

## What is the Community Enterprise Growth Plan?

- The Community Enterprise Growth Plan is a proposal to create jobs, boost growth and support levelling up by unlocking new investment for community enterprises, particularly those in ‘left behind’ places.
- The plan would use new Dormant Assets funding to invest in community enterprise – the community-based businesses, social enterprises and trading charities taking entrepreneurial approaches to tackling social problems.
- An investment of £500m over ten years would unlock at least the same amount of private capital, doubling the amount available to communities, and multiplying its impact - as the use of loans to enterprises allows it to be recycled and go even further.
- The plan – backed by social investors, enterprises and charities - uses existing systems to allow new Dormant Assets to begin flowing quickly and deliver results within this Parliament, building on 10 years of experience of investment in community enterprises.

## What benefits would the Community Enterprise Growth Plan bring to local communities?

- This approach provides a hand up, not a handout. By giving local entrepreneurs access to the finance and support they need to grow their business models – often in places where standard forms of investment are hard to secure - it enables them to boost the local economy, get more people into work and help people struggling with the cost of living.
- It would channel new investment into communities across England that have struggled to attract it – delivering levelling up without any call on the taxpayer.
- An analysis undertaken by the Social Investment Forum found that 43% of social investment deals have gone to Levelling Up Priority 1 Areas. The plan would accelerate this even further with a specific focus on growing enterprise in places and communities that have not benefitted from this type of investment in the past.
- It would boost entrepreneurship and enterprise by empowering those who want to take new, business-led approaches to solving social problems – whether that’s by running community transport, supporting young people to develop new skills, improving arts and leisure facilities or helping those with long-term health conditions find employment.
- It would create new customers and new trading activity – generating more finance in the local economy and freeing up public and philanthropic funds so that they can be focused on the biggest challenges.

## How would the Community Enterprise Growth Plan work?

- This plan would use new Dormant Assets to deliver three proven interventions that reinforce each other:
  1. Extending the availability of small, flexible affordable loans to smaller community enterprises through blended finance – this is using a mixture of grants and loans which

has proved highly effective particularly for enterprises in the most deprived communities.

2. Investing in non-profit community lenders in underserved areas to enable them to lend to the vital micro-businesses and community enterprises that struggle to access lending from mainstream banking.
  3. Providing tailored business support including advice to start-ups and innovative incentives like match trading to encourage small enterprises to grow in more challenging areas.
- This support would be targeted at places affected by long-term economic decline and those serving communities that have not benefited from this type of investment in the past – for example, providing start-up funding for a new social investment fund for black-led enterprises.

### **Who would deliver the Community Enterprise Growth Plan?**

- The plan would be delivered by a group of leading community enterprise, charity and social investment organisations that have come together to create it.
- Together they have over 10 years track record of successfully using Dormant Assets to invest in community enterprises.
- Over that period, the social investment market has increased eight-fold to more than £6 billion invested in charities and social enterprises in the UK.
- As there are established routes to market, money can begin flowing to communities quickly, delivering tangible change on the ground before the next election.

### **Why is the Community Enterprise Growth Plan essential?**

- The Community Enterprise Growth Plan will deliver long-lasting tangible economic and social benefits to local communities, creating jobs and growth in communities affected by economic decline.
- The plan is not simply a continuation of what has come before. It would be the first co-ordinated drive to grow community enterprise by combining proven interventions at scale.
- It will use infrastructure built over the last ten years in new ways to grow community enterprise in the places and communities which need them the most, widening and deepening access to tools and support.
- The plan represents one use of new Dormant Assets funding, which DCMS are currently consulting on. It is different but complementary to other uses of this funding, such as a Community Wealth Fund.

*If you agree with the need for this type of investment, [please sign up the campaign here](#) and find out more about making your views heard during the consultation (link to blog).*

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