



10 LESSONS

FROM GROWING A MARKET
10X IN 10 YEARS

Acknowledgements

We are thankful to the many partners across the social, public and private sectors that we've had a chance to work with and learn from over the last 10+ years. These include other field builders and social investors, many of whom had started to build the market before our time, and most of all our frontline partners who deliver meaningful change in people's lives across the UK.

It is our work with partners that has been the constant source for our learning featured in this report, and we continue to appreciate the many who highlight where we are getting it wrong and help us adapt our approach to better live up to our mission and enable greater systemic impact across the UK.

The system-level changes described in this report cannot be attributed to any single actor. Market systems are dynamic and often behave in non-linear ways. Nudging such complex systems towards change takes a collective of different actors and partnerships.

Purpose of the report

In recent years an increasing group of market-building initiatives and wholesale investors have emerged across the world, with whom we have had the pleasure of sharing our experience in the hope of supporting their own journeys towards greater impact. It is our engagement with these organisations that inspired the initial idea of creating this shared learning resource.

In this report we share our most important lessons learned, with the hope that this will help other market-building organisations and investors on their own journeys towards more systemic approaches to impact investing and market building. We encourage anyone interested in learning more about our journey to simply reach out to us. We are always keen to learn from others, and support where we can.



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Introduction

Big Society Capital (BSC)'s mission is to grow the amount of money invested in tackling social issues and inequalities in the UK – addressing areas such as homelessness, mental health and fuel poverty. In our first ten years we helped the UK social impact investment market grow tenfold, and it now stands at £9.4bn.

We have learnt that delivering this growth, and effectively tackling social and environmental challenges, require a systemic approach to investing – that is seeking to actively change systems for good.

Experimentation has been crucial to learning what works where – alongside a strong ambition to change and a healthy dose of pragmatism. We have learnt to embrace messiness, and therefore any impression given of our route having been linear is certainly unintended. We continue to evolve as an organisation to best respond to new opportunities, and deliver on our mission in a rapidly changing market.

Understanding BSC's history to understand our lessons

The original ideas for a social investment wholesaler – that could support building a social investment market – came from Gordon Brown sponsored initiatives in the 2000s: the Social Investment Task Force and Commission on Unclaimed Assets, both led by Sir Ronald Cohen. In 2008 the Labour Government passed the Dormant Bank and Building Society Accounts Act, which established the dormant asset scheme as a potential funding source for a social investment wholesaler, with cross-party support.

In 2010 the new Conservative and Liberal Democrat Coalition Government took up the baton, and alongside allocating £400m of dormant accounts, brought in £200m of equity investment from Lloyds, HSBC, Barclays and RBS, as part of the 2011 Merlin Agreement.

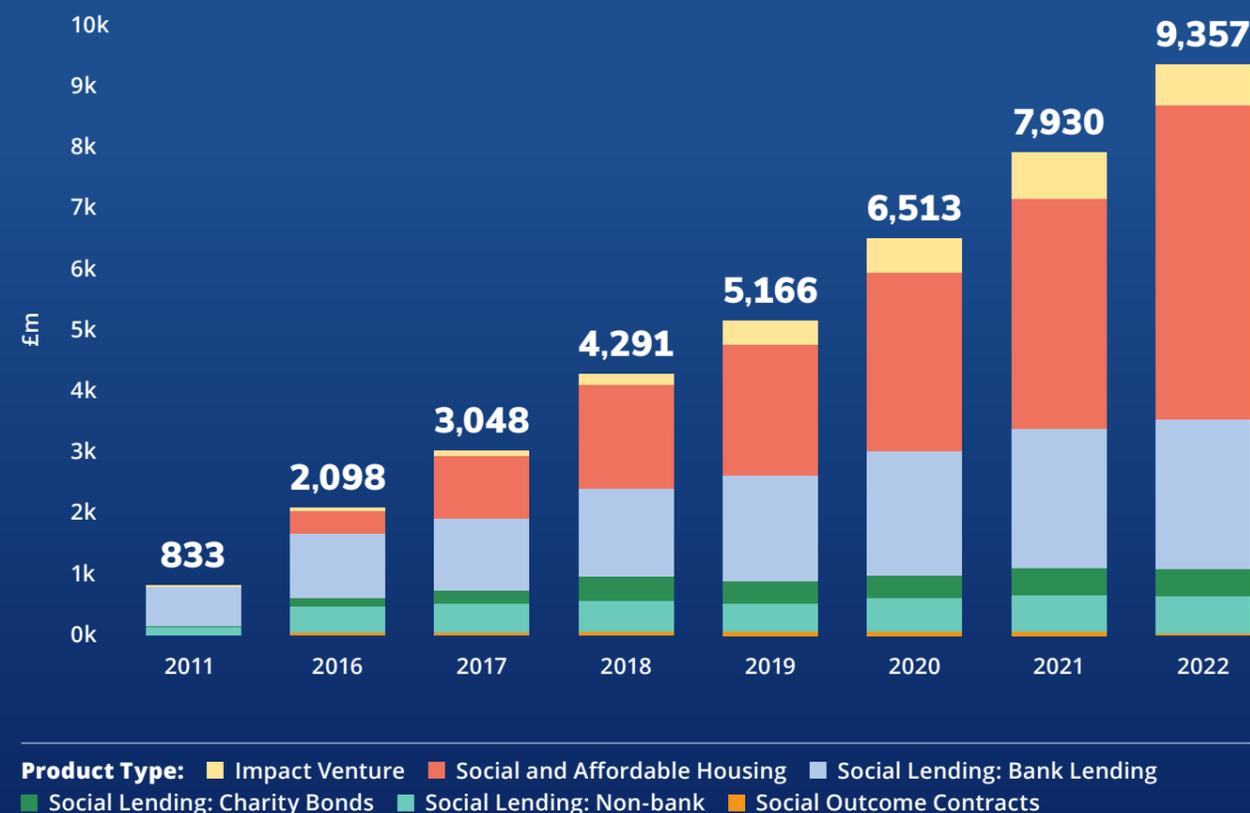
The Coalition Government laid out its plans in the 2011 publication, Growing the Social Investment Market: A vision and strategy. In this it built on the findings of Labour's 2009 market consultation to set out four founding operating principles for BSC:

- **Wholesale investor:** investing through fund managers, social banks and other intermediaries, rather than directly in enterprises; acting to crowd in other investors, to grow the market, not be the market.
- **Independence:** independent of Government, allowing the organisation to best determine its activities and investments to deliver its “locked-in” social mission and adapt over time.
- **Sustainable returns:** generating returns to cover its costs and bring in other investors. Building a sustainable platform to develop the market for the long term, and generate returns for its shareholders.
- **Transparency:** clear and transparent reporting to openly share priorities, activities and learnings to support others, build confidence and catalyse market growth.

To be true to the principle of independence, BSC was established without a prescribed strategy on how to best deliver its mission. It was stipulated, though, that BSC's success would be judged by two factors:

- The growth and sustainability of the social investment market.
- The social impact of its investments.

Outstanding UK Social Impact Investment (as at calendar year end)



BSC's founding shareholders and partners:



Summary

BSC was launched in 2012 with a mandate to increase the amount of capital flowing to organisations tackling pressing social issues for the most vulnerable. Over our first **ten** years we helped grow the social investment market **tenfold**, supporting over 6,000 organisations. Here are **ten** of the most valuable lessons we have learnt along the way.



1. Start with the social issue

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Mission-led



Method

How do we approach our mission?

When we started, we were too focused on financial products; lacking a more systemic view of what was needed to help the market grow.

We have learnt that to transform market [eco]systems, we need to ground our work in a solid understanding of social issue areas and relevant business models, take a “whole system” lens to identifying the right intervention points for growth, identify our role among others, and build and deploy a broad toolbox, beyond investments, to unlock market growth.

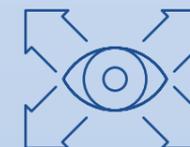
Today we set strategy and allocate both financial and people resources across all those different tools, driven by what is needed in each of the systems we are trying to change.



1. Start with the social issue

Work with expert partners to understand people’s needs and the sustainable business models that can help address them.

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2. Take a whole-systems lens

Adopt a systems approach to understand and address market barriers and opportunities.

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3. Understand our role among others

Listen broadly and adapt roles and behaviours around existing actors and expertise.

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4. Build a catalytic toolkit to seed, scale and sustain

Deploy a wide range of investment and non-investment tools to develop the market.

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1. Start with the social issue



We started with insufficient experience of the outcome areas where enterprises can deliver impact.



We have learnt all our work must be grounded in understanding social issues, available revenue sources and sustainable business models.



We work with expert partners and have found design-thinking principles an effective way to identify where social impact investment can be an important part of the solution.

Case study: Fair by Design

Challenge

In the UK, around 6.8 million households have to pay extra costs for basic goods, known as the "poverty premium". These low-income households pay on average an extra £430 a year, or a total cost of approaching £3bn a year. Through conversations with the Joseph Rowntree Foundation (JRF) on the drivers of poverty, we identified the poverty premium as a high potential area for enterprise and impact investment.

Solution

We worked with JRF and partners over two years to research and design the Fair By Design programme, to eradicate the poverty premium – which combines a venture fund run by Ascension Ventures and a grant funded campaign run by the Barrow Cadbury Trust, to influence policy and regulation.

Impact

Since inception, ventures supported by the Fair By Design fund are estimated to have delivered savings of £253m for 2.6 million customers facing the poverty premium, across energy, insurance, financial inclusion and transportation.



Reducing poverty & inequality

- Supported housing & affordable homes
- SME lending in deprived areas
- Fin-tech solutions for affordable personal lending
- Children's services & homelessness support through outcome contracts



Good health & wellbeing

- Care homes & domiciliary care
- Mental health services
- Sports facilities
- Health-tech products & services
- Community health facilities



Some of the most important business models we have invested in through our fund managers to address pressing social issues in the UK



Education, training and decent work

- Employment social enterprises
- Training and education providers
- Youth services and provision
- Ed-tech services
- Community hubs



A just transition to net zero

- Community owned renewables
- Property retrofit services
- Community transport
- Tech solutions for net zero

To find out more about the importance of lived experience and user voice in our work see [here](#).



Joseph Rowntree Foundation's expertise on drivers of poverty in the UK, and the poverty premium in particular, alongside Big Society Capital's work on fund development, tech-enabled business models, and coalescing aligned partners were all critical pieces to successfully launching and delivering the Fair By Design Fund.

Emma Steele,
Partner, Ascension Ventures



Case Study Partners:





2. Take a whole-systems lens



We started overly focused on aiming to grow the market through new investment.



We have learnt that to build and transform markets, we need to take a systems view across the broader market, considering existing and potential actors, and the barriers that exist to scale.



This has led us to understanding the need to shift mindsets and norms alongside developing organisations, policy, standards and infrastructure.

Case study: Social Outcomes Partnerships (SOPs)

Challenge

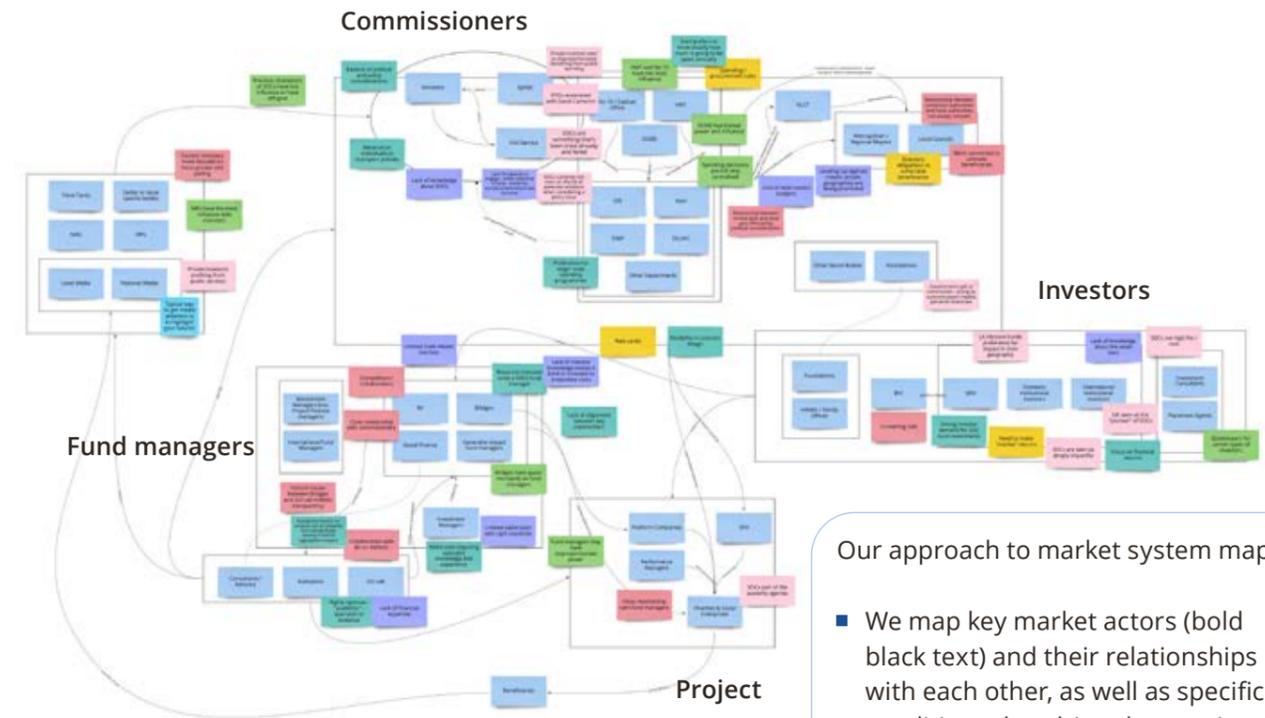
When commissioning public services, paying for outcomes achieved - rather than services delivered - can result in more flexible, tailored programmes that deliver better outcomes, particularly for individuals facing complex challenges, and better value for public money. However, social enterprises and charities often lack the upfront working capital required to deliver those contracts.

Solution

Socially motivated investors can help by providing upfront funding to local delivery organisations, which is then repaid by commissioners only if agreed outcomes are achieved. BSC worked in partnership with others to catalyse this market, including cornerstoning four dedicated outcome investment funds. This has catalysed over £70m of investment into projects, supporting central and local government to implement pioneering outcome commissioning funding, such as the Life Chances Fund, while also collaborating with the pioneering Government Outcomes Lab at Oxford University.

Impact

This work has catalysed 90 SOPs, more than any other country, and the model is being replicated across the world. These projects have involved more than 180 commissioners and 220 social sector organisations, benefiting over 55,000 people facing complex issues in areas like homelessness, health, children's services, education and employment. [An independent study by ATQ Consultants](#) found that SOPs have delivered £1.4bn of public value in the UK. That equates to £10.20 of value – nearly £3 of which is purely fiscal (costs saved and avoided) – for every £1 spent by Government.



Mapping the social outcomes partnerships market system in the UK

Our approach to market system maps:

- We map key market actors (bold black text) and their relationships with each other, as well as specific conditions that drive changes in those relationships (coloured boxes).
- We then identify the right leverage points where we believe our interventions can contribute to actual change in the market.



Big Society Capital has played an invaluable role in helping to build the social outcomes partnerships market in the UK. The key has been its holistic approach: from catalytic investments, like helping Bridges Outcomes Partnerships to raise the world's first dedicated social outcomes fund, to building the evidence base for the impact of these projects, to advocating for the policy support necessary for this market to succeed at scale.

Mila Lukic,
Founder and CEO, Bridges Outcomes Partnerships

Case Study Partners:





3. Understand our role among others



We started with a narrow set of roles and behaviours to catalyse market growth.



We have learnt to listen broadly and adapt our roles and behaviours around existing actors and expertise.



Where impact solutions or actors already exist, we have used our capital, support and reputation alongside others to help them grow. Where we identified market opportunities or infrastructure gaps, we developed funds and initiatives in-house, or supported new entrants.



What we do

TOOLS & RESOURCES

Everything you need to make an informed decision around whether social investment is right for you.

PROGRAMMES & LEARNING

Deepen your understanding of social investment with free e-learning programmes, webinars and learning materials.

NEWS & CASE STUDIES

Real life insights from leaders who have harnessed social investment in their organisations.

www.goodfinance.org.uk

Case study: Good Finance

Challenge

The complex and technical world of social investment can be challenging to navigate for many charities and social enterprises. Many organisations find it hard to understand if repayable finance is an option, how to best use investment, what type of finance to seek, and which fund manager or social bank to work with.

Solution

Noting the gap in information provision as a significant barrier to investment flowing, alongside sector partners we worked with charities and social enterprises to design Good Finance. Its mission is to be the reliable, go-to source of information on all things social investment, enabling charities and social enterprises to navigate social investment as a tool, and to unlock their ability to use it when it's the right tool for the job.

Impact

The Good Finance website has so far had more than 500,000 unique users. The site provides a range of interactive tools, educational content and resources, jargon busters, an investors and advisors directory, and the social outcomes matrix to support impact measurement. Good Finance also hosts offline thematic and geographic events, podcasts, and has developed a range of [e-learning programmes](#) to help further demystify the topic.



Central to Good Finance's success has been creating and maintaining trust, which has been achieved by being independent from BSC and through our autonomous, collaborative and user-centred approach. Having surpassed 500,000 users, user traffic and engagement only continue to grow.

Ishita Ranjan,
Good Finance Project Director



Case Study Partners:



4. Build a catalytic toolkit to seed, scale and sustain



We started with a narrow set of tools, overly focused on incoming applications, misaligned with growing a nascent market.



We have learnt to deploy a wide range of investment and non-investment tools to develop and catalyse proposals and the market.



We have built capabilities to co-develop impact solutions alongside research, impact resources, and capacity building for emerging fund managers.

Case study: Community Energy

Challenge

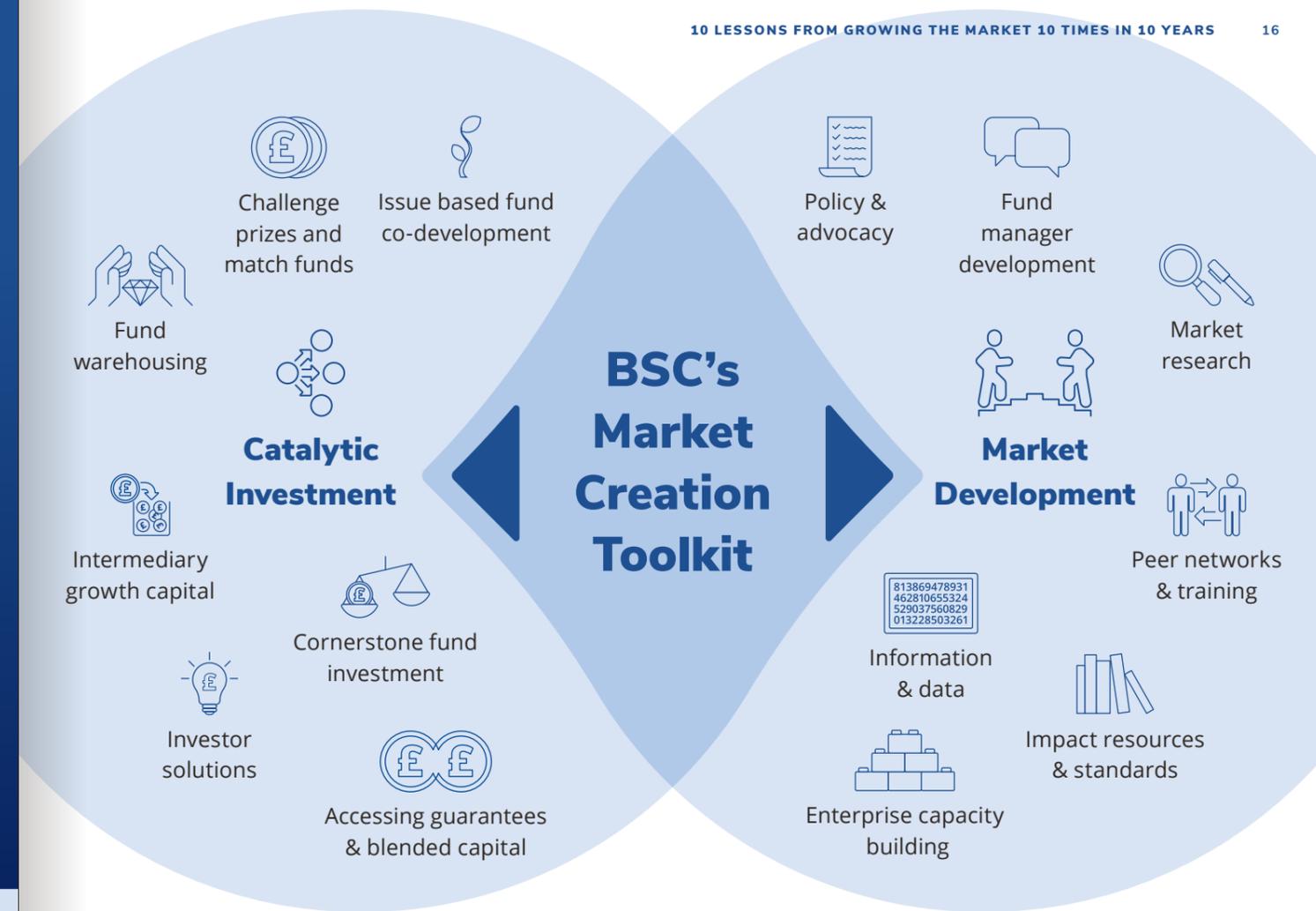
The transition to net zero requires an estimated £6tr investment in the UK to 2050, alongside a scaling-up of community action on climate change. Community ownership and delivery of energy generation and efficiency projects can support a “just transition” that works for everyone.

Solution

Following an initial £1m pilot micro-loan solar programme with Pure Leapfrog in 2012, BSC identified the significant impact opportunity and funding gaps in community energy. BSC designed a £15m Bridge Fund in 2014 to enable site purchase and construction, before a refinance by community shares on crowdfunding platforms. Following this programme – in 2017 BSC invested £40m with the foundation Power to Change into Finance Earth’s Community Owned Renewable Energy (CORE) programme. Alongside bridge financing and asset purchase, CORE secured low-cost, institutional, inflation-linked investment, and established additional tech optimisation, asset management and impact tools to support communities.

Impact

Overall, BSC has invested over £90m in community renewable energy, financing half of the UK’s community energy sector and mobilising £115m from other investors. This has brought 157MW into community ownership, avoiding 32,000 tons of CO2 emissions annually. BSC has targeted renewable investments to more deprived areas, where the revenue benefits can go further. Over their 20–25-year lifetime, the assets are expected to generate £50m in unrestricted grants for local issues such as fuel poverty.



The scale of the net zero challenge is vast, and it's vital for people to develop solutions at local levels. Big Society Capital's support in funding and scaling community energy schemes has been critical in developing a healthy funding ecosystem for built projects. There continues to be the need for further funding, in particular for early-stage development, to ensure the continued growth of the market.

Whitni Thomas,
Head of Corporate Finance, Triodos Bank UK Ltd.



Case Study Partners:





Movements

How do we mobilise others around our mission?

We started with too little emphasis on understanding and building effective relationships with key partners in the broader eco-system across managers, investors, government and enterprises.

We've learnt that to grow the market, we need to create, shape and accelerate wider movements alongside partners, to bring about transformational change that will last – with each organisation playing its unique role.

To do this, we have learnt we need to continually meet people and organisations where they are at, rather than where we would like them to be.



5. Fund managers: create building blocks to impact

Support impact managers' evolution through structured capacity building, standards and community building.

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7. Government: demonstrate delivery at scale

Mobilise government support, by demonstrating how impact investment can leverage capital and accelerate policy priorities.

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6. Investors: consider impact as a source of value

Crowd in other investors through targeting impact areas that can drive value for enterprises and investor portfolios.

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8. Enterprises: blend grants with investment

Bring together blended capital, enterprise support and commercial investment to build an inclusive growing market.

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5. Fund managers: create building blocks to impact



When we started, our investment process was more focused on fund manager assessment than development.



We have learnt that broad development support for high-impact managers is critical to building an effective market.



As the landscape matured our focus shifted from seeding emerging managers to helping them scale, as well as establishing impact communities and standards to help mainstream managers build impact capabilities.

Case study: Impact VC

Challenge

Venture-backed start-ups have great potential to tackle pressing social and environmental issues at scale, but venture capital investors (VCs) can struggle to access the knowledge, tools and resources to effectively manage the impact opportunity.

Solution

In response to the growing demand for impact resources from VCs, BSC built on its experience working with its portfolio funds to launch the [ImpactVC community platform](#). ImpactVC provides VCs with a space to learn from peers and together co-develop impact tools and resources.

Impact

Launched in 2023, ImpactVC has grown to a community of more than 500 VCs and is funded by external sponsors. Our resources are widely accessed, with our VC Playbook having seen more than 1,200 downloads and counting.

Impact VC traction in first year



The team at Big Society Capital are extremely thoughtful in their approach to impact, and their depth of knowledge and collaborative outlook have been instrumental since we launched Eka in 2019, to work with founders building companies that make the world more sustainable, healthy and inclusive.

Jon Coker,
Founding Partner, Eka Ventures



Case Study Partners:





6. Investors: consider impact as a source of value



When we started, available investment opportunities were often misaligned with investor preferences across risk, return and impact.



We have learnt that to bring in wider groups of investors to deliver impact at scale, requires targeting the areas that can deliver greatest value for each portfolio, alongside aligning impact preferences.



Investing for positive impact can help investors access new sources of return and diversification – such as the competitive advantage of mission-driven enterprises in some sectors, and/or greater historical stability of government revenue.

Case study: Social Impact Trust

Challenge

An increasing number of investors are looking to invest for impact, but face barriers such as access, expertise and diversification, and the challenges of private markets including long ramp-up periods, timing of fund openings and liquidity.

Solution

Working with Cazenove Capital and Schroders, BSC designed a listed multi-asset portfolio, providing access to leading models and managers delivering high impact for disadvantaged groups, alongside a diversified return with low correlation to financial markets.

Impact

In its first two years since launch in November 2020, the Schroder BSC Social Impact Trust supported 276,000 people, 94% of whom are disadvantaged or vulnerable in areas such as affordable housing, health and fuel poverty. In a challenging period for financial markets, the Trust has delivered a 3.4% annualised NAV total return per share so far.

Schroder BSC Social Impact Trust Approach

The Trust targets areas where delivering sustained impact drives value

Financial drivers and risk mitigation

- Historic revenue stability, high weighting of government sources
- Delivering significant savings for government and society
- Asset backing on lower risk/return investments
- Majority weighting to investments with inflation linkage or correlation

Impact return and risk mitigation

- What:** Significant needs – housing, health, social care
- Who:** Vulnerable and disadvantaged groups
- How much:** High social impact, significant public savings
- Contribution:** Significant improvement in life chances versus the status quo
- Risk:** Mitigated through proven delivery track records alongside local knowledge

Sweet spot

Evolution of investment management at Schroders



“Increasing client interest in investing for impact, alongside challenges accessing the highest impact opportunities, led to us working with BSC to launch the Schroder BSC Social Impact Trust. This ground-breaking initiative helps connect investor capital to tackle social challenges across the UK, such as children at the edge of care or domestic abuse, while targeting sustainable returns with low correlation to mainstream markets.”

Lyn Tomlinson,
Head of Impact, Cazenove Capital

Case Study Partners:





7. Government: demonstrate delivery at scale



The public sector holds critical levers for our mission, such as regulation, policy, funding, guarantees and tax reliefs.



We have learnt to mobilise government support by demonstrating how impact investment can leverage capital and accelerate policy priorities.



Some of our most effective public sector engagement work has involved coalition building, such as influencing guarantees and unlocking additional dormant accounts.

Case study: Everyone In

Challenge

During the initial pandemic lockdown in March 2020, the Government launched its ambitious Everyone In scheme, offering emergency accommodation to 15,000 rough sleepers. To prevent people returning to homelessness, long-term accommodation with tailored support had to be sourced from expert charities, requiring new funding at scale.

Solution

In response, BSC collaborated with fund managers to co-ordinate a social investment response. Government and new private capital would be channelled through tested fund models into charities with a track record of meeting the needs of people faced with homelessness. The Department for Levelling Up, Housing and Communities (DLUHC) invested £25m, matched by £25m from BSC, into a collection of funds managed by Social and Sustainable Capital, Resonance and Bridges Fund Management. This partnership includes a programme evaluation, enhancing the evidence for impact investment in addressing housing challenges ahead.

Impact

This £50m helped catalyse another £114m of additional public and private investment into these funds, projected to deliver over 1,000 homes for those in acute housing need, and supporting the Government to deliver on its strategic priorities to end rough sleeping for good.

BETTER INVESTMENT FOR A BETTER BRITAIN

The Challenge
Right now the power of social impact investing is a missed opportunity - by joining forces with social impact investors and "spending smarter", government can unlock additional private investment to solve the problems the public cares about, grow the economy, and ensure lasting improvements to people's lives. This is how a future government will be able to achieve its goals in genuine partnership with investors and create a world leading Britain.

Unlocking private investment
£200 million of government-backed support given the annual impact investing market is only £10 billion in total. The government could make a £10 billion of additional private investment over the next half decade to directly combat social problems and ease the strain on the Treasury.

How government can help

1. Spend smarter - allocate existing spend to projects that crowd in more social and private investment, where appropriate, meaning taxpayers' money goes further.
2. Put people at the heart of public services - shift to commissioning for outcomes so that government pays for genuine positive and measurable change to people's lives when tackling issues in health, housing and education.
3. Integrate social impact investment across government - social impact investment can play a vital role across government from health to housing and responsibility for it should sit centrally - in either the Cabinet Office or Treasury.

Better public services
Public spending has spent more on maintenance rather than prevention. Provide better public services and value for money for taxpayers by commissioning for outcomes where possible, encouraging training, skills, encouraging organisations which have a track record of positive change in local areas.

Better tech
The UK tech economy is the third largest in the world. Nurture better tech to allow startups to innovate and focus on improving lives from helping people manage their pay packets, to enhancing well-being, to manufacturing technology which recycles CO2.

Better housing
Build better housing to tackle the housing emergency. The market has so far invested £2.1 billion towards jobs, affordable housing. But with the right government support it has the potential to unlock billions more - and deliver 111,000 quality homes for 262,000 people.

Better business
Turbocharge Britain's social entrepreneurs across the UK by supporting better business. Social entrepreneurs drive jobs, economic growth and positive differences in their communities for local people and the nation as a whole. Data shows that social entrepreneurs receiving investment employ 19% more people post investment.

Better planet
Make net zero work by protecting against the green risk. Championing the social potential of the transition to net zero means higher quality jobs, meaningful careers and reduced inequalities as the UK leads the way for a better planet.

Mona from Harry Specters
Mona Shah founded Harry Specters Chocolates from her kitchen, supported by her autistic son. Autistic people are significantly underemployed in the UK, with 76% unemployment and 61% dependent on work. Harry Specters makes chocolate while employing and training autistic people, putting aside 60p in every £1 of profits to directly help autistic employees. Mona used social impact investment to scale up from her kitchen to a factory in 18m, providing almost 30,000 employment hours and reaching the shelves of Asda in the process.

"Our social investment partners were essential in helping us scale from my kitchen table to a fully functioning chocolate factory!"
- Mona Shah, Founder of Harry Specters

Example BSC policy material from 2023



Everyone In demonstrates the catalytic role Government can play in helping crowd in private capital to tackle tough issues like homelessness. Motivated by a shared aim of providing safe, secure housing for people at risk of homelessness, DLUHC, social investors and transitional housing providers have built an innovative partnership that brings together the experience and resources that each possesses, and is founded on a track record of delivery and a commitment to evidence of social impact.



Anna Shiel,
Chief Investment Officer, Big Society Capital



Case Study Partners:





8. Enterprises: blend grants with investment



Our initial mandate focused on crowding in commercial investment, which limited the breadth of enterprises social impact investment could support.



We have learnt that unlocking grants for enterprise development, blended capital, innovation and market infrastructure are vital for building an inclusive market.



While grants help deliver breadth, commercial capital remains critical for transformational scale and has driven most of the market growth.

Case study: Access – The Foundation for Social Investment

Challenge

Charities and social enterprises are often best placed to tackle complex social issues, bringing local knowledge, networks and person-centred approaches. However, to sustain and grow their impact, they need access to grants and development support alongside repayable investment.

Solution

Unable to provide grants within its mandate, BSC worked with two key funding partners, the Department for Culture, Media & Sport (DCMS) and the National Lottery Community Fund, to set up [Access – The Foundation for Social Investment](#) in 2015, to provide grants for enterprise development, blended finance and market infrastructure. BSC has so far committed £37.3m of capital alongside Access in blended finance programmes, enabling smaller investments.

Impact

The Growth Fund, a partnership between the National Lottery Community Fund, BSC and Access has made 725 investments in charities and social enterprises, with an average investment size of £67,000 and 36% of investments (by number) invested in the 20% most deprived areas in the UK. In addition, Access has supported 321 organisations with £8.04m of enterprise development grants.



Access – The Foundation for Social Investment

works to make charities and social enterprises in England more financially resilient and self-reliant, so that they can sustain or increase their impact.

Overview of Access's work

Case Study Partners:



Big Society Capital played a key role in the creation of Access – The Foundation for Social Investment in 2015 – alongside the National Lottery Community Fund (NLCF) and the Department for Culture, Media & Sport (DCMS).

Since then, we have worked in tandem with them to develop a robust and sustainable social investment market to support enterprises to grow or sustain their impact.

While Big Society Capital is a wholesaler of capital, Access provides the grant support and subsidy to ensure that social investment can reach deeper into communities and finance a broader range of organisations.

Seb Elsworth,
CEO, Access – The Foundation for Social Investment





Mission-led

How do we develop ourselves to keep delivering on our mission?

When we started, we were set up as a more “conventional” investment organisation, with a team of investment and strategy professionals.

We have learnt that we need to complement investment expertise with engagement capabilities, focused on key actors in the investment ecosystem – investors, social sector organisations and policymakers. Alongside this, we have learnt the benefit of shifting from more conventional strategy approaches to user-led design thinking.

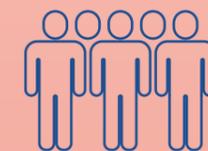
Over time, we have continually adapted our organisation around opportunities to deliver mission-led product development, community building and client investment capabilities – alongside ensuring deep impact expertise is integrated across all our activities.



9. Nurture an open learning culture

Embrace constant learning, failure and feedback when building new markets and solutions.

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10. It’s all about the people

Build a diverse and “trilingual” team, able to deliver across private, public and social sectors.

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9. Nurture an open learning culture



We started with a more traditional culture that was less suited to developing a nascent market.



We have learnt to embrace constant learning, failure and feedback when designing new markets and solutions around actors' needs.



We build our teams to take ownership of our mission, and back their ideas to deliver on it. We encourage a "bias to action" – moving first and learning by doing.

Case study: Open Investment Committees and Challenge Forum

Challenge

Investment decision-making within more traditional investment organisations usually happens behind closed doors. Yet it offers one of the most potent collective learning opportunities for wider teams, particularly for members new to an organisation or the investment world at large.

Solution

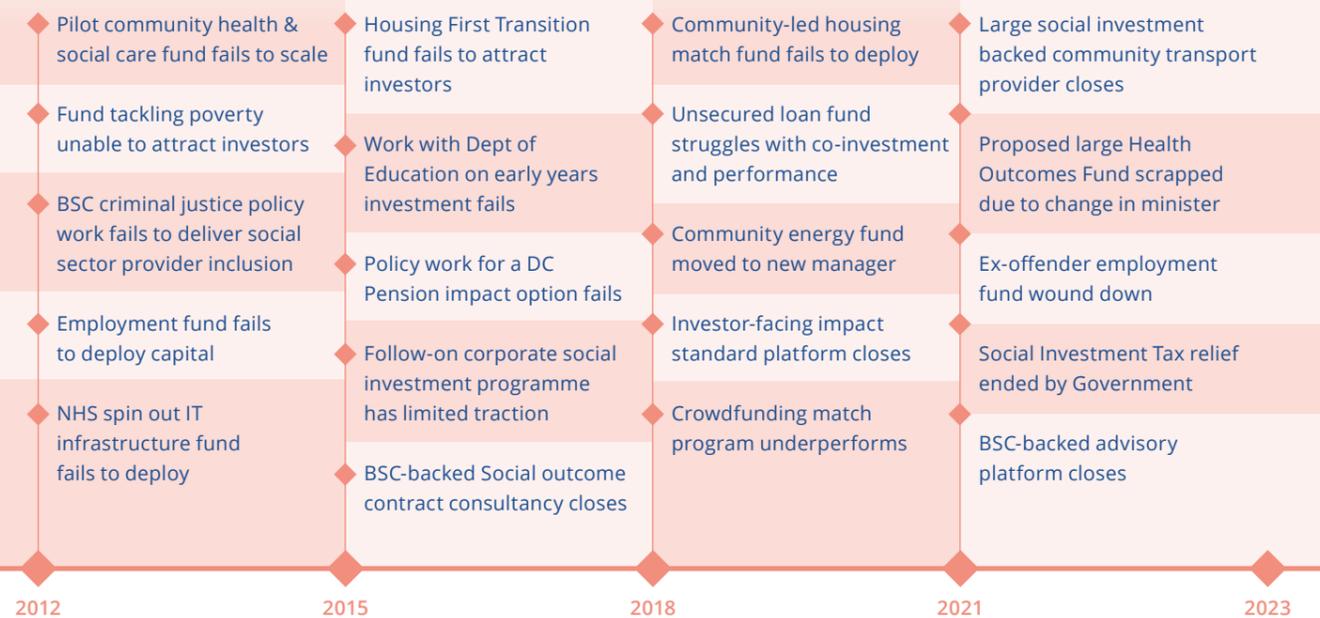
The majority of our investment team have non-investment backgrounds – a result of our seeking to build a diverse team with experience across the issues and organisations we support. This has required us to establish structured development programmes to build their investing skills. As part of this, all our Investment Committee (IC) memos and meetings are open to all team members. IC meetings are followed by a Challenge Forum, where all team members give their opinion on the IC discussion and decisions, with minutes sent to IC members.

Impact

We have found such on-the-job learning opportunities to be among the most effective and valued learning experiences by our team, and important for improving the quality of our decisions. They are key to a culture at BSC that seeks an "idea meritocracy" and puts continuous learning at the heart of how we work.

If you are interested in the Learning and Development framework we use at BSC to support building our teams, have a look [here](#).

The Hall of Failure is a live database of lessons from investments, origination and wider market building projects that involved significant resources of time and/or capital and have not delivered on our original thesis – here is a selection from the full list.

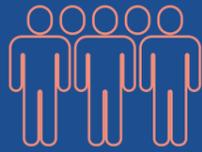


The opportunity to listen in and then to ask questions in a safe space (Challenge Forum) has been invaluable on several fronts. It has built my own understanding and knowledge of investment processes; it has built my confidence in my ability to add value through my own particular social sector insight to the content of deal papers and discussion; lastly it has empowered me to become an investment committee member outside BSC, as I now recognise the value of my skills and have actively sought the responsibility of being part of actual investment decision-making.



Melanie Mills,
Head of Social Sector Engagement, Big Society Capital





10. It's all about the people



We started with insufficient breadth of domain experience and did not prioritise sector-wide people development.



We have learnt we need to build a more diverse and "trilingual" team, able to deliver across public, private and social sectors through an intentional approach to recruitment, development and culture.



We support our fund managers with recruitment, training, leadership development programs and a nonexecutive and adviser network – including ongoing work to improve the diversity of the social investment sector.

Professional experience at BSC

Consulting Private equity **Charity**
 Impact accelerator Analyst Pension fund **Fintech** Communications
Finance Philanthropy advisory **Social enterprise**
 Compliance Catering Strategy consultant Policy **Wealth management**
Education **International development** Non-profit
 Website development Fund management Training and learning Journalism
Community development Data architecture **Civil service**
 Investment banking **Ecommerce** **Law** Human rights Data analytics
Financial services Private bank **Marketing**
 Sales Equity research **Insurance** **Social impact investing**
Government Retail **Accountant**

BSC Social Investment Market People Initiatives



New starter training
"Social Investment
Foundation Course"

Social Investment
Unpicked training course
– Good Finance

Online training resources
"Fund Manager Resource
Portal"

Leadership training
"Aspire" course



Network for new entrants
"Future Impact Finance"

HR Network

Impactful Comms Network

Compliance Network

Pro-Bono Support from
corporate partners and
individual advisors in BSC's
Investment Network



Fund Manager hiring
support "LinkedIn Jobs
Board"

Non-Exec network
& sourcing with
Equity Chair

Investment Committees of
the Future – Good Finance

Addressing Imbalance
– Good Finance



Our work with partners across public, private, and social sector requires a team with broad experience and skillset beyond the technical side of investing. For example, my and other colleagues' background in the civil service helps us understand the importance of and how best to work with government.



I'm extremely proud of the team we've built here at BSC, but also our approach to helping develop teams in the wider market. We deliver on our mission through supporting the success of others.

Stephen Muers,
CEO Big Society Capital



Additional acknowledgements

Many of the organisations that have been integral to building social impact investing in the UK have been featured in case studies through this report. While there are too many more to mention in full, not least the over 3,500 frontline partners who have received investment from us, here are some important others that have helped build the movement:

Allen & Overy LLP	Co-operatives UK
Allia C&C	Crowdfunder
Arts Council England	Curiosity Society
Ashurst LLP	DAC Beachcroft LLP
Association of Charitable Foundations	DERIC
Axa	Deutsche Bank
Bain & Co	DiversityVC
Bank of America Merrill Lynch	E3M
Bates Wells & Braithwaite London LLP	Eastside People
B-lab UK	Ecorys
Bluemark	Equity Chair
BMO Real Estate Partners	Esmee Fairbairn
Bristol City Council	Ethical Property Company
Bristows LLP	European Investment Bank EIB
British Business Bank	European Investment Fund
British Gymnastics	Fair4All Finance
British Patient Capital	Fieldfisher LLP
British Private Equity and Venture Capital Association (BVCA)	Finance Innovation Lab
Brunel Pension Partnership	Firstport
Bryan Cave Leighton Paisner LLP	Freshfields Bruckhaus Deringer LLP
C Hoare & Co	Funding Affordable Homes SICAV SIF S.A.
Capacity	Garfield Weston Foundation
CBRE Global Investors	Global Impact Investing Network
CCLA	Global Steering Group in Impact Investing
Ceniarth LLC	Golden Bottle Trust
CFA Institute	Good Economy
CFA Society of the UK	Greater London Authority
Cheyne Capital	Greater Manchester Combined Authority
Church of England	Guy's and St Thomas' Foundation
City Bridge Foundation	Hammersmith & Fulham Pension Fund
ClearlySo	Herbert Smith Freehills LLP
Commonweal Housing	Hogan Lovells International LLP
Conduit Capital	Home Group Ltd
Co-operative and Community Finance	Homes England

Impact Europe (formerly EVPA)
 Impact Frontiers
 Impact Investing Institute
 Impetus - The Private Equity Foundation (PEF)
 Investing for Good
 Isomer Capital
 L&Q Housing Association
 Legal & General
 Linklaters LLP
 Liverpool City Council
 Local Partnerships
 London Borough of Croydon
 London CIV
 M&G
 MacArthur Foundation
 Make my Money Matter
 March Group
 Milton Keynes Council
 National Lottery Heritage Fund
 NESTA
 Northstar Ventures
 Numbers for Good
 Octopus Investments
 On Purpose
 Osborne Clarke LLP
 Oxford City Council
 Oxfordshire County Council
 Pathway Fund
 Pensions for Purpose
 Pioneers Post
 Public
 Retail Charity Bond PLC
 Rockefeller Foundation

Rothschild & Co
 Sainsbury Family Charitable Trusts
 Scottish National Investment Bank
 Skagen Conscience Capital
 Snowball
 Social Investment Scotland
 Social Spider CIC
 South Yorkshire Pension Authority (LGPS)
 Spacehive
 Sport England
 Sporting Capital
 St Mungos
 Stephenson Harwood LLP
 Stone King LLP
 Strathclyde Pension Fund
 Sumerian Partners
 Sustainability Finance Real Economies Fund (SFRE)
 Swansea City & Council Pension Fund
 The Fore
 The FSE Group (FSE)
 Toniic
 Ulster Community Investment Trust
 Unity Trust Bank
 University of Edinburgh
 Uplink (World Economic Forum)
 VentureESG
 Venturesome
 Wales Council for Voluntary Action (WCVA)
 Wellcome Trust
 Westminster City Council Pension Scheme
 Wiltshire LGPS
 Worthstone
 Wrigleys Solicitors LLP
 Zamo Capital



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