forties, with two young boys, isolated.”

He was referred to Lads and Dads, for single fathers, at Family Gateway. They put Peter on a couple of courses to help him get back to work.

He joined as a support worker, before becoming a Family Entrepreneur.

“Currently, I’m working on a project for young people on the edge of crime.”

Peter finds out the root causes.

“Nine times out of ten, its broken families, mum might be alcohol or drug dependent, so they’re brought up by a single parent or grandparents.”

Peter has now done his Level 5 in Health and Social Care.

“I don’t know what position I’d be in without Family Gateway. They gave me the incentive to move on. And I get a lot of satisfaction helping people.”

# The Extraordinary Powers of Ordinary Magic

Katie used to work with children affected by murder and terrorism at the National Homicide Service, before managing family support at children's centres. She was tired of having to wait to reach crisis point before intervention.



“It makes no fiscal sense, no sense to the community, and no sense to the children,” Katie said. “I decided to make a difference. So, I left my job and set up Ordinary Magic in 2019.” Ordinary Magic supports students’ educational and health plans in schools.

“Just as we were starting to get sustainable, everything stopped.”

In the year prior to Covid, they worked with 1,500 children. “Within the first six weeks of Covid that shot up to 2,000 children.” Katie worked 80-hour weeks during the pandemic.

Covid saw a rise in domestic violence and financial worries tearing through homes. Nine of the children they support lost a significant carer – such as a parent – due to Covid: “Children have been affected by the worst imaginable trauma.”

Ordinary Magic wasn’t entitled to government support as they didn’t operate from their own building and hadn’t been trading long enough.

“We were supporting double the children pre-Covid, with no money.”

Charitable grants got them through the worse periods.

“I’m lucky to have an amazing team behind me and we’re very adaptable. We said, ok, what are the other ways we can trade effectively?”

In December 2020, Key Fund gave them a £60k grant and loan to set up a community coffee shop, The Magic Bean.

“The coffee shop is about providing a place where people can come back together in a safe and supportive way, and feel welcome and included. We’ve had lots of new mums for example who said they feel so alone.”

It also signposts to other services available locally.

With low business rates, favourable rent and Kickstarter schemes, the coffee shop opened in May 2021. Katie works with parent-led community groups to use the space, and has a strong network across Solihull.

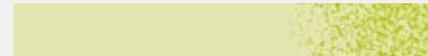
She feels they’ve emerged stronger.

“Everyone has had to work at such a fast pace. All staff had training in delivering support via video conferencing. Now we deliver so many programmes online that really do work. That in itself has cut costs.”

The coffee shop has created eight new jobs. Profits will fund support for local children who have suffered from adverse experiences.

She plans a second coffee shop in the area in three years’ time. Her ten-year plan is to purchase a community therapy space. “All children are in need at the moment because they’ve faced a collective trauma. We need more community services out there, and the Key Fund helped us become a key stakeholder.”

**Loan: £52,200**  
**Grant: £7,800**  
**Total invested: £60,000**



**Statutory services, she said, were ‘firefighting continually’. Ordinary Magic aims to dampen down the flames before they got out of control**

**“We would have not existed without the Key Fund money. This money allows us to take full ownership of our business and not be reliant. To have something that’s solely our own that we have control over, and that we can drive forward and sustain, is such a powerful thing. It’s really supported the team to just get excited. We’re so passionate about driving this forward.”**

**Katie, Ordinary Magic**

**Spotlight:**  
**Ordinary Magic**



# **Ruth Green on her daughter**

My daughter, who is ten, struggles with anxiety. It's frightening and makes her feel as though she's different, a freak even.



## Spotlight: Ruth Green on her daughter

With limited tools to help her, I found myself looking for answers and for support. That support came in the form of Katie and her amazing team.

Katie suggested that I bring my daughter to tennis lessons. These weren't ordinary tennis lessons; these were Ordinary Magic tennis lessons with a kind, supportive and empowering coach.

When lockdown began taking its toll on my daughter's mental health again, I called Katie and explained that she was now having uncontrollable panic attacks. She spent a good hour checking in with me too which was, at the time, greatly appreciated. After all, dealing with emotional lows takes it out on the whole family, and Katie is a constant source of 'we can do this' superpowers.

Talking to the Ordinary Magic team is a great source of emotional support to my daughter which I will be eternally thankful for. I finally feel as though she's being given the support that she needs.

As parents, we can only do so much. These little people of ours need to know that these huge emotions are normal, and that's what Ordinary Magic does. It makes them feel that they are normal. That they can face whatever it is that they need to face. They also ensure that parents have the knowledge and support that they need too.

Ordinary Magic offers a very special service to very special people. They empower and help nurture emotional minds and for this, my family will be eternally grateful.

**Case study**  
**Citizen Coaching**

Martin Hogg's own experiences as a troubled teen drove his ambition to create a counselling service that was accessible, not with clinical clipboards.

He set up Citizen Coaching in 2005.

**It's good  
to talk**



It delivers contracts for the NHS, local colleges and companies, as well as supporting individuals. For counsellors, it delivers professional training and runs conferences. Surplus income goes to people who require counselling but can't afford it.

An £80,000 loan and grant from Key Fund in 2018 helped build new counselling rooms and develop online services. The investment saw revenue double, to a turnover of £480,000.

In a year, Citizen Coaching delivered 20,000 face-to-face counselling sessions via sixty counsellors in 12 languages, supporting over 4,000 people.

Almost 90% of clients reported better relationships, increased well-being, and felt more able to engage in work or education.

Then Covid hit.

75% of clients, aged 14 to 24, were normally referred by youth workers and GPs. Many would fall through the system in lockdown, followed by a tsunami of referrals as the nation's mental health declined.

"Those who already have issues with anxiety see the world as a dangerous or difficult place," Martin said. "So, people with anxiety are particularly affected."

Martin feared for those "hidden and struggling" who would need serious support.

"By the time we got to October 2020, we saw a doubling in the number of referrals, and an increase in complexities."

Social isolation, health worries, and exam anxiety added up to a 'perfect storm' for young people.

"Imagine dealing with the death of your granddad, who you loved very much and couldn't see before his death, and every time you turn on the TV, there's talk about Covid deaths."

In lockdown, Citizen Coaching had to close all face-to-face sessions. With the drop in referrals as services closed, they also lost rental income for their counselling rooms.

But the team couldn't turn their backs. Martin moved all its physical counselling sessions online. He also offered an online Anger Management course for free, supporting 538 people to date.

To survive, he negotiated a rent reduction, cancelled all possible outgoing expenses, accessed a bounce back loan and was swift to react and plan.

"Our job is to have an agile workforce that are ready to make sure they can meet these demands."

With a cash-flow and financial loss of £30,000 in just eight weeks, Key Fund stepped in with £75,000 from the Social Enterprise Support Fund.

Key Fund support will ensure Citizen Coaching bounces back to sustainability.

**Martin wanted to create a service with warm and accessible surroundings, not clinical clipboards. He set up Citizen Coaching in 2005**



**"The loan and grant in 2018 gave us the solid foundations to diversify services online when Covid hit. Part of that funding was to update our online systems, so, we were better prepared than most, because our people already had experience of delivering online. We just had to train more to cope with the demand and complexity of cases. The grant from the Social Enterprise Support Fund then allowed us to scale up yet again, secure jobs, and make us competitive and relevant."**

**Martin Hogg**

**Loan: £107,100**  
**Grant: £107,900**  
**Total invested: £215,000**

**Spotlight:**  
**Citizen Coaching**

# Sam's Story

Sam was struggling; he was balancing studying at college and being a carer for his father who has a long-term medical condition.



## Spotlight: Sam's Story

The onset of lockdown restrictions meant that his dad had to shield, and Sam had to attend lessons online. Sam described the home environment as like a 'pressure cooker'.

Dad struggled without his regular activities and Sam felt that he was losing his identity, space and missed his friends. Tempers got frayed and Sam noticed that the coping strategies he normally used weren't working like they used to.

Sam said: "The weekly sessions I had with my counsellor became a lifeline for me, allowing me to express my frustrations, take 'time for me' and learn some coping strategies to manage my anger and anxiety. I realised that quite often I am the parent to my dad rather than the other way round. I love him and want to support him but need time for myself and realise that this is okay - I don't have to feel guilty about taking time for myself."

Sam continued: "The counsellor at Citizen Coaching let me know about online resources that could help outside the sessions, including an online anger management programme. They also helped me to connect with an organisation that supports other young carers like me."

# Throwing Lifelines...



The pandemic has tested us all.

The very heart of Social Enterprise was jolted. No one could be social. Trading, for many, was postponed as doors had to close.

As the stories in this report powerfully show, as the shops, hubs, cafes, activities, and services in our local communities closed, the social entrepreneurs who ran them opened their hearts even wider.

The money stopped, but the needs of the vulnerable people they supported – the elderly, the disabled, the mentally and physically at-risk, and the isolated – grew, at a scary rate, under lockdown.

As you've read, our social enterprises didn't - and couldn't - turn their backs. In these financial and emotional trying times, they stepped up to the frontline, and in many cases, became rapid responders, throwing their arms around their community. Throwing lifelines.

Isolation and social distancing exacerbated problems and created new ones.

Confined by four walls, we saw a rise in domestic violence. Children, teenagers and young people felt crippled by anxiety. The elderly, starved of physical support from loved ones and in some cases, starved of food, were home alone and scared. The most vulnerable suffered the most.

As our clients rose to the challenges, Key Fund stepped up too. Our clients needed emergency grants, and quickly. How could we live up to our mission - to deliver the right money at the right time?

Working with partners, we helped to secure an £18.7m Social Enterprise Support Fund, made possible by The National Lottery Community Fund.

We built safety nets around our clients, who were working to protect the most vulnerable. In three months, we've supported the delivery of £9m of grants. To give this perspective, in a normal year we deliver £5m in loans and £1.5m in grants.

This has cost us. Our model is based on lending targets. We put these to one side and focussed on what our investees, and what the sector, needed.

In many ways, we returned to how it all started. Formed in 1999 in response to the collapse of the coal and steel industries, Key Fund began as a grant-giver. I joined in 2002, aged 24. As the grandson of a miner, a child of the South Yorkshire coalfields, my lived experience informs my work.

We are absolutely proud that 80% of our investments are in organisations that are in the top 30% most deprived on the indices of multiple deprivation.

But now, everything has shifted up a gear. We're going to face challenges we haven't faced - for many, many years - as a country.

The pandemic shone a light on deprivation, and highlighted the nuances of poverty and inequality. We know, more acutely now, what disadvantage looks like, evidenced in the stark facts of Covid-19 mortality rates. Deaths among people from minority ethnic groups were two to four times greater than those among the white population. A factor towards this is social deprivation.

So, how do we continue to strive to deliver our mission - to deliver the right money at the right time to under invested communities? To reach those people who aren't yet engaging with us, whether it's because of geography, sexuality, ethnicity or religion?

We've done a lot of reflection. We've updated our own Equality, Diversity and Inclusion processes. We have new articles of association, and new directors on our board to lower its age profile and increase gender diversity.

Key Fund's co-founder and Chair, Hugh Rolo, has been the compass and the guardian and protector of our founding mission over the years. As our mentor and friend steps down, we continue to honour this mission, and his legacy. In our communities, we are only as strong as the weakest. We have to raise everybody up; we have work to do.

**Matt Smith**

# SESF – Social Enterprise Support Fund

When the COVID-19 pandemic hit, our main focus was on assisting our Clients, and so we worked quickly to change loan terms, whilst also providing practical support and signposting. However, through our detailed understanding of our investees business models, and conversations with them, we knew that this would not be enough and that the majority needed further financial support to survive in a period of unprecedented uncertainty. Further, we also understood that our traditional loan and blended grant and loan products would not be appropriate for most, and so we made the strategic decision to go back to our initial roots and grant making.

Working together with partners, Big Issue Invest, Resonance, the School for Social Entrepreneurs (SSE) and UnLtd, we set out to raise such funds, and ultimately we were successful in securing much needed grant funding from The National Lottery Community Fund. This enabled the partnership to launch the Social Enterprise Support Fund in July 2020, delivering 618 grants, totalling £18.7m, over the next three months to social enterprises across England. We wanted to ensure that the funds were routed to the individuals and communities most impacted by COVID-19 and so we set ambitious targets around inclusion, which we were delighted to exceed.

Details of the standalone grants made by Key Fund directly can be found below:

Grants

**92**  
**£3.2m**

Average award

**£34,783**

We also supported the delivery of 180 grants, totalling

**£5m**  
for Power to Change

**74%**

of awards went to organisations where a majority of the Board had lived life experience of the issues beneficiaries were facing

Almost

**60%**

of the awards were in the

**30%**

most deprived communities.

**58%**

of grants went to organisations led by a Women

**49%**

of organisations supported were focused on providing services to disabled communities

**23%**

of organisations supported were focused on providing services to Black, Asian and Minority Ethnic communities

# Equity, Diversity, and Inclusion Statement

At Key Fund we are passionate about supporting the creation of resilient and successful communities where everyone feels able to participate fully in civic, economic, and social life.

We believe that to achieve our mission, equity, diversity, and inclusion must be at the heart of everything we do. This is not only about diversity in our team. It is also about how we embed equity, diversity, and inclusion in what we do. This embraces how we work, who we work with and stepping up to challenge and address structural inequalities in our society.

## Our commitment to be the best version of ourselves

After 21 years and with over £60 million invested we have achieved so much, but in a world where inequality is clearer than ever, we are asking ourselves 'are we leaving anyone behind'? Like many others, we are on a journey to challenge ourselves and the status quo to ensure that we offer the right support for all our communities to thrive. With this in mind, we are currently reviewing who we invest in, and how, so we can continue to extend our investments in traditionally excluded or marginalised communities.

We consistently score highly with staff for our inclusive and welcoming work environment and to make sure our policies and practice are consistently responding to everyone's needs we are setting up regular employee surveys. We are also reviewing our recruitment process from start to finish to ensure that we are doing everything possible to attract candidates that reflect the diversity of the communities we serve. We are committed to fostering diverse talent and removing barriers to entering and progressing in the financial sector, including setting up new training schemes for young people from traditionally underrepresented backgrounds in the social investment sector.

We are committed to the action we need to take, including speaking openly about our current limitations, seeking out diverse views and speaking out when we see inequality. We are determined to be the best version of ourselves and to be a pioneer in and for our sector. It is only by using all our diverse skills and experience that we can affect real change that benefits everyone.

**We consistently score highly with staff for our inclusive and welcoming work environment**



Karen Hobson



Rachel Veitch-Straw



Gemma Griffin



James Heeley



## We put people at the heart of everything we do

They make us who we are and by default how we deliver our mission. We work on mutual respect; each team member is valued for their unique skills.

A belief in fairness underpins Key Fund's actions. We strive to make equality and diversity systematic throughout our organisation.

We've worked hard to diversify our staff team, our Board of Directors, and the members of our investment panel.

There is just a 3.4 ratio between the lowest and highest paid members of our team. We have no disparity in pay between people in the same role. On average a female employee at Key Fund earns 3% more than the average male salary.

Our board now comprises of more women, than men.

It's important to us that our Key Fund family reflects the communities in which we work. As trusted advisors, our clients' concerns and priorities are ours too.

There's still work to do to deepen and strengthen our diversity. We continually strive to work in a way that supports our vision, mission and values, to deliver the right money to the right people, in the right way.



Growing  
Enterprise in  
Communities

**Are you a potential client or investor?**

**Get in touch with us now and request a free information pack. It will contain all the relevant information you need to take the next step.**

**Remember that without you, there is no us!**

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