



Scottish Communities Finance Ltd
Reinvesting In Your Community

SCOTTISH COMMUNITIES FINANCE LTD

News release

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New Community Bonds to offer financial lifeline to grassroots social enterprises in Scotland

Social enterprises in Scotland could be set to benefit from a brand new loan fund, financed by individuals and organisations within the sector through a community bond offer.

The initiative has been set up by Scottish Communities Finance Ltd (SCF), which has identified a need for alternative forms of social investment in small-scale community enterprises.

The bond aims to raise between £75,000 and £100,000 through the sale of community bonds costing £50 each.

The bonds, which can be bought by individuals or organisations, offer a 2% return upon maturity over a period of three to seven years. The money raised through the sale of bonds will then be used to set up a loan fund for social enterprises.

It is hoped that the fund will help fill the lending gap which has been created by the reluctance of banks and social investors to deal in micro and unsecured loans – often leaving small-scale community organisations with few or no options when it comes to seeking finance.

SCF aims to assist Scotland's communities to become more viable and more vibrant – including supporting local job creation, regeneration and improved local services.

SCF's first Community Bond was developed in conjunction with Scotland's Social Enterprise Networks and will close on the 7th May 2018.

Speaking of the bond offer, SCF secretary Pauline Hinchion said:

“Purchasing Community Bonds is about making an investment in your local community. Becoming a Community Investor shows your support for your community and encourages regeneration, local job creation, vibrant local facilities and a diverse economy.

“We believe in encouraging ordinary people to invest in their communities – by pooling their financial resources into community loan funds and lending this out to community businesses and social enterprises – they can help make communities more sustainable.”

For more details, contact SCF on 07934690429 or email info@scotcomfinance.scot. See <https://www.scotcomfinance.scot/communitybonds/sen-community-bond-offer-sen1>

Full Community Bond Offer document can be found here: <https://www.scotcomfinance.scot/wp-content/uploads/2017/11/SEN-Community-Bond-Offer.pdf>

Ends

Notes to editors

- Scottish Communities Finance (SCF) Ltd is a Community Benefit Society (BenCom) registered with the Financial Conduct Authority (FCA) under the Co-operative and Community Benefit Societies Act 2014, registration number 7649. Each community partner it engages with has a representative voice on the BenCom, thus ensuring that it listens to and acts upon the needs of the community partners.
- Scotland's Social Enterprise Networks works to ensure social entrepreneurs have the support they need to grow and prosper. <https://sencot.net/networks/>
- There are 24 Social Enterprise Networks across Scotland – 18 are geographically based and six are thematic. Collectively they represent 1,300 social enterprises.
- Social and community enterprises often emerge where there is market failure because providing goods or services would not be sufficiently profitable. Such enterprises can be a lifeline to regeneration communities and those in remote rural areas.