

Title: Social Finance Fund – Phase 2

Report of: Phil Witcherley, Director of Economic Growth and Innovation

Portfolio: Finance and Investment

Report Summary

The purpose of this report is to seek approval to release the remaining funding £1,907,098 from a total original allocation of £4m to progress with Phase 2 of the Flexible Social Finance Fund.

Phase 1 received an allocation of £2,092,902 with delivery ending 31 December 2025. This comprised £1.5m allocated via Delegated Decision in February 2024, followed by a Delegated Decision Project Change Request approved in June 2025 for a further £592,902. An external evaluation has been undertaken and found Phase 1 to be a highly successful pilot that had met or exceeded its objectives and confirmed an ongoing need for flexible, affordable social investment across the region. The Fund has achieved a Benefit Cost Ratio of 4.6, with a default rate to date far lower than originally modelled. Phase 2 will build on lessons learned from Phase 1.

As for Phase 1, Phase 2 will initially be delivered using North East Combined Authority (North East CA) funds only, in partnership with Big Issue Invest (BII), to ensure continuity of provision for the sector and minimise any gap in support. Whilst we retain the ambition to secure external co-investment, phase 2 is fully funded by the North East CA at this stage. Active discussions with potential co-investors are continuing, and establishing a stable Phase 2 platform will strengthen the Fund's attractiveness to future investors by providing a clear track record and consistent delivery model through which additional capital can be leveraged.

This report further highlights the additional opportunities that the Phase 2 Flexible Social Finance Fund delivery will offer.

Recommendation

The Chief Executive is recommended to:

- I. Note the contents of this report.
- II. Agree to release the remaining award of £1,907,098 from the North East CA Investment Fund to enable delivery of Phase 2 of the Flexible Social Finance Fund, in accordance with the delegated authority approved by Cabinet on 29 February 2024.
- III. Agree that unallocated Phase 1 capital be carried forward into Phase 2 and consolidated within the Phase 2 lending pot, alongside all recyclable investment returns.
- IV. Note the ongoing discussions regarding co-investment opportunities for future activity, which will be subject to legal advice confirming permissibility and appropriate governance.
- V. Agree to enter into a new Grant Funding Agreement for £254, 579 with Big Issue Invest for the delivery and management of Phase 2 of the Flexible Social Finance Fund.

A Summary of Investment Proposal (Context)

Key Project Information

Project Outline	
Funding Source	North East CA Investment Fund

Proposal Name	Flexible Social Finance Fund
Lead Organisation	North East CA
Delivery Areas	North East CA
Start Date	Feb 2026
Financial End Date	August 2029 – End of loans paid out August 2034 – End of Portfolio management
Practical completion date (date by which all outputs will be achieved)	Dec 2034 – all loan repayments in and outputs captured.
Total Project Value	£4m For Phases 1 & 2
Grant Amount Requested	£1,907,098
Budget Implications	£1,907,098 to be taken from the remaining £1,907,098 of the £4m Cabinet allocation included within the Investment Fund legacy Commitments.

1. Background

1.1 In September 2021 the former North of Tyne Combined Authority (NTCA) Cabinet agreed priorities and funding to support access to finance, build confidence within and improve funding available to Socially Trading Organisations (STOs) to support their sustainability and growth in both turnover and social impact terms. In line with these priorities, Cabinet approved an allocation of £4m to establish a Social Finance Fund – repayable, recyclable finance, with the aim of filling gaps in the finance market, loan and equity, for STOs and/or employee-owned businesses operating in the region’s communities and key sectors. Delegated Authority to the Chief Executive was also agreed to consider the business case and award funding.

1.2 Delivery to date

Following a co-design process with the social sector and key stakeholders, a Flexible Social Finance Fund was established in July 2024, with Big Issue Invest (BII) appointed as Fund Manager. A dedicated Investment Committee oversees the approval of the investment decisions, which comprises representatives from the North East CA, other social investors, social sector providers and socially trading organisations.

Phase 1 received an allocation of £2,092,902 with delivery ending 31 December 2025. This comprised £1.5m allocated via Delegated Decision in February 2024, followed by a Delegated Decision Project Change Request approved in June 2025 for a further £592,902

From the Phase 1 allocation of £2.1m, £1.8m was designated for the repayable finance pot and £300k revenue costs including fund management, portfolio management, evaluation and marketing etc

Phase 1 allocated 15 loans to fourteen organisations, totalling £1,751,010. The unallocated £48,990 will be rolled over to the Phase 2 loan pot. Please see Annex A for further information on individual projects.

The live portfolio of completed projects spans Newcastle, Northumberland, Durham, Sunderland, Gateshead and North Tyneside. While no deals have yet been completed in South Tyneside, opportunities are currently within the pipeline.

. The maximum default tolerance was set at 50%; one £50k investment has been lost due to liquidation. Recovery is not anticipated. This puts the default level to date well within the agreed tolerance.

1.3 Future Pipeline

The active pipeline currently includes five high-quality STO proposals with a combined investment requirement of £420,000. The strength of this pipeline highlights the need to progress Phase 2 promptly to maintain momentum and ensure ongoing demand can be met.

Wider market conditions demonstrate a continued need for such a fund; in addition, the closure of the North East Social Investment Fund in December 2024 has created new gaps in provision, increasing demand for Flexible Social Finance.

1.4 Application of Phase 1 lessons to Phase 2

The North East CA team has worked with BII and stakeholders to address the recommendations of the Mickeldore evaluation. Insights from Phase 1 have been used to inform and strengthen the approach for Phase 2. BII continues to engage with Local Authority business support teams across the region to support SME and social enterprise activity.

1.5 Engagement with Local Authorities

Engagement has been undertaken with Local Authority business support teams across the region, with varying levels of responsiveness and ongoing involvement.

Throughout Phase 1, continuous feedback has been gathered from applicants, consultants and sector stakeholders to refine the offer. A July 2025 roundtable brought together funders, advisors, recipients and wider sector representatives to identify gaps and improvements.

Key priorities emerging from this engagement within the STO sector were:

- Longer repayment periods
- Increased support for female founders
- Greater support for ethnic minority founders
- Smaller-value entry loans for high-impact organisations

In response, Phase 2 will broaden its focus within the STO market to:

- Strengthen support for minority-led STOs, including those led by disabled, female and ethnic minority founders
- Work with strategic partners and the wider business support programme to improve accessibility, ensuring clear referral pathways for STOs that meet the Fund's eligibility criteria and would benefit from patient, flexible repayable finance.

This approach ensures the fund complements rather than duplicates the wider business support offer, with business support mechanisms acting as a key referral route into the Flexible Social Finance Fund for eligible STOs.

1.6 Delivery of Phase 2

BII has delivered Phase 1 on a test-and-learn basis and their extensive experience in the social investment sector has supported effective delivery. BII have agreed to continue as the delivery partner for Phase 2.

BII operate on a cost-recovery basis, with management fees covering only the direct costs of fund management activity. This ensures value for money and avoids profit extraction from the programme. Costs are contractually agreed, and subject to ongoing oversight through governance and reporting arrangements.

2. The Investment Proposal

Approval is sought to continue the Social Finance Fund into Phase 2, building directly on the successful delivery and learning from Phase 1. Phase 2 will use the £1.9m remaining allocation to establish a £1.5m lending pot, delivered over an 18-month period, offering flexible, repayable finance of up to seven years to Socially Trading Organisations (STOs) across the North East. To maintain continuity and maximise public value, the £48,990 unallocated Phase 1 loan funds and all recyclable repayments will transfer into Phase 2, ensuring no loss of resource and strengthening the overall fund capacity.

2.1 Phase 2 will deliver the following:

- Continuity of support for STOs, preventing loss of momentum and enabling organisations to access the finance needed to grow and strengthen core services.
- Improved affordability and accessibility, with a discretionary seven-year repayment period and a lower entry point for organisations with significant social impact. This is designed to remove financial barriers for early-stage, community-led and under-represented founders who are most affected by lack of affordable finance.
- A stronger, more inclusive fund design, with simplified processes, clearer guidance, and tailored support to help organisations who may lack confidence or experience in applying for investment. This includes targeted support for female founders, ethnic minority leaders, disabled and neurodiverse founders, and rural or community-based organisations.
- Expanded outreach and engagement, involving collaboration with community leaders, grassroots networks, local anchor institutions, and regional intermediaries to ensure the fund reaches those traditionally under-served by finance. This is supported by a strengthened marketing and communications plan to proactively promote the fund across diverse communities.
- Inclusive governance, with continued development of a diverse Investment Committee capable of offering a broad range of perspectives and lived experience, ensuring fair, transparent and representative decision-making.
- Support for North East CA priorities, including job creation, reduced economic inactivity, improved business productivity, strengthened community services, and measurable contributions to reducing child poverty.
- A platform for external co-investment, enabling the North East CA to leverage additional social investment and increase the long-term scale and sustainability of the fund, enabling us to support a larger number of initiatives and deliver greater impact across the North East region.
- An improved Investment Committee, with refreshed membership and a dedicated pool of socially trading organisation representatives, ensuring lived experience and sector perspectives are consistently reflected in decision-making.

2.2 Delaying or rejecting this proposal risks:

- Disruption in access to finance for STOs during a critical period of need.
- Loss of trust and momentum built within the sector by BII's regional presence and reputational risk to the North East CA.
- Undermining efforts to attract private investment for Phase 2 due to uncertainty and operational discontinuity.
- Repeating earlier inefficiencies and delays experienced at the start of the fund, which negatively impacted delivery and stakeholder confidence.

3. Outputs and Outcomes

3.1 We have retained an average loan value of £120k for Phase 2 to remain consistent with the fund's established approach of providing smaller, flexible, and accessible finance. This supports our ambition to reach approximately 12 organisations, alongside delivering wider outcomes including non-financial support, job creation and safeguarding, and the protection or development of community spaces. Maintaining this average widens our reach, strengthens inclusion, reduces portfolio concentration risk, and ensures the fund continues to remove barriers to finance while generating meaningful social and economic impact across the region.

The jobs created are a proportional adjustment ensuring operational feasibility and importantly, targets such as community spaces created/safeguarded have been retained at two, recognising the indivisible nature of this outcome type and the need to sustain meaningful place-based impact.

Overall, the revised targets continue to demonstrate strong value for money, support a diverse range of socially trading organisations across the region, and remain aligned with the North East CA's strategic priorities for inclusive economic growth and social innovation.

Output	Target	Rationale behind forecast
Number of enterprises receiving financial support other than grants	12	Continued from Phase 1
Direct job creation	10	Scaling to £1.5m ($1.5 / 1.8 = 0.83$) gives: $12 \times 0.83 = 9.99 \rightarrow 10$
Creation/Safeguarding of safe place for communities	2	Continued from Phase 1
Number of enterprises receiving non-financial support	36	Informed by evidence from Phase 1, during which 25 organisations received non-financial support in a single year. We have slightly reduced the figure for Phase 2, as we anticipate that partnerships will strengthen, awareness of the fund will grow, and investment readiness requirements will become better understood. As the ecosystem develops, organisations are expected to access the appropriate support earlier, before approaching the investment fund, resulting in a lower annual average of non-financial assistance required.

3.2 Additional outputs

We place significant value on understanding how many investments reach minority and disadvantaged founders, including, but not limited to, women, ethnic minority founders, and disabled or neurodiverse leaders. Learning from Phase 1 has highlighted the opportunity to strengthen oversight by consistent capture of such data.

For Phase 2, it is proposed that equality and representation data is systematically captured at application and investment stage, with agreed output measures monitored through regular reporting to the Investment Committee and Steering Group. This will support accountability for improving representation, provide visibility of who the Fund is reaching, and enable progress against inclusivity objectives to be evaluated over the lifetime of the Fund. We will work with BII to ensure this is captured.

An important additional output of the Fund is the value generated through Big Issue Invest's activity beyond the deployment of capital. This includes structured support to social purpose organisations, improved investment readiness, and facilitated engagement with a wider pool of potential investors and funders across the region.

While it is not currently possible to robustly quantify the level of follow-on investment secured in the North East as a direct result of this activity, the resulting market-development effects, including strengthened pipelines, improved deal quality, and increased investor awareness of the region's social

economy, represent a material additional benefit, extending the overall impact of the North East CA's investment.

This fund model is now also being considered by other Combined Authorities across the UK – meaning that nationally more socially trading organisations may benefit from capital investment which otherwise wouldn't have been made available.

Description of Outcomes	Timeframe for achievement
Social Impact Growth	Ongoing up to Dec 2034
Revenue Growth	Ongoing up to Dec 2034

3.3 Wider impacts may include but not be limited to the applicant organisations' social goals:

- Poverty reduction
- Reduction of homelessness
- Increasing mental health and wellbeing
- Rehabilitation
- Increase community cohesion.
- Community regeneration development

3.4 Please see Appendix A for further info on individual wider outputs.

4. Timetable for Implementation

Milestone	Forecast Date
Phase 2 delivery begins	Feb 2026
Phase 2 delivery ends and all loans defrayed	August - October 2029
End of portfolio management and all loan payments returned	Dec 2034

5. Evaluation

The Social Finance Fund addresses a clear market failure for early-stage socially trading organisations (STOs), which face higher-than-average failure rates and limited access to mainstream finance. Despite this risk profile, the Fund has demonstrated strong value for money.

An independent evaluation by Mickledore Ltd (October–November 2025) confirms Phase 1 as a highly successful pilot. Eleven investments have been delivered, supporting organisations to grow, safeguard jobs and expand community services. The Fund achieved a Benefit Cost Ratio of 4.6. Default performance is currently 4.6% (one default), significantly lower than the modelled range of 20–40%. As the portfolio is still early in its lifecycle, performance will continue to be monitored as loans mature.

The evaluation confirms strong demand for flexible, affordable social investment and highlights the value of Big Issue Invest's person-centred support model in enabling organisations to become investment-ready.

Key areas for Phase 2 development include:

- Stronger regional outreach, particularly to underrepresented groups and across all local authority areas
- A more streamlined loan structure to balance flexibility and efficiency
- Enhanced governance diversity, including rotating STO representation

Based on the evaluation, it is recommended that Phase 2 proceeds, retaining the core flexible loan model and Fund Manager role with Big Issue Invest, while strengthening outreach, improving product consistency, and exploring co-investment opportunities to increase scale and sustainability.

Taken together, the evidence supports progression to Phase 2 as a continuation and scaling of a proven intervention delivering clear economic and social value.

An independent evaluation of Phase 2 will be commissioned within 12 months of delivery

6. Appraisal

Proposal Description/Strategic fit

Phase two of the Social Finance Fund follows an initial phase one project. Delivery of the first phase will end on 31 December 2025. The project will seek approval to use £1,907,098 for phase two.

The strategic case is rated Green. Local context is clear. The alignment of flexible business funding to the Corporate Plan and Mayor's Missions are outlined. A Greener North East, Skills, Employment & Inclusive Growth and Local Growth, Regeneration & Place are referenced. The alignment to regional priorities is clear.

The applicant highlights the effects that the project funding will have on productivity, growth, SMEs and social enterprises.

This is a North East CA application. Big Issue Invest (BII) are the customer facing delivery partner whose strategic focus to back sustainable social enterprises and charities to tackle poverty and inequality are described. Ambitions to develop reach and impact in the North East is highlighted.

The applicant sets out the importance of Socially Trading Organisations (STOs) in the North East to deliver inclusive growth, tackle inequalities and support local communities. The application goes on to highlight the barriers that they face in accessing finance.

BII are a suitable and appropriate delivery partner who has objectives that align to strategic priorities.

Economic Case

Outputs have been presented that are in line with the activity and integrated settlement objectives. Investment in STOs represents economic and social impact returns for the North East. Phase 1 impact has been demonstrated in an evaluation that was compiled by Mickledore Ltd and highlighted STO growth, which delivers community benefits, safeguarding and creation of jobs. Achieving a BCR of 4.6 is *very good*.

Consideration of outputs and/or outcomes that further demonstrate the impact that funding for STOs can make, for example, if appropriate; Direct Jobs Safeguarded and/or People outputs may further strengthen the Economic Case.

The applicant acknowledges and outlines other providers of social sector finance support. In doing so, key unique elements are described to demonstrate that the fund meets market gaps. Distinctions between North East Combined Authority funds; Regional Access to Finance and Mayor's Opportunity Fund are apparent.

Commercial Case

The commercial case is strong. A pipeline of demand is highlighted and the phase 1 evaluation is cited in support of this. Phase 1 delivery demonstrates Big Issue Invest capacity.

Procurement has not been undertaken. The applicant confirms that BII will apply procurement thresholds, as set out in the grant funding agreement.

Financial Case

Capital and revenue costs have been identified and attributed to the project, while the spend profile is in line with completion dates.

This programme is currently 100% funded by the North East CA. While match funding continues to be explored, no firm agreement is in place at this time, and associated legal considerations are taking longer than anticipated to resolve. Proceeding with the North East CA allocation therefore represents the most appropriate option to ensure continuity of funding for the sector and to mitigate the risks of not progressing, as set out in section 2.2

Capital repayments and interest are received on a monthly basis. While the Fund is not intended to be fully self-financing in its early years, the recycling of repayments and the interest generated as the portfolio matures is expected to improve sustainability over time. Interest income is expected to make an increasing contribution towards the cost of portfolio management, which in turn strengthens the Fund's attractiveness to external investors. Over the full five-year repayment period, Phase 1 loans alone, are forecast to generate a total return of £138,079.02.

Management Case

Structures are in place to ensure that delivery will be well-managed and this is supported by the success of phase 1. There is comfort that North East CA will provide appropriate oversight and scrutiny.

Big Issue Invest have extensive experience in managing finance including loans and equity. Existing and working funding management systems and processes are in place and well described.

Compliance requirements are considered and describe suitable monitoring, claim management and reporting systems. The project will operate on an advanced payment model.

Where funding enters into a transaction that is better than market terms then a subsidy is likely to occur. Such transactions are likely to be of relatively low value and should fall within MFA individually. Subsidy positions should be reassessed should future match funding be agreed.

7. RAG Assessment

For reference the previous RAG rating has been included below which confirmed an overall rating of green by the external appraiser.

Overall RAG assessment		
Risk Rating	The Strategic Case	GREEN
	The Economic Case	GREEN
	The Commercial Case	GREEN
	The Financial Case	GREEN
	The Management Case	GREEN
	Overall Rating	GREEN
Overall RAG assessment		

8. Recommended Conditions of Funding

A revised Funding Agreement between the North East CA and the Fund Manager, Big Issue Invest, will be issued reflecting the Phase 2 scope, terms, and reporting requirements. This will include updated financial tables to incorporate Phase 1 underspend once a final figure is confirmed.

The introduction of any co-investment will be considered subject to legal advice and appropriate consultation with Technical Officers Group and Finance and Investment Board, in line with the Single Assurance Framework.

9. Potential Impact on North East Combined Authority Objectives

The Flexible Social Finance Fund addresses a number of the strategic priorities of the North East Combined Authority. Investment through Phase 1 demonstrates how the fund is contributing to such priorities through the impact that it has created thus far for example, by creating sustainable jobs, enabling the social sector to grow and thrive through repayable finance and the support for social value through the organisations that have been supported to date. Specifically, the fund will continue to support the following:

The proposal aligns with the North East CA Corporate Plan 2024–28 and the Mayor’s Missions, supporting inclusive growth, strengthening the foundational economy and enabling sustainable communities.

Phase 2 will provide flexible finance to organisations excluded from mainstream lending, enabling growth, job creation and investment in sustainable and low-carbon activity. This supports greener business, local productivity and economic resilience.

The Fund contributes to skills and employment priorities by supporting organisations that create and safeguard jobs, deliver training and improve access to work, particularly for those furthest from the labour market.

Through support for place-based organisations involved in regeneration, community infrastructure and local service delivery, the Fund complements wider housing, land and regeneration strategies.

Reducing child poverty is a core strategic priority. By investing in organisations delivering frontline services such as childcare, youth provision and family support, while also strengthening local employment and household income, the Fund contributes directly to improved life chances and community stability.

Overall, Phase 2 represents a strategic intervention that supports inclusive economic growth, environmental sustainability and stronger, more resilient communities across the North East.

Together, these wider impacts demonstrate that the Social Finance Fund is not only delivering direct economic and social outcomes but is also strengthening the fabric of the North East’s social economy — building resilience, fairness and opportunity in ways that align powerfully with the North East CA’s long-term ambitions.

10. Key risks

Risks remain in line with the Phase 1 original delegated decision; a link is available in section E. The risks associated with the delivery of the project outlined in the report are actively managed at several levels. Risks are managed by the project sponsor and as a part of the regular claims and monitoring activity undertaken by the Programme Management Office.

In terms of risk management in project delivery, BII is an FCA-regulated organisation with the attendant risk management procedures and processes in place. For example, BII have a stringent appraisal and monitoring system to manage any risks associated with awarding funds to ineligible or inappropriate sectors or activity. BII will manage fraud risk through the appraisal and due diligence process and carry out checks using a credit check system. Processes to forecast and monitor repayments will be in place to ensure default is minimised and an independent Investment Committee will oversee all due diligence and make final awards, along with BII and North East CA representatives.

11. Financial and other resources implications

As noted, this commits the remaining funds from the previously-allocated £4m from the North East CA's Investment Fund. An updated financial profile for the project/programme, inclusive of the proposed additional funding of £1,907,098 is included below:

Funding Source	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2031/32	TOTAL
Capital	£250,000	£1,000,000	£250,000						£1,500,000.00
Revenue	£52,019.83	£135,011.83	£54,436.56	£29,677.56	£30,059.56	£34,344.56	£46,890.56	£24,657.56	£407,098.00

See **Appendix B** for a more detailed breakdown.

The residual Phase 1 balance of £48,900 arises as this amount falls below the Fund's minimum investment threshold and therefore could not be deployed within Phase 1.

Capital Allocation:

- The residual £48,900 will be allocated to capital in Q4 2025. This amount is outside the Phase 2 funding totals presented in the financial tables at Appendix B, which summarise Phase 2 funding only, for which approval is sought through this report.
- The capital allocation is designated exclusively for the lending pot.

Revenue Allocation:

- BII fund delivery costs and 5 years of portfolio management.
- Funding allocated to North East CA to be used to deliver a launch and celebration event, targeted marketing and content development (including video production), and a programme of engagement events with key leaders. It will also provide support for Investment Committee members where financial barriers may prevent full participation, helping to ensure inclusive and accessible decision-making.

A. Legal implications

The Monitoring Officer has been consulted and has no comments to add.

B. Equalities implications

The North East CA follows the Public Sector Equality duty and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. This project aims to support a diverse range of organisations.

C. Consultation and engagement

Comprehensive consultation began prior to the establishment of Phase 1 and has been sustained throughout delivery to inform the design of Phase 2. Engagement activities have included workshops, surveys, and direct dialogue with STOs, sector stakeholders, delivery partners, and lenders. Stakeholder engagement continues to be central to the fund's approach, underpinned by regular steering groups and Investment Committee meetings, structured feedback mechanisms, and ongoing collaboration across the ecosystem.

D. Appendices

- A – Further info on lenders and loan
- B- Finance breakdown

E. Background papers

North of Tyne Combined Authority [Delegated Decision Report](#) 29 February 2024 – Social Finance Fund – Flexible Social Finance Phase 1
North East Combined Authority [Delegated Decision Report Flexi PCR](#) 20 June 2025.

F. Contact officers

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G. Glossary

STO – Socially Trading Organisation
PCR – Project Change Request
BII – Big Issue Invest
North East CA – North East Combined Authority
NTCA – North of Tyne Combined Authority
FSF-Flexible Social Finance

H. Consultee

Cabinet Member:	Director/Head of Service:	Director of Finance and Investment:	Monitoring Officer:
Yes	Yes	Yes	Yes/N

Appendix A – Portfolio of investments

Organisation Description	Project Description	Loan
Participatory Performing Arts Charity - an inclusive hub.	Transforming a vacant building, diversifying income streams through room hire/café	£200,000.00
Female led CIC, empowers vulnerable British African women by providing practical training, transferable skills, and income-generating opportunities through textile recycling, repair, and resale.	Purchase forklift truck, fabric baler and stock, refinance of a current loan. Investment will reduce waste, generate sustainable income and equip African women with skills, networks and confidence to thrive.	£65,000.00
Promotes music related activities in rural areas, engages young people, older adults and those facing disadvantages such as low income or disabilities.	Diversifying income streams though adding: membership offers for tutors, instrument library, community based activities and a revamped donation service. Investment will enable website and system software updates, purchase of equipment and working capital.	£50,000.00
Provides essential community transport services particularly for SEN children in rural areas, elderly and disabled individuals, patients accessing healthcare and isolated communities.	Purchase of property for its own continued use and opportunity to develop greater community use and generate additional revenue.	£200,000.00
Community benefit organisation operating premises/charity shop in rural town as centre for community groups support.	Purchase of high street premises and existing rented property shop front for ongoing provision.	£60,000.00
Training organisation providing access and support to work	Working capital for employment /staff recruitment for growth and further contract delivery across the region and beyond.	£100,000.00
Community facility providing a place to work, learn, relax and engage in many activities including a full service nursery, café and events space.	Capex investment to unlock more physical space and through refurbishment, use it better/fit for purpose in order to support growing 'Shedders' demand, increased rental revenue from new units and increased capacity for oversubscribed and very popular on site nursery.	£225,510.00
DIY community music venue and community radio station	Development of a café/restaurant to provide additional revenue and venue space.	£64,000.00
Community Theatre (Gosforth Civic Theatre), café and community space.	Working capital for employment to support the further development and proactive management of ticketing and space usage and development of a corporate membership package.	£100,000.00
Amble based community theatre company, taking culture out to isolated rural/semi rural populations through their seasonal touring performances	For working capital cashflow purposes allowing them to develop, market and sell committed productions to venues earlier in the season/locking in savings and stealing a head start on sales by moving away from the dependence on grant approvals prior to committed productions.	£50,000.00
Historic cultural visitor attraction with strong community links and dependencies.	Capex investment for groundworks to produce/improve visitor parking facilities at site – providing all weather accessibility and great all year round capacity for their growing visitor numbers – supporting local jobs and securing community cultural asset.	£100,000.00
Support to socially excluded people/ opportunities to empower them/turn lives around via training and housing.	Funding to expand its young care leavers provision due to direct request from Durham CC, as well as increase capacity at its Durham Hub for additional training provision.	£300,000.00
Recovery support from various additions /mental wellbeing	Reopen the café on a more professional basis to generate a modest surplus to meet the cost of borrowing and ideally contribute to the charity's costs, but equally, to add to the community hub offer, and provide training and volunteering opportunities for people in recovery	£50,000.00
Counselling services covering schools, social care, individual and family services, business support, telehealth services, specialised programs, events, and training.	Investment to kick start the commercial approach via equipment and systems upgrades (£25k), repay some very high interest debt (£11.5k) and allow for some working capital (£20k).	£56,500.00
Community facility providing a place to work, learn, relax and engage in many activities including a full service nursery, café and events space.	Capex investment to complete the installation of solar panels on all available roof space, generating own source of power, contributing to reduced running costs and mitigation of exposure to rising and volatile energy prices.	£130,000.00
	TOTAL ALLOCATION:	£1,751,010.00

APPENDIX B – Financial tables of Phase 2’s £1,907,098 allocation

Revenue Vs Capital:

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2031/32	
Capital	£250,000.00	£1,000,000.00	£250,000.00						£1,500,000.00
Revenue	£52,019.83	£135,011.83	£54,436.56	£29,677.56	£30,059.56	£34,344.56	£46,890.56	£24,657.56	£407,098.00
Revenue Breakdown									
Revenue for BII	£26,600.00	£109,592.00	£37,490.00	£12,731.00	£13,113.00	£17,398.00	£29,944.00	£7,711.00	£254,579.00
Revenue for NECA	£25,419.83	£25,419.83	£16,946.56	£16,946.56	£16,946.56	£16,946.56	£16,946.56	£16,946.56	£152,519.00

Capital deployment and BII revenue cost breakdown:

	2025/26					2026/27					2027/28					2028/29						
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total		
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar			
Lending Capital				250,000	250,000	250,000	250,000	250,000	250,000	1,000,000	250,000				250,000						-	
Salaries				22,000	22,000	22,660	22,660	22,660	22,660	90,640	23,340				23,340						-	
Flat Rate Indirect Costs				3,300	3,300	3,399	3,399	3,399	3,399	13,596	3,501				3,501						-	
Travel & Expenses				600	600	618	618	618	618	2,472	637				637						-	
Accommodation costs				200	200	206	206	206	206	824	212				212						-	
Materials and Consumables				500	500	515	515	515	515	2,060	530				530						-	
Evaluation																					-	
Other Revenue																					-	
																					12,731	
Total Capital	-	-	-	250,000	250,000	250,000	250,000	250,000	250,000	1,000,000	250,000	-	-	-	250,000	-	-	-	-	-	-	
Total Revenue	-	-	-	26,600	26,600	27,398	27,398	27,398	27,398	109,592	28,220	3,090	3,090	3,090	37,490	3,183	3,183	3,183	3,183	3,183	12,731	
Grand Total	-	-	-	276,600	276,600	277,398	277,398	277,398	277,398	1,109,592	278,220	3,090	3,090	3,090	287,490	3,183	3,183	3,183	3,183	3,183	12,731	
	2029/30					2030/31					2031/32					2031/32					Programme	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Total	
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar			
Lending Capital																					1,500,000	
Salaries																					135,980	
Flat Rate Indirect Costs																					20,397	
Travel & Expenses																					3,709	
Accommodation costs																					1,236	
Materials and Consumables																					3,090	
Evaluation																						
Other Revenue	3,278	3,278	3,278	3,278	13,113	3,377	3,377	3,377	7,268	17,398	7,486	7,486	7,486	7,486	29,944	7,711					7,711	90,166
Total Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000
Total Revenue	3,278	3,278	3,278	3,278	13,113	3,377	3,377	3,377	7,268	17,398	7,486	7,486	7,486	7,486	29,944	7,711					7,711	254,578
Grand Total	3,278	3,278	3,278	3,278	13,113	3,377	3,377	3,377	7,268	17,398	7,486	7,486	7,486	7,486	29,944	7,711					7,711	1,754,578