



CONSORTIUM

for stronger lgbt+ communities

LGBT+ Insight: Social Investment

Building a sector case for support



Connect Fund

This briefing has been produced thanks to a grant from the Connect Fund.

The Connect Fund has been set up to strengthen the social investment market in England to better meet the needs of charities and social enterprises. Known as the 'Social Investment Infrastructure Fund', it is a £6 million fund for grants and investments that Barrow Cadbury Trust manages in partnership with Access – the Foundation for Social Investment.

www.connectfund.org.uk



Barrow Cadbury charity number 1115476

About this briefing

This briefing is designed to offer social investors:

- ⇒ Information about the LGBT+ sector and how it operates
- ⇒ Barriers to LGBT+ organisations engaging with social investment
- ⇒ Explore opportunities to engage with LGBT+ organisations
- ⇒ Avenues for future engagement

Introduction

Consortium is the umbrella body for the Lesbian, Gay, Bisexual and Transgender voluntary and community sector across the United Kingdom. Our **420** strong membership is diverse, both geographically, across the issues they deal with, and in terms of their size.

Consortium is engaging with various social investment programmes, including the Connect Fund, Equality Impact Investing project and the Enterprise Development Programme, to explore how the LGBT+ sector interacts with the social investment sector and what we can do to increase income generation opportunities that will help transform the lives of LGBT+ people and communities.

The LGBT+ VCSE Sector



That's 50 new Members joining us during 2020



Job opportunities created & hosted by our Members



64% of Members are volunteer led with no paid staff



CIC membership has increased by 25% in 2 years



Run as informal groups or Unincorporated Associations



Registered charity structure

5,038,464

LGBT+ People, their allies, friends and families benefit from the incredible work of our Members.

73% of Members operate on less than £20,000 per year. However, a definable segment have tradeable activities, offering opportunities to benefit from financing, including training, social prescribing and health & wellbeing provision.



LGBT+ Sector Barriers



Consortium spoke with some of its Members about their attitudes to social finance and investment, comparing views across a 2 year period. The views remain broadly the same in 2020 as they were in 2018.

Risk Aversion: The Boards of more traditional charity models tell us they lack the knowledge and understanding of the potential of social investment and prefer to take a risk averse approach to income generation. Conversely, those operating within more enterprising models (e.g. CICs) are less risk averse but still feel nervous about repayable finance.



Lack of investor & sector knowledge: There are low levels of knowledge on who social investors are and the role they could play. There is a general assumption they just lend money rather than build working relationships too. Equally, LGBT+ organisations tell us they don't know what investors are looking for.



Lack of market skills: LGBT+ VCSE leaders tell us they feel they lack specific skills in order to build positive relationships with investors, such as negotiating terms and agreeing impact measurement



Disconnect between sectors: Many incorporated charity model organisations don't associate themselves with being social enterprises or engaged in enterprise development. Many CICs adopt more traditional income generation models, with a continued favour towards grants.

There is also little connection between LGBT+ social benefit businesses and LGBT+ voluntary and community sector organisations, resulting in a lack of cross-sector learning.



Language: The language of the social investment market feels alien to LGBT+ organisations, further disengaging them with this sector.



Opportunities to Engage

Despite the barriers, we believe there is great opportunity for LGBT+ organisations and social investors to engage. We explore some of these below as a starter for ten...



Impact Investing: Investors want to know their funds are being put to good use. The [LGBT+ Common Outcomes Framework](#) encourages LGBT+ organisations to frame their work and their ask in terms of the impact they will make, creating more opportunity to spot viable investments. This is a new tool for the sector and being used to build momentum to evidence outcomes more robustly..

Business Development: Bring LGBT+ voluntary and community organisations, social focus businesses and social investors together to explore mutually beneficial impact investing potential through business skills development and mentoring. This could support marginalised members of our communities with life improvement goals and opportunities. .

Building & Strengthening Capacity: The LGBT+ VCSE sector is inherently small in terms of turnover, limiting current engagement with social investors. Work to bring cohorts of LGBT+ services together would form strong and investable opportunities, particularly across health and wellbeing services through (e.g.) social prescribing.

Knowledge & Skills Exchange: The ideas are there on the ground, they just aren't necessarily being heard or spotted. Opportunities to bring investors and diverse LGBT+ organisations together, particularly those from under-represented parts of our communities, will foster learning and spark opportunity across the diversity of LGBT+ lived experience.

Investable Segments: There are LGBT+ organisations across the sector that could provide ideal entry-points for social investors. For example, LGBT+ homelessness and housing organisations have a property-based services with long track records of positive social change. The LGBT+ sector also benefits from strong links to the health and social care sector, with health inequalities a strong focus.

Finding Out More

Consortium's website provides a wealth of knowledge, data and profiling of LGBT+ issues and the diversity of LGBT+ organisations.

We are keen to engage with investors and identify future income generation potential for our Members as part of our drive for income diversification across the sector.

The global pandemic has affected LGBT+ sector organisations hard. Senior leaders of established organisations are already exploring future opportunities to ensure their sustainability. Equally, organisations working with the most marginalised and under-represented parts of our communities, including those working with issues of racism, trans and non-binary communities and older people, are developing innovative and enterprising ideas to tackle deep-roots social issues.

Get in touch with the Consortium team if you would like to explore how we could support you in diversifying your own investment portfolios—we are here to help.



www.consortium.lgbt

admin@consortium.lgbt



@LGBT Consortium



@LGBTConsortium

Company Number: 3534603

Charity Number: 1105502

020 7064 6500