

## Responsible Finance's Annual Report to Members

In one way or another you have all raised the bar in 2020 - whether you're a business lender who has stepped up your lending almost three fold to support businesses struggling to survive; a social enterprise lender so connected with your community that you pivoted your infrastructure to deliver grants because that is what you saw was needed most; or a personal lender who reallocated its resource to support the most vulnerable customers in the UK – and we are so proud to be your trade association.

2020 was like no other and the sector has responded exceptionally. As your trade association we have worked hard to champion both you and the businesses, social enterprises and individuals you support. Some of our own highlights have been:

- **Granting £42,000 of transformative cash awards** to 10 outstanding businesses in last year's Citi Microentrepreneurship awards. We are grateful to the Citi Foundation for working with us to adapt the event. In an unprecedented time, the Awards made a tangible difference, protecting businesses, jobs and livelihoods.
- **Successfully advocating for Fair4All Finance to provide COVID-19 resilience funding to affordable credit providers**, which many members in England were able to access.
- **Becoming enablers for local climate action** by launching the CDFI Climate Action Working Group.
- **Turning £30m into £89m for under-served businesses through our Responsible-Finance-run £30 million Regional Growth Fund**, which smashed targets to support businesses, create and save jobs in its eight years. In 2020 we published the fund's [impact report](#). It is a proof of concept for unlocking investment into underserved businesses in deprived communities across the UK, delivered by CDFIs.
- **Building a strong network of CDFI champions** in the Government, civil service and the British Business Bank.

We believe 2021 presents an opportunity for us as a united, purpose-driven finance sector to support more people than ever, to boost our economic recovery from the shocks that defined 2020, and provide the right financial support to the social enterprises and charities who have kept the country going and been the lifeblood of local communities.

We would like to use this opportunity to take stock of what we did in 2020; nothing that would have been possible without your hard work, input, and engagement. We hope we can continue to work even more closely with you through 2021 to realise our vision:

*To create a fair financial system in the UK by scaling up the community development finance sector, so that investment flows into communities to create positive economic social and environmental impact. No viable business left unsupported; no person forced into unacceptable hardship; no social enterprise not able to realise its goals to make the world a better place.*

### **In 2020 we gained increased support from MPs and civil servants...**

*“Community development finance institutions can also play a part. They need funding from the Government to do it. All we need to do is tell the banks, as they do in the US, to lend money to these organisations, which can lend money profitably and with sensible lending conditions, but with a social purpose. They can provide more patient capital and more financial inclusion. It is a huge opportunity.”*

Kevin Hollinrake, Conservative MP for Thirsk and co-chair of the All Party Parliamentary Group on Fair Business Banking, November 2020

- **We wrote over 50 letters to MPs, AMs and MSPs**
- **We attended over 25 meetings with MPs, Civil Servants and the British Business Bank**
- We wrote 15 consultation submissions and reports on behalf of the sector.
- We gained support from 6 high-profile organisations, research centres and trusts for our open letter to Rishi Sunak which called for a No Interest Loan Scheme and emergency grants for individuals.
- We held a promising cross-departmental meeting with the British Business Bank and the Department for Business Energy and Industrial Strategy about funding for the sector.

**We have been committed to raising the profile of the sector and creating a positive policy environment. Some highlights are...**

- Attending 130 meetings with stakeholders, journalists and funders
- Released 30 articles, opinion pieces, open letters and case studies
- Tweeting over 750 times, having 6,500 twitter profile visits, and gaining over 200 new followers
- Sitting on the Money and Pensions Service's Credit Counts challenge group
- **Presenting to a group of 40 social investors about the sector**
- Joining the Finance Innovation Lab's Transforming Finance Network to collaborate with other purpose-led finance organisations
- **Meeting with StepChange Debt Charity to create closer referral links with CDFIs**

**We welcomed new members, and engaged more with existing members...**

- **In 2020 we welcomed 5 new members - Salad Money, Enterprise Answers, NEL Fund Mangers, Chamber Acorn Fund and Banc cambria - to the Responsible Finance community!**
- **We started two new member working groups on climate action and funding.**
- **We met with them, the enterprise lender's network, personal lender's network and Social Investment Forum 25 times**
- **And we met with individual members over 30 times**

**Thank you all. We look forward to continuing to work with you in 2021 to build on this momentum!**