

# **Adventure Capital Fund**

Partners:       New Economic Foundation  
                  Local Investment Fund  
                  Development Trusts Association  
                  The Scarman Trust

Home Office (Active Communities Unit)  
Office of Deputy Prime Minister (Neighbourhood Renewal Unit)  
Department for Trade and Industry (Social Enterprise Unit)  
Regional Development Agencies (East of England, London, East  
Midlands, Yorkshire and Humber)

Endorsed by Bank of England.

## **Pilot**

Launched Autumn 2002. Approx £2.5m in funding

- Pilot a range of alternative approaches to financial investment for community initiatives
- Develop and evaluate new assessment processes for selection
- Fund 5 to 10 projects £50k to £400k
- Fund 20 smaller projects (development grants of around £15k)

## **Aims**

- Achieve long term regeneration through sustainable enterprise
- Achieve social benefits and reinvest surpluses back into community
- Enable longer term planning
- Enable securing of finance from wider marketplace
- Shift away from short term grant dependency to longer term financial stability
- Build a strong community sector

## **Projects invested in**

- Community enterprises
- Development trusts
- Credit unions
- For case studies and further info see Stephen Thake's "Primed for Growth"  
Adventure Capital Baseline Report

## Round 2

About to be launched (further £4m pledged by Home Office in July 03)

Applications invited – for application information contact Neil Chadwick, ACF Administrator, Local Investment Fund, 123 Minories, London EC3N 1NT  
Tel 020 7680 1028; [neil@lif.org.uk](mailto:neil@lif.org.uk) or download from LIF website  
[www.lif.org.uk](http://www.lif.org.uk)

Over 500 expressions of interest received so far

## Main focus for Round 2

The fund is looking for innovative projects that are capable of replication and are investment ready. Assessment criteria includes:

- Building strong, independent community based organisations, especially in deprived neighbourhoods
- Building the capacity of BME and other deprived groups to engage directly in the delivery of crime reduction activity
- Capacity building of BME organisations
- Building social capital which promotes neighbourhood action to reduce crime and anti social behaviour and combat drug abuse
- Provision of community based services engaged with  
Children and young people  
Crime Reduction  
Drug Prevention  
Employment Initiatives  
Community care and mental health  
Vocational training

## Investment Products

Three types of investment

- Major investments for asset development (purchase of land, buildings, refurbishment costs etc) £50k to £400k
- Seed Capital for costs of pre launch and start up expenses, product development or investment in systems/equipment £15k to £50k
- Working capital to help organisations strengthen their cash flow during gaps in grant/revenue funding or to finance stock, debtors etc £15k to £50k

## Repayment

- Capital holiday period of up to 5 years at low rate of interest
- Precise level of rate of interest determined in light of expected social outputs of project

## **Post Investment Technical Support**

Alongside the investment, clients will be provided with support by experienced practitioners specialising in Community Enterprise, to enable them to improve and develop the business as well as to deliver the project being financed.

Technical support will concentrate upon

- Organisational development
- Business model
- Financial performance
- Social return and impact