

A TRADE ASSOCIATION FOR COMMUNITY  
DEVELOPMENT FINANCE INSTITUTIONS



A CONSULTATION DOCUMENT

# Foreword

Britain is getting steadily more prosperous, but the gap between rich and poor communities continues to widen. This is in part because many of our poorest communities, urban and rural, cannot attract the sort of investment required to support the growth of business and social enterprise. Don't get me wrong, lots of money is spent precisely because these are areas characterised by crumbling infrastructure, high unemployment and low incomes. Yet the vicious circle of disinvestment is not being checked. Market and public sector failure, conventional mindsets and interventions have created a situation where wealth creation is only a dream.

Community Development Finance Institutions (CDFIs) have played an important part in attempts to regenerate such communities, but in the UK they do not currently operate on a large enough scale. Compared with the United States, the UK CDFI sector is small, heavily loss-making and patchy in its operation.

American experience suggests that in order to maximise their potential, UK CDFIs need to raise their profile and engage in a continuous process of quality improvement. To accomplish this, CDFIs need a strong trade association, capable of representing them to government, investors and other stakeholders. A trade association will also offer numerous member benefits and ensure that good practice is both transmitted and monitored across the sector.

This document sets out the way in which a trade association might be established and seeks consultation on key points. The aim is to create the association during 2001 and to achieve financial sustainability by 2004.

I would urge anyone with a professional or personal interest in social, economic, physical and environmental renewal to take part in this consultation.



Andrew Robinson  
Chair, UK Social Investment Forum

**Action required:** Please complete the feedback form at the end of the document and return it along with any other comments to:

Ros Boyle, Community Finance Officer  
UK Social Investment Forum, Holywell Centre, 1 Phipp Street, London EC2A 4PS.  
Fax 020 7749 4881; Tel 020 7749 4880; e mail [ros.boyle@uksif.org](mailto:ros.boyle@uksif.org)

If you require any further copies of this document contact Ros Boyle or visit [www.uksif.org](http://www.uksif.org)

**Deadline:** Friday, 29 June 2001

#### **CDFI TRADE ASSOCIATION STEERING GROUP**

**CHAIR** – ANDREW ROBINSON; **SECRETARIAT** – ROS BOYLE; **JOHN ATTREE**, EXECUTIVE DIRECTOR, BUSINESS DIVISION, PRINCES TRUST; **ALAN BRETHERTON**, CHIEF EXECUTIVE, NATIONAL FEDERATION OF ENTERPRISE AGENCIES; **MICHELE GIDDENS**, MANAGING DIRECTOR, SHOREBANK ADVISORY SERVICES; **MALCOLM HAYDAY**, COMMUNITY FINANCE DIRECTOR, CHARITIES AID FOUNDATION; **KEVIN HORNE**, CHIEF EXECUTIVE, NORFOLK & WAVENEY ENTERPRISE SERVICES; **NAOMI KINGSLEY**, CHIEF EXECUTIVE, LONDON REBUILDING SOCIETY; **DANYAL SATTAR**, DIRECTOR, REBUILDING SOCIETY NETWORK; **ERIKA WATSON**, CHIEF EXECUTIVE, WEETU/FULL CIRCLE FUND

# 01 Background

Britain is enjoying its longest period of sustained economic growth for more than half a century, but the benefits of this continue to be very unevenly distributed. Measured by wealth, unemployment and income levels, our poorest communities have continued to get relatively poorer. This is true in cities and towns, but it also true in the poorest rural areas.

management expertise to develop their ideas and their enterprises.

There are an increasing number of examples around the country where Community Development Finance Institutions (CDFIs) have provided capital, enabling enterprises to grow, add value and create jobs. Clients include conventional, profit-seeking businesses and non-profit-seeking social enterprises. Britain's problem is that this investment has not happened on anything like the scale needed to make a sufficiently large impact on our most under-invested communities.

If CDFIs can play a larger role in rebuilding the economic base of these communities, mainstream investment will again become available and market forces will deliver finance to support the ideas and energy of entrepreneurs. Currently, the system needed to make this happen is lacking, and there is bound to be a lengthy transition during which incentives will continue to be needed.

This is a political, financial and business challenge and CDFIs must be at the centre of it. But they will need to scale up their activities and improve their effectiveness if they are to play a leading role. That is why we need a trade association for CDFIs.

In the UK, the origins of the CDFI sector can be traced back to the 1970s when the co-operative sector pioneered community loan funds and demonstrated their viability. The early and mid 1990s saw a further wave of new innovations in the sector.

But the sector is still too small. Research by the New Economics Foundation in 2000<sup>2</sup> estimated that CDFIs had approximately £250 million in capital. This compares to a CDFI sector in the US with capital of approximately £3.4 billion, and bank lending in the UK of £1.51 billion to small and micro businesses in disadvantaged areas<sup>3</sup>.

Without wealth and jobs, communities are forced to fall back on welfare and grants

The Community Development Finance sector exists to tackle the under-investment that is one of the root causes of this problem. Without investment, wealth and jobs are not created. Without wealth and jobs, communities are forced to fall back on welfare and grants, which often have the effect of entrenching deprivation.

It has been estimated that in some poor communities, as much as 75 per cent of cash in circulation derives from central and local government<sup>1</sup> and that a large proportion of this money is spent outside the communities themselves.

In such circumstances, mainstream businesses will not invest, so property values, morale and the level of hope fall further. Public funding in effect compensates people for being poor, rather than helping them to become more prosperous.

In order to reverse this pattern of multiple deprivation we need to find ways of dramatically boosting investment in under-invested communities. This is a task for the private and non-profit sectors, incentivised by government, which is itself motivated both by concerns of fairness and social justice and fiscal self-interest. Revived communities pay taxes rather than consuming grants.

Experience and much research, in Britain, Europe and the United States, have shown that even in the most hard-pressed communities, the conditions exist to make regeneration feasible. There is no shortage of talented entrepreneurs, but they usually lack the capital and

1. 'Where does public spending go? Pilot study to analyse the flows of public expenditure to local areas'. DETR 1998.

2. 'Enterprising Communities: Wealth Beyond Welfare' Social Investment Task Force (2000).

3. 'Finance for Small Businesses in Deprived Communities' Bank of England (2000).

The need for a trade association for CDFIs was identified separately by both the Rebuilding Society Network (RSN) and the National Federation of Enterprise Agencies (NFEA) after consultation with their members.

More recently, as Government has started to take a closer interest in the role of CDFIs in community regeneration, the Social Investment Task Force has made specific recommendations about CDFIs.

This task force, commissioned by the Chancellor and chaired by Sir Ronald Cohen, chairman of Apax Partners, the largest venture capital organisation in the UK, reported in October 2000. In its report, 'Enterprising Communities: Wealth Beyond Welfare,' the task force recommended that CDFIs be encouraged to establish a trade association as a matter of urgency.

A good deal of the task force's analysis stems from experience in the United States, where both the venture capital and community development finance sectors developed earlier and more strongly than in the UK. The UK venture capital system drew heavily upon American example and the task force argues that similar learning can inform community development finance.

The report notes that the US has a number of dedicated trade associations, each for a specific part of the Community Development Finance sector. These include the Community Development Venture Capital Association and the National Community Capital Association (NCCA). Politicians, government officials, bankers and others confirm that these trade associations have been critical in raising the profile of CDFIs, underpinning political support for the sector and enabling CDFIs to achieve more rapid growth and better performance.

From 1990-99, the capital of the NCCA's members grew from \$72.5 million to £1.6

billion, and in 1999 members had a cumulative loss rate of only 1.35%. In the UK, loss rates of over 10 per cent are still common and figures in excess of 20 per cent not unheard of. As loss rates have fallen in the US, disadvantaged communities have come to be seen as viable markets in their own right. This is not something which can yet be said of the United Kingdom.

In short, the UK needs a trade association to catalyse the growth and development of CDFIs. American experience shows that an effective trade association will be pivotal to the ongoing success of CDFIs.

Real synergies exist between traditional enterprise support and socially directed loan funds, which a strong and inclusive trade association can build on for the benefit of both, in particular by:

- United promotion of CDFI interests to government and investors
- Assistance in building CDFI capacity by identifying and spreading best practice
- Providing information and expert advice and support to members.

This consultation document has been designed to capture feedback from CDFIs and other interested parties on the scale of demand for a trade association, its possible structure and proposed services. Appendix 2 summarises the questions posed throughout the document and gives space for answers. We hope you will take time to feed back by 29 June 2001 and so participate in the design of an effective and efficient UK trade association for CDFIs.

**QUESTION 1:**

WHAT KIND OF ORGANISATION ARE YOU: CDFI, CREDIT UNION, BANK, OTHER FINANCIAL SERVICE PROVIDER, TRADE ASSOCIATION, GOVERNMENT DEPARTMENT, BUSINESS, SOCIAL ENTERPRISE, CHARITY, OTHER?

## 02 Vision

The trade association will help to build a thriving CDFI sector in the UK, able to offer a diverse range of financial services designed to stimulate economic activity in every disadvantaged community and thus support the creation of lasting wealth within those communities.

The mission of the trade association will be to grow, promote and strengthen the CDFI sector in the UK

## 03 Mission

The mission of the trade association will be to grow, promote and strengthen the CDFI sector in the UK by becoming a centre for excellence in the full range of issues affecting CDFIs. There are four main elements to this:

- Support the sector's growth and influence, as well as its diversity and capacity to innovate
- Enhance the sector's capacity to deliver sustainable financial services
- Build a clear identity and reputation for the sector with government and investors
- Undertake advocacy on behalf of the sector with regulators, government and investors on issues of regulation, policy and funding

### QUESTION 2:

IS THE SUGGESTED SCOPE OF THE TRADE ASSOCIATION'S WORK, AS SHOWN IN THE MISSION STATEMENT, SUFFICIENT? IS IT TOO WIDE OR TOO NARROW? WHAT WOULD YOU ADD OR SUBTRACT?

### QUESTION 3:

HERE ARE SOME SUGGESTED NAMES FOR THE TRADE ASSOCIATION: ■ UK COMMUNITY CAPITAL ASSOCIATION ■ NETWORK, BUSINESS AND COMMUNITY FINANCE ASSOCIATION ■ NETWORK, COMMUNITY FINANCE ASSOCIATION ■ NETWORK, SOCIAL FINANCE ASSOCIATION ■ NETWORK, COMMUNITY REINVESTMENT ASSOCIATION ■ NETWORK, MONEY 4 CHANGE ASSOCIATION ■ NETWORK, PROGRESSIVE FINANCE GROUP

WHICH NAME(S) DO YOU FEEL WOULD BE MOST APPROPRIATE? OR DO YOU HAVE ANOTHER SUGGESTION?

## 04 Specific goals

The specific goals of the trade association are outlined in the table below, along with some thoughts on how they might be monitored and achieved.

GOAL	INDICATORS	HOW ACHIEVED
<b>A</b> EXCELLENT SERVICE TO MEMBERS OFFERING VALUE FOR MONEY	▶▶ VOLUME OF SERVICE USE, MEMBER SATISFACTION SURVEYS	▶▶ HIGH QUALITY SERVICES, ACCESS TO EXTERNAL FINANCE/ SUBSIDY
<b>B</b> INCREASE THE SIZE AND DIVERSITY OF THE CDFI SECTOR.	▶▶ VOLUME OF LOANS, NUMBER OF CLIENTS, NEW CDFI TYPES	▶▶ CONSULTANCY TO CDFIS, PROMOTION TO INVESTORS AND GOVERNMENT
<b>C</b> IMPROVE AND SUSTAIN PERFORMANCE LEVELS OF CDFIS.	▶▶ MEMBERS AGREE AND PURSUE PERFORMANCE BENCHMARKS	▶▶ PROVIDE BENCHMARKING, CAPACITY BUILDING AND NETWORKING
<b>D</b> IMPROVE REPUTATION OF CDFIS WITH KEY STAKEHOLDERS: GOVERNMENT AND INVESTORS	▶▶ PROMINENCE OF SECTOR ON GOVERNMENT AND INVESTOR AGENDAS	▶▶ PROMOTING BENCHMARKING WITHIN AND OUTSIDE THE SECTOR AND REPRESENTATIONAL WORK
<b>E</b> INFLUENCE THE POLICIES OF GOVERNMENT AND OTHER KEY STAKEHOLDERS	▶▶ STAKEHOLDERS CONSULT WITH CDFIS AND REFLECT THEIR VIEWS	▶▶ TRADE ASSOCIATION IS 'THE VOICE OF CDFIS'
<b>F</b> TRADE ASSOCIATION SUSTAINABLE	▶▶ SUSTAINABILITY BY END 2004	▶▶ INCOME FROM MEMBERS, ACTIVITIES (E.G. TRAINING, CONFERENCES) PLUS EXTERNAL FUNDING AND SPONSORSHIP

### **A** EXCELLENT SERVICE

This would be achieved primarily as follows:

- Vision, mission, goals, strategic development plan and robust business plan fully supported by members
- Regular feedback to members reporting on progress towards goals
- Provide high quality services, as outlined in section 6 below
- Annual survey of members on service quality
- Value for money for members as association draws in external funds where possible

### **B** SIZE AND DIVERSITY OF THE CDFI SECTOR

Growing the CDFI sector and encouraging innovation within it will be a key goal for the Association. Growth will be measured

by the increase in outreach of CDFIs and by the growth in the total amount of loan funds available to through them. The Association will support this growth through the services it offers aimed at building the capacity of CDFIs and through its work with external bodies to bring additional investment to the sector.

### **C** IMPROVE PERFORMANCE AND SUSTAINABILITY OF CDFIS

The services provided by the association will be geared towards improving the performance levels of the membership, and maintaining them once best practice performance levels have been achieved. Services that will contribute to this include capacity building activities such as training, seminars and workshops, and networking facilities.

Performance will be measured by agreed indicators and benchmarks, which will monitor performance in terms of portfolio quality, the efficiency and sustainability of the CDFI, and the social impact of its services. This will allow members to track their performance over time and demonstrate financial and social impact and returns.

### **D** IMPROVE THE REPUTATION OF CDFIS

A key element of the association's work will be to establish a clear identity for the CDFI sector and build a strong reputation for it with stakeholders, thus increasing confidence and investment in the sector. This will be achieved through the promotion of benchmarking as a tool to measure performance, which will allow CDFIs to demonstrate how they perform

## A key element of the association's work will be to establish a clear identity for the CDFI sector and build a strong reputation for it with stakeholders

against sector-wide standards.

As a result, investors will be able to choose CDFIs wisely both in terms of financial return and social impact. Taken together, these activities will demonstrate to government the potential impact of the sector in disadvantaged communities, both economically and socially.

Building the sector's reputation will also require the promotion and publicity of its achievements. This will be carried out through the representational work of the association with government and other key stakeholders, such as banks and other investors, and through the publication of articles, reports and other publicity materials in traditional media and on the internet.

### **E** INFLUENCE THE POLICIES OF KEY STAKEHOLDERS

The association aims to become an influential negotiator and a powerful promoter of its membership's interests. Influencing key stakeholders, including national, regional and local government, the Financial Services Authority, investors and other financial service providers, will therefore be a key goal. This will be achieved through the association acting as a united voice for the sector - representing members' interests at meetings with other stakeholders, representing their views in consultations and negotiating on their behalf regarding policies and regulations affecting the sector.

### **F** A SUSTAINABLE TRADE ASSOCIATION

It is recognised that 'pump priming' funding will be needed to start the association. However, the plan is built upon a clear vision that the Board of Directors will wish to move towards a sustainable position within a reasonable timeframe. Regular income will come from a number of sources, including the following:

- Membership income
- Cash and in-kind contributions from long term corporate supporters
- Fees from training courses, workshops and seminars
- Contribution from annual conference

Sustainability will be measured by the covering of core costs and of additional specific project costs from this income and through external funding streams. It is envisaged that such funding will be sought from the private sector and also from the government and EU, particularly where funding is available to support initiatives for disadvantaged communities.

#### **QUESTION 4:**

DO YOU HAVE ANY COMMENTS ON THE APPROPRIATENESS OF THESE GOALS? IN PARTICULAR ARE THEY TOO AMBITIOUS/ NOT AMBITIOUS ENOUGH? ARE THERE OTHER GOALS THAT YOU FEEL ARE MISSING?

## 05 Membership

A list of potential members of the new trade association is listed in Appendix 1. Some of those listed may no longer be trading, and the list is probably incomplete. The questions in this section are designed to gather information on further potential members and on proposed membership criteria.

### QUESTION 5:

IF YOU KNOW OF OTHER POTENTIAL CDFIs THAT ARE NOT GIVEN IN APPENDIX 1, PLEASE GIVE DETAILS OF NAME OF THE ORGANISATION AND THEIR CONTACT ADDRESS/ E MAIL/ PHONE NUMBER IF POSSIBLE.

Although members will have to meet certain firm criteria, the Association will take an inclusive approach. The key target market will be CDFIs, although other organisations wanting to support the development of the sector will also be welcomed, as set out under the membership categories below.

The term CDFI is usually defined quite widely and covers a diverse range of initiatives including<sup>4</sup>:

- Community Development Banks/Social Banks – for-profit finance providers with social or environmental objectives
- Community Loan Funds – not-for-profit revolving funds for enterprise credit and development.
- Microfinance Funds – revolving funds making very small loans for start ups and micro-entrepreneurs.
- Community Development Venture Funds – provide equity to growth enterprises, where either the enterprises and/or the fund has a social mission.
- Community Development Credit Unions – credit unions with a focus on tackling social exclusion, often with specialised loans for enterprise development.

It may be that new and innovative forms of CDFI develop over time.

The key factors that make CDFIs unique are:

- A concentration on the provision of financial services for enterprise and economic activity, as opposed to personal financial services for consumption

- A focus on disadvantaged communities, whether defined geographically or by a social characteristic, eg ethnic minority communities
- A focus on service provision for the financially excluded, i.e. those that cannot gain access to mainstream finance
- A double bottom line of social as well as financial returns on investment

CDFIs are therefore defined as organisations that provide financial services for economic activities in disadvantaged communities or in underserved markets, targeted at the financially excluded within those communities and markets, and with the primary objective of social as well as financial return.

The Association will seek members from this diverse group, but successful applicants will have to meet the criteria set out below.

### QUESTION 6:

DO YOU AGREE WITH THIS DEFINITION OF A CDFI? IF NOT, WHY IS THIS?

### QUESTION 7:

IS THIS TARGET MARKET TOO INCLUSIVE OR TOO EXCLUSIVE? WHY DO YOU THINK THIS?

### Membership criteria

There will be a two-phased approach to defining membership. In Phase 1 two membership categories are proposed:

- CDFI members
- Supporting members

**CDFI MEMBERS** will need to fulfil the following standard membership criteria initially:

- A mission or primary goal of the organisation must be either community or economic development within disadvantaged communities and underserved markets
- A significant proportion of the organisation's, or one of its subsidiary's, activities must be financial service provision
- The organisation must demonstrate responsible lending practices
- The organisation must be committed to continued professional development, which can be demonstrated through reaching appropriate performance levels within a realistic time frame

It may be that  
new and  
innovative forms  
of CDFI develop  
over time

<sup>4</sup>. 'The State of Community Development Finance 2001' New Economics Foundation (forthcoming).

**SUPPORTING MEMBERS** will be those organisations and individuals that wish to support the development of the CDFI sector but do not wish to become CDFIs themselves, for example mainstream banks, charitable trusts and foundations, research organisations, other networks and trade bodies.

**QUESTION 8:**  
ARE THE CRITERIA FOR CDFI MEMBERSHIP TOO WIDE OR TOO RESTRICTIVE? IF YOU FEEL ADDITIONAL CRITERIA ARE NEEDED PLEASE PROVIDE DETAILS.

**QUESTION 9:**  
IF YOU FEEL YOU ARE A CDFI, WOULD THESE CRITERIA ALLOW YOU TO QUALIFY FOR MEMBERSHIP? IF NOT, WHY NOT?

In Phase 2, three membership categories are proposed:

- full members
- associate members
- supporting members

**FULL AND ASSOCIATE MEMBERS** will still have to fulfil the standard membership criteria outlined above. Full members will be those that are actively involved in the association and reaching quality thresholds defined following consultation. Full members will receive accreditation from the association. Associate members will also need to show commitment to continuous professional development, but may be less actively involved with the association. It is hoped that associate members will become full members over time.

In phase two, the criteria applying to supporting members will be unchanged from phase one.

The splitting of the CDFI membership category into full and associate members should take place in the short to medium term. The idea is to avoid setting membership conditions that are too onerous, but at the same time to establish a structure which stimulates the continuous improvement of members, through supporting institution building and offering examples of best practice.

**QUESTION 10:**  
DO YOU THINK THE CDFI MEMBERSHIP SHOULD SPLIT INTO FULL AND ASSOCIATION MEMBERSHIP CATEGORIES? IF SO, WHEN, WITHIN 1 YEAR OR LONGER? IF NOT, WHY?

**QUESTION 11:**  
WHAT CRITERIA FOR FULL MEMBERSHIP WOULD YOU RECOMMEND?

**QUESTION 12:**  
WOULD YOU JOIN THIS ASSOCIATION ONCE IT WAS ESTABLISHED AND, IF SO, WHAT TYPE OF MEMBERSHIP WOULD YOU APPLY FOR? IF YOU WOULD NOT JOIN, PLEASE STATE WHY. WHAT WOULD HELP YOU TO CHANGE YOUR MIND AND DECIDE TO JOIN IN THE FUTURE?

## Benefits for members

**The benefits for all members will include:**

- Access to all the association’s services, which will increase members’ knowledge and enable them to share best practice
- Information about latest developments in the sector, including funding opportunities, allowing members to make informed decisions with up to date information
- Sharing of innovations, allowing members to learn from other’s experiences
- Access to discounted seminars, workshops, training and annual conference, which will help members to improve their skills and network with fellow practitioners
- Participation in defining benchmarks, which will help members to improve their own schemes and raise the sector’s standards
- Participation in framing responses to policies and proposed regulations affecting the CDF sector, giving members a real opportunity to influence stakeholder policies
- Potential access to discounted or free external services as negotiated by the Association, eg affiliation with other trade bodies such as the NCCA, which will help members to reduce their costs

**Additionally full members will also benefit from:**

- Accreditation that they reach benchmark standards for the industry
- Improved credibility and therefore improved access to funding and investment streams

**QUESTION 13:**  
ARE THESE BENEFITS SUFFICIENT INCENTIVE FOR YOU TO JOIN THE ASSOCIATION? IF NOT WHAT ADDITIONAL BENEFITS WOULD PERSUADE YOU TO JOIN?

Sharing of innovations, allowing members to learn from other’s experiences

## 06 Services

The goals of the Association will be achieved through the provision of the services summarised below and then explained in detail in the sections that follow.

SERVICES	ACTIVITIES	TIMESCALES
<b>A</b> CAPACITY BUILDING SUPPORT TO CDFIs	<ul style="list-style-type: none"> <li>» TRAINING, ANNUAL CONFERENCE, SEMINARS AND WORKSHOPS</li> <li>» CONSULTANCY FOR NEW AND EXISTING CDFIs</li> </ul>	<ul style="list-style-type: none"> <li>» TRAINING MODULES FROM END 2001, TRAINING STARTS 2002 FIRST CONFERENCE MID 2002. OTHER SERVICES FROM DECEMBER 2001</li> </ul>
<b>B</b> NETWORKING AND INFORMATION EXCHANGE	<ul style="list-style-type: none"> <li>» FACILITATION OF NETWORKING BETWEEN MEMBERS</li> <li>» ORGANISED EXCHANGE OF INFORMATION ON EVENTS, TRAINING, FUNDING ETC</li> </ul>	<ul style="list-style-type: none"> <li>» DECEMBER 2001 ONWARDS</li> </ul>
<b>C</b> BENCHMARKING TO MONITOR CDFI PERFORMANCE AND IDENTIFY BEST PRACTICE	<ul style="list-style-type: none"> <li>» DEVELOPMENT OF BENCHMARKS IN CONSULTATION WITH MEMBERS.</li> <li>» CDFI OPERATORS' KIT</li> </ul>	<ul style="list-style-type: none"> <li>» DECEMBER 2001 ONWARDS</li> <li>» DURING 2002</li> </ul>
<b>D</b> UNITED VOICE FOR CDFIs	<ul style="list-style-type: none"> <li>» REPRESENTATION TO AND NEGOTIATION WITH GOVERNMENT, FSA, BANKS, OTHER INVESTORS/PARTNERS, STAKEHOLDERS</li> </ul>	<ul style="list-style-type: none"> <li>» DECEMBER 2001 ONWARDS</li> </ul>
<b>E</b> BUILD INVESTOR RELATIONSHIPS	<ul style="list-style-type: none"> <li>» LIAISON WITH BANKS, CHARITIES, FOUNDATIONS, OTHER INVESTORS.</li> <li>» MARKET RESEARCH</li> </ul>	<ul style="list-style-type: none"> <li>» DECEMBER 2001 ONWARDS</li> </ul>
<b>F</b> ASSIST LINKAGE OF CDFIs WITH BUSINESS SUPPORT PROVIDERS	<ul style="list-style-type: none"> <li>» SEMINARS AND OTHER EVENTS</li> <li>» DATABASE OF BUSINESS SUPPORT PROVIDERS</li> <li>» BUILD RELATIONS WITH SBS, BUSINESS LINKS, NFEA</li> </ul>	<ul style="list-style-type: none"> <li>» DECEMBER 2001 ONWARDS</li> </ul>

One of the primary initial activities of the association will therefore be to establish indicators and benchmarks to measure portfolio quality, organisational efficiency, sustainability and social impact

#### **A** CAPACITY BUILDING

Work has already started to develop training modules for CDFIs. This work has been funded by the Phoenix Fund and by September 2001 six training modules will have been developed and piloted. The association will build on this work using the benchmarking and other research data, continuously refining the training as the sector evolves. Training will be offered to members at discounted rates. Members will be advised to undertake programmes of continuous professional development and attendance at some training events will be a key part of this process.

A full programme of seminars, workshops and an annual conference will also be developed. One-off seminars and workshops on topical issues will be offered to members on a regular basis, where possible free of charge through the use of member premises or through sponsorship. An annual conference will also be organised, bringing together CDFI practitioners, policy implementers, investors, business service providers and academics.

The association will also support the organisation of consultancy services to both existing CDFIs and start-ups. It is recognised that consultancy expertise lies mostly within the CDFI sector at present, so the association's role will initially be to act as a facilitator between those needing consultancy services and those capable of providing it. In the

medium term the association will investigate building up its own consultancy expertise.

#### **B** NETWORKING AND INFORMATION EXCHANGE

One of the primary services of the Association will be the facilitation of networking between members and other relevant organisations. This activity will be supported by the best available technology. The Association's preferred method of communication will be via e-mail, internet and intranet. The association will therefore establish its own website and a password protected intranet service that will support the provision of services.

Networking will be facilitated through seminars and workshops organised by the association and also through the establishment of e-mail discussion groups or other virtual means. In addition, a membership directory will be available to members, along with a net-based database of members, loan funds, stakeholders and business support providers. This will allow users to access information on types of organisation, the services they provide, their location and key contacts.

Information will also be circulated to members regarding events, training and funding opportunities, as well as updates on new initiatives. This will be through a quarterly newsletter circulated by e-mail where possible, as well as one-off communications on specific events.

#### **C** BENCHMARKING AND BEST PRACTICE

The New Economics Foundation<sup>5</sup> and the NFEA have already undertaken some benchmarking work. This work highlights the fact that most CDFIs cannot retrieve even basic data and that benchmarks for the sector do not yet exist. One of the primary initial activities of the association will therefore be to establish indicators and benchmarks to measure portfolio quality, organisational efficiency, sustainability and social impact. This will draw on the work already done by NEF and the NFEA and on experience from other countries. Consultation with members and other key stakeholders, such as government, the FSA and banks, will be crucial. Initial benchmarks will be drawn up by mid 2002.

The association will produce an annual report of aggregated information on its CDFI members using these indicators and benchmarks – a 'State of the CDFI sector' report. International comparisons will be included where appropriate, for example with the US and Europe. Research to identify what has improved members' performance will be undertaken and details shared. This will feed into regular reviews of benchmarks, which will develop as the sector evolves.

Member organisations that achieve the benchmarks will receive accreditation from the association. This accreditation will demonstrate to potential investors that the CDFI is a responsible lender and manager of its resources.

5. 'The State of Community Development Finance 2001' New Economics Foundation (forthcoming).

## The CDFI sector needs a strong organisation to champion its cause, act as a united voice in negotiations and promote its interests The trade association will provide this voice

The association will also produce a CDFI operator's kit based on good practice, as identified through the benchmarking system. The kit will be produced as a matter of priority during 2002 and will include an operator's manual together with standard application forms, legal documentation and publicity material. The kit will be regularly reviewed to ensure that it is up to date, and will be provided on line through the association's intranet.

### **D** A UNITED VOICE FOR CDFIS

The CDFI sector needs a strong organisation to champion its cause, act as a united voice in negotiations and promote its interests. The trade association will provide this voice, representing its members with all key stakeholders. There will be two aspects to this representation: responsive and pro-active.

On the responsive side, the association will act as a contact point for technical and trade press and general media and public inquiries about policy issues and sector data. On the pro-active side, the association will meet with key stakeholders on a regular basis to keep information flowing both ways on developments within the sector. In addition the association will organise meetings around key policy issues, ensuring that members can feed back to the relevant bodies on consultations, funding rounds and policy initiatives. The association will also proactively seek to keep the sector's profile high in the media.

Key stakeholders will include:

- CDFIs – members and non-members
- Clients of CDFIs
- Central Government – key ministries will be the Treasury, DTI/SBS, DETR and DFEE
- Regional and Local Government – through RDAs, GOs and the LGA
- Political parties
- Regulatory authorities – the FSA and Charity Commission
- Bank of England
- British Bankers Association
- Major Banks
- Key academics
- Representatives of Industry and Commerce – eg CBI, BCC, FSB, BITC
- Social enterprises and their representative bodies – eg DTA
- Registered Social Landlords and their Trade Associations
- The media – national and specific to the sector

### **E** BUILDING INVESTOR RELATIONSHIPS

The association will foster relationships with potential investors, including banks, building societies, charities and foundations, other financial services providers and corporates. The purpose will be to help to lever funding and investment into the sector, through facilitating links between members looking for resources and organisations looking for investment opportunities that combine financial and social returns. This will include Programme Related Investments<sup>6</sup> by charities and foundations, as well as debt and equity investment from the private sector. This activity may also entail market research.

### **F** BUSINESS SUPPORT SERVICES

Business support services are vital to many of the enterprises that receive financial services through CDFIs - giving them advice on the management of their business along side access to finance. A number of the potential members of the association provide business support directly, in particular the Enterprise Agencies, whilst others have links with business support providers from whom their borrowers can access advice.

The association will build a database of business support providers and assist members to form relationships at the local level. This may also be promoted through the organisation of seminars and other events. The association will itself ensure that good relations are built and maintained with the SBS, Business Links, NFEA and other business support organisation.

#### **QUESTION 14:**

DO YOU FEEL THESE PROPOSED SERVICES ARE APPROPRIATE? WHICH OF THE SERVICES WOULD YOU PRIORITISE? DO YOU FEEL THERE ARE ADDITIONAL SERVICES THAT THE ASSOCIATION SHOULD OFFER, AND IF SO WHAT?

<sup>6</sup>. 'A programme related investment is an activity that has the primary purpose of accomplishing charitable objectives by providing equity or loans.' From 'Enterprising Communities: Wealth Beyond Welfare' Social Investment Task Force (2000)

## 07 Organisational structure

The trade association will be established as a company limited by guarantee operating on a not for profit basis. Professional advice will be sought on an appropriate level of member share capital guarantee. It is envisaged that all association member organisations will be members of the Limited Company, as will any directors. The Limited Company will be set up prior to the start up of activities of the association, which is currently planned for November 2001.

A steering committee has been established to oversee the formation and setting up of the Association. This steering committee is made of up a Chairperson and seven other members representing the NFEA, RSN and Community Development Venture Funds. Secretariat services to the steering committee are being provided by the UK Social Investment Forum. The members of the steering committee are listed in the foreword to this document.

Upon the incorporation of the limited company, the steering committee will be replaced by a Board of Directors. The Board will consist of a Chairperson and an as yet undetermined number of Directors. The position of President may also be created, with a view to the President functioning as an influential figurehead for the Association. Positions within the board are likely to include a Chairperson, Deputy Chairperson and Treasurer.

Directors might be drawn from any of the following sources:

- Solely from membership, including member organisations' management or boards
- From high profile, influential individuals outside of the membership
- From a combination of 1 and 2, namely from the membership and from high profile individuals.
- The proportions of member directors to non-member directors could be minority, parity, or majority.

The role of the Board of Directors will be to plan and maintain the strategic direction of the association. This will involve ensuring that the vision and mission are adhered to, monitoring achievements towards goals and providing overarching direction through the drawing up of a strategic plan. In addition directors will bring valuable insight and contacts to the organisation through their jobs or other directorships. Committees to support specific areas of the association's work will be formed if appropriate. For example a banking advisory committee could give added value.

Memorandum and Articles of Association of the company will be drawn upon its incorporation and will govern how the Directors will be appointed or elected and their terms of office. Feedback is sought on voting rights to elect the Directors. It may be that members of the steering group are required to become Directors of the trade association over a transitional period of up to six months. Pending the outcome of the consultation, some members of the steering group may seek election to the founding Board of Directors of the trade association. However, the Chairperson of the steering group will not be seeking to become the Chairperson of the new Board.

### QUESTION 15:

HOW MANY DIRECTORS DO YOU THINK THERE SHOULD BE?

### QUESTION 16:

DO YOU THINK THE DIRECTORS SHOULD BE DRAWN SOLELY FROM MEMBERS, FROM OUTSIDE OR A MIXTURE? WHY? IF THEY ARE A MIXTURE, SHOULD NON-MEMBERS BE A MINORITY, IN PARITY OR A MAJORITY? WHY?

### QUESTION 17:

WHO DO YOU THINK SHOULD BE ABLE TO VOTE FOR THE DIRECTORS – ALL MEMBERS OR ONLY FULL MEMBERS?

### QUESTION 18:

WHAT DO YOU THINK OF THE IDEA OF HAVING A PRESIDENT?

**QUESTION 19:**

DO YOU HAVE ANY SUGGESTIONS FOR A PRESIDENT, IF YOU THINK ONE APPROPRIATE? A CHAIRPERSON? OR FOR POTENTIAL DIRECTORS?

In order to deliver the services outlined above, the association will need to fulfil the following functions:

- Leadership of the organisation
- Developing and maintaining relations with key stakeholders
- Lobbying
- Fundraising
- Membership administration
- General administration
- Internet and Intranet creation and administration
- Finance management
- Training development, organisation and provision
- Events organisation
- Information provision
- Benchmarking research
- Business support linkage

It is envisaged that to carry out these functions the association will initially require 4-6 highly skilled members of staff. This will include a chief executive, an administrator and 2-4 other staff. The division of responsibilities between these staff will be assessed after feedback from this consultation document. Multi-skilled staff will be sought, who will be able to manage all aspects of a project, for example organising and delivering training, managing the training budget and fundraising. Staff with experience of the CDFI sector and/or of Trade Associations will be sought.

At first, it may be necessary to outsource some of the work of the organisation. This outsourcing could include some aspects of the training programme, for example external trainers may be needed to carry out some of the training, and some of the benchmarking work, which may require some external researchers. Professional designers will be needed to create the association's website and Intranet. These will be built into the budget. The association may also employ professional conference organisers for the annual conference, although this should be covered by the income from the conference.

Multi-skilled staff will be sought, who will be able to manage all aspects of a project... Staff with experience of the CDFI sector and/or of Trade Associations

## 08 Timetable

ACTIVITY	DATE	RESPONSIBLE	ACHIEVED
FIRST DRAFT OF TRADE ASSOCIATION BUSINESS PLAN	» JAN - FEB 2001	INITIAL WORKING GROUP – RSN, NFEA, UKSIF	YES
FORMATION OF STEERING COMMITTEE	» FEB 2001	NFEA AND RSN	YES
COMMENTS ON FIRST DRAFT OF BUSINESS PLAN FROM INFORMAL CONSULTATION	» MARCH 2001	MARCH 2001	YES
CONSULTATION DOCUMENT PRODUCED	» APRIL - MAY 2001	APRIL - MAY 2001	YES
WIDE CONSULTATION WITH CDFIS AND OTHER KEY STAKEHOLDERS	» MAY - JUNE 2001	MAY - JUNE 2001	CONSULTING NOW
PRESENTATION OF INITIAL CONSULTATION FINDINGS AT CDF CONFERENCE	» 11-12 JULY 2001	STEERING COMMITTEE	
FINALISE BUSINESS PLAN AND SEEK INITIAL FUNDING	» SEPT - OCT 2001	STEERING COMMITTEE	
FORMATION OF COMPANY LIMITED BY GUARANTEE	» SEPT - OCT 2001	STEERING COMMITTEE	
APPOINTMENT OF FIRST BOARD OF DIRECTORS	» UPON INCORPORATION	STEERING COMMITTEE	
RECRUITMENT OF STAFF	» OCT - NOV 2001	BOARD OF DIRECTORS	
FINDING OFFICE PREMISES	» OCT - NOV 2001	BOARD OF DIRECTORS	
FORMAL LAUNCH OF TRADE ASSOCIATION	» NOV - DEC 2001	BOARD OF DIRECTORS	
RECRUITMENT OF MEMBERS	» FROM DECEMBER 2001	TRADE ASSOCIATION MANAGEMENT	
START SERVICE PROVISION	» FROM DECEMBER 2001	TRADE ASSOCIATION MANAGEMENT	
ELECTION OF BOARD OF DIRECTOR	» MARCH 2002	BOARD OF DIRECTORS	

## Appendix 1: Potential CDFI Members

ARM ENTERPRISE PLC	ROSEBUD FUND, PRINCES TRUST, LANCS CO-OPERATIVE
ACTION RESOURCE CENTRE	
ARGYLE BUSINESS CENTRE	SHANKHILL BUSINESS FUND
ASPIRE MICRO LOANS FOR BUSINESS	ASPIRE MICRO LOANS FOR BUSINESS LIMITED
ASTON REINVESTMENT TRUST	ASTON REINVESTMENT TRUST
BARATARIA FOUNDATION	BARATARIA FOUNDATION
BARCLAYS BANK	BARCLAYS BANK/MID SUFFOLK DISTRICT COUNCIL LOAN SUBSIDY SCHEME
BETA LIMITED	BETA 2000 BUSINESS LOAN SCHEME
BIRMINGHAM CITY COUNCIL ECONOMIC DEVELOPMENT UNIT	SMALL BUSINESS ASSISTANCE SCHEME
BIRMINGHAM VENTURE CAPITAL LTD.	BIRMINGHAM ENTERPRISE FUND
BLACK BUSINESS IN BIRMINGHAM (3B)	BLACK BUSINESS IN BIRMINGHAM INVESTMENT FUND
BLACKBURN BOROUGH COUNCIL	BLACKBURN BOROUGH COUNCIL SOFT LOANS SCHEME
BLACKBURN BOROUGH COUNCIL	LOAN GUARANTEE SCHEME
BNFL ENTERPRISE LTD.*	
BOLTON BUSINESS VENTURES	BOLTON BUSINESS LOAN FUND
BOLTON BUSINESS VENTURES	HELLIWELL BUSINESS LOAN FUND
BOLTON BUSINESS VENTURES LTD.	SRB CHALLENGE LOAN FUND, BOLT BUSINESS VENTURE FUND
GOVERNMENT OFFICE FOR THE NORTH WEST	MANCHESTER LEND SCHEME
BRENT BUSINESS VENTURE	HARLESDEN CITY CHALLENGE LOAN FUND
BRIDGE PROJECT (LONDON) LTD.	LONDON DOCKLANDS DEVELOPMENT COOPERATION LOAN FUND
BRISTOL ENTERPRISE DEVELOPMENT FUND LTD.	BRISTOL ENTERPRISE DEVELOPMENT FUND
BRITISH COAL ENTERPRISE LTD.	BRITISH COAL ENTERPRISE BUSINESS FUNDING
BRITISH COAL ENTERPRISE LTD.	WIGAN ENTERPRISE LOCAL LOANS SCHEME
BRITISH COAL ENTERPRISE LTD.	HALTON ENTERPRISE LOAN PROGRAMME
BRITISH COAL ENTERPRISE LTD.	WALSALL INITIATIVE FOR LOCAL LOANS
BRITISH COAL ENTERPRISE LTD.	ST HELENS ENTERPRISE LOAN FUND
BRITISH COAL ENTERPRISE LTD.	BCE PLUS SCHEME
BRITISH COAL ENTERPRISE LTD.	THE ENTERPRISE LOAN FUND
BRITISH STEEL (INDUSTRY) LTD.	BRITISH STEEL LOAN/EQUITY FUND
BROOK BUSINESS CENTRE	
BUSINESS ENTERPRISE CENTRE	HAMMERSMITH REGENERATION PARTNERSHIP
BUSINESS ENTERPRISE SUPPORT LTD. (BURTON ENTERPRISE AGENCY)	SMALL FIRMS SUPPORT LIMITED OWNED BY BES
BUSINESS FOCUS*	
BUSINESS IN LIVERPOOL	BUSINESS DEVELOPMENT LOAN FUND
BUSINESS LINK BEDFORDSHIRE & LUTON	LUTON VENTURE FUND, MID BEDS DISTRICT COUNCIL
BUSINESS LINK COVENTRY & WARWICKSHIRE LTD.	BUSINESS START UP LOAN FUND SCHEME
BUSINESS LINK LEICESTERSHIRE	LEICESTER INNER CITY LOAN FUND
BUSINESS LINK LEICESTERSHIRE	RURAL LOAN FUND
BUSINESS LINK LEICESTERSHIRE	NORTH WEST LEICESTERSHIRE BUSINESS SUPPORT FUND
BUSINESS LINK SANDWELL	SANDWELL ENTERPRISE LOAN FUND
BUSINESS LINK SANDWELL, WITH SANDWELL TEC	SANDWELL DEVELOPMENT LOAN FUND
BUSINESS LINK SURREY	SURREY DEVELOPMENT FUND
BUSINESS LINK SUSSEX	SUSSEX DEVELOPMENT FUND
BUSINESS LINK TEESIDE	CLEVELAND COUNTY LOAN FUND
BUSINESS LINK TEESIDE	BUSINESS LINK TEESIDE FUND
BUSINESS LINK TEESIDE, WITH HARTLEPOOL TASK FORCE AND CLEVELAND ACTION	CLEVELAND COUNTY LOAN FUND, BUSINESS LINK TEESIDE FUND

BUSINESS NORTH & WEST LANCASHIRE	RED ROSE, BRITISH LEGION, GOVERNMENT SMALL LOAN, TECHINVEST
BUSINESS SHOP DUNDEE	BUSINESS SHOP DUNDEE INVESTMENT FUND
BUSINESS SHOP DUNDEE	SMALL BUSINESS FINANCE DUNDEE
BUSINESS SHOP DUNDEE IN CONJUNCTION WITH SMALL BUSINESS FINANCE (DUNDEE) LTD.	BUSINESS SHOP DUNDEE INVESTMENT FUND
BUSINESS WORKS	BUSINESS WORKS SCHEME
CAMDEN ENTERPRISE AGENCY	KINGS CROSS LOAN FUND
CASTLEREAGH ENTERPRISE LTD.	IFI FUND
CASTLEREAGH ENTERPRISE LTD.	BUSINESS START-UP PROGRAMME
CENTRE FOR EMPLOYMENT & ENTERPRISE DEVELOPMENT	YOUNG ENTREPRENEURS FUND
CITYLIFE	SHEFFIELD EMPLOYMENT BOND, NEWCASTLE EMPLOYMENT BOND
CHARITIES AID FOUNDATION	INVESTORS IN SOCIETY
CHELMSFORD BOROUGH COUNCIL	CHELMSFORD SOFT LOAN SCHEME
CHESHIRE COUNTY COUNCIL	CHESHIRE SEEDCORN
CLEVELAND BOROUGH DEVELOPMENT AGENCY	MIDDLESBROUGH ENTERPRISE DEVELOPMENT LOAN FUND
CLYDESDALE BANK	CREDIT UNIONS SCHEME
COVENTRY & WARWICKSHIRE CHAMBER OF COMMERCE	COVENTRY & WARWICK TEC START UP CAPITAL LOAN SCHEME
CROYDON BUSINESS VENTURE LTD.	HSBC/CROYDON BUSINESS VENTURE ENTERPRISE LOAN SCHEME
CUMBRIA COUNTY COUNCIL	CUMBRIA CAPITAL FUND
DARLINGTON BOROUGH COUNCIL	FALCHION FUND
DEPTFORD ENTERPRISE AGENCY	DEA/CALOR LOAN FUND
DERBY & DERBYSHIRE BUSINESS VENTURE	DDELFF & DICE
DEVELOPING STRATHCLYDE LTD.	GLASGOW REGENERATION FUND
DEVELOPING STRATHCLYDE LTD.	SOCIAL ENTERPRISE FUND
DEVELOPING STRATHCLYDE LTD. (WITH SUPPORT FROM ERDF, 6 LAS AND 14 PARTNER ORGANSIATIONS)	GLASGOW REGENERATION FUND
DONBAC LTD.	DONBAC BUSINESS DEVELOPMENT FUND
DUMBARTON ENTERPRISE FUND LIMITED	DUMBARTONSHIRE ENTERPRISE FUND
DURHAM CO-OPERATIVE DEVELOPMENT ASSOCIATION	
EAST LINDSEY DISTRICT COUNCIL, WITH EAST LINDSEY ENTERPRISE AGENCY	EAST LINDSEY SMALL BUSINESS LOAN FUND (LOUTH)
EAST LONDON SMALL BUSINESS CENTRE	SKILLSWORK LOAN FUND
EAST LONDON SMALL BUSINESS CENTRE	WEST OF THE BOROUGH LOAN FUND
EAST LONDON SMALL BUSINESS CENTRE	SKILLSWORK NO. 2 LOAN FUND
EAST LONDON SMALL BUSINESS CENTRE LTD.	HSBC/NEWHAM ENTERPRISE LOAN FUND
EAST LONDON SMALL BUSINESS CENTRE LTD.	DRESDNER KLEINWORT BENSON FUND
EAST LONDON SMALL BUSINESS CENTRE LTD.	LLOYDS OF LONDON LOAN FUND
EAST LONDON SMALL BUSINESS CENTRE LTD.	MORGAN GRENFELL FUND
EASTBOURNE & DISTRICT ENTERPRISE AGENCY LTD.	
ENTERPRISE LINK	HSBC/ENTERPRISE LINK LOAN SCHEME
ENTERPRISE LINK	NATWEST BANK/ENTERPRISE LINK LOAN SCHEME
ENTERPRISE LINK BIRMINGHAM	ARROW FUND AND ENTERPRISE LINK HSBC LF
ENTERPRISE PLYMOUTH LTD.	
ENTRUST (TYNE & WEAR ENTERPRISE TRUST)	TYNE & WEAR ENTERPRISE LOAN FUND
ENVIRONMENT TRUST	EAST END REINVESTMENT TRUST
EREWASH PARTNERSHIP LTD.	PRIME AND COTMANHEY LOAN FUND
FARSET ENTERPRISE PARK	SEEDCORN FUND

FIRST ENTERPRISE BUSINESS AGENCY	BUSINESS LOAN FUND
FURNESS ENTERPRISE LIMITED	BARROW REGENERATION LOAN FUND
FURNESS ENTERPRISE LTD.	FURNESS BUSINESS DEVELOPMENT LOAN FUND
GAINSBOROUGH REGENERATION LIMITED	MIDLAND BANK GAINSBOROUGH REGENERATION FUND
GLENWOOD BUSINESS CENTRE	GLENWOOD SEEDCORN LOAN FUND
GOVERNMENT OFFICE FOR THE NORTH WEST	MANCHESTER LEND SCHEME
GOVERNMENT OFFICE FOR YORKSHIRE AND HUMBERSIDE	LEEDS & BRADFORD ENTERPRISE LOAN SCHEME
GOVERNMENT OFFICE OF THE NORTHWEST	MERSEYSIDE TASK FORCE
GREAT WESTERN COMMERCE & ENTERPRISE WITH MIDLAND BANK AND WILTSHIRE TEC	BROAD TOWN TRUST, MIDLAND BANK/GWCE LOW COST LOAN SCHEME
GREATER LONDON ENTERPRISE	LONDON BUSINESS GROWTH FUND
GRIMSBY & CLEETHORPES AREA ENTERPRISE AGENCY LTD.	BUSINESS DEVELOPMENT LOAN FUND
HACKNEY BUSINESS VENTURE	WALTHAM FOREST ENTERPRISE FUND
HACKNEY BUSINESS VENTURE	HACKNEY ENTERPRISE FUND LTD.
HACKNEY BUSINESS VENTURE	HACKNEY BUSINESS DEVELOPMENT FUND
HACKNEY BUSINESS VENTURE	UBS WARBURG ENTERPRISE FUND LTD.
HACKNEY BUSINESS VENTURE	DALSTON BUSINESS DEVELOPMENT FUND
HARINGEY BUSINESS DEVELOPMENT AGENCY	
HSBC	BOSTON BOROUGH COUNCIL LOAN FUND
HSBC	PETERBOROUGH SOFT LOAN SCHEME
HSBC	WALSALL SMALL BUSINESS LOAN FUND
HSBC	HSBC/GREAT WESTERN COMMERCE & ENTERPRISE LOW COST LOAN SCHEME
HULL ENTERPRISE LTD.	
HULL INVESTMENTS LIMITED (HULL CITY COUNCIL)	LOAN /FUND (LAST RESORT)
INDUSTRIAL COMMON OWNERSHIP FUND	
ISMAILI BUSINESS INFORMATION CENTRE	ISMAILI BUSINESS ACQUISITION SCHEME
INTO BUSINESS	GRANBY/TOXTETH BUSINESS DEVELOPMENT LOAN FUND
ISLE OF WIGHT ENTERPRISE AGENCY	
ISMAILI BUSINESS INFORMATION CENTRE	LLOYDS TSB
J. W. SLEATH & CO LTD.	PROFESSIONAL PRACTICE LOAN SCHEME
LANCASHIRE ENTERPRISES PLC	LANCASHIRE ROSEBUD FUND
LEICESTER & COUNTY CO-OP DEVELOPMENT ASSOCIATION LTD.	
LEWISHAM ENTERPRISE FINANCE LTD.	CITY CHALLENGE FUND
LEWISHAM ENTERPRISE FINANCE LTD.	DEPTFORD TASK FORCE ENTERPRISE FUND
LEWISHAM ENTERPRISE FINANCE LTD.	SAXON CROWN FUND
LEWISHAM ENTERPRISE FINANCE LTD.	STEP FUND
LOCAL INVESTMENT FUND	MERSEYSIDE COMMUNITY LOAN FUND
LOCAL INVESTMENT FUND	LOCAL INVESTMENT FUND
LONDON BOROUGH OF MERTON	MERTON BUSINESS INVESTMENT FUND
LONDON BUSINESS INCENTIVE SCHEME	LONDON BUSINESS GROWTH FUND
LONDON BUSINESS INNOVATION CENTRE LTD.	
LONDON ENTERPRISE AGENCY	MERCERS DESIGN ENTERPRISE FUND
LONDON REBUILDING SOCIETY	
MAIDSTONE ENTERPRISE LTD.	SMALL BUSINESS SCHEME
MEDWAY COUNCIL, WITH BUSINESS LINK AND MEDWAY BUSINESS POINT	PARTNERS FOR GROWTH
MEDWAY ENTERPRISE AGENCY LIMITED	PARTNERS FOR GROWTH FUNDED BY MEDWAY COUNCIL

MID ANGLIA ENTERPRISE AGENCY	MENTA GOOD PRACTICE SMALL BUSINESS CLUB
MID SUFFOLD DISTRICT COUNCIL	MID SUFFOLD BUSINESS LOAN SCHEME
MIDLAND BANK MBC, WALSALL CITY CHALLENGE	WALSALL SMALL BUSINESS LOAN FUND
MIDLAND BANK, WITH BOSTON BOROUGH COUNCIL & BOSTON CHAMBER OF COMMERCE	BOSTON BOROUGH COUNCIL LOAN FUND
MIDLAND BANK, WITH GREATER PETERBOROUGH BUSINESS LINK	PETERBOROUGH SOFT LOAN SCHEME
NATWEST	COMMUNITY FINANCE FUNDS (9 REGIONAL, WALES AND SCOTLAND)
NORFOLK & SUFFOLK SMALL BUSINESS INITIATIVE	NORFOLK & SUFFOLK SMALL BUSINESS INITIATIVES
NORFOLK & WAVENEY ENTERPRISE SERVICES	WEETU, SENTA, SHAW TRUST
NORFOLK & WAVENEY TEC, BUSINESS LINK MIDLAND BANK	BUSINESS EXPANSION LOAN
NORFOLK & WAVERLEY TEC	BUSINESS EXPANSION LOAN
NORMID TEC LTD.	NORMIDTEC
NORTH CITY BUSINESS CENTRE LTD.	
NORTH KESTIVEN DISTRICT COUNCIL	NORTH KESTIVEN SMALL BUSINESS LOAN SCHEME
NORTH LONDON BUSINESS DEVELOPMENT AGENCY	NLBDA HACKNEY SMALL BUSINESS LOAN FUND
NORTH LONDON TEC	TEAM LOAN FUND
NORTH OXFORDSHIRE BUSINESS VENTURE LIMITED NORBIS	TBA
NORTH TYNESIDE CITY CHALLENGE	NORTH TYNESIDE CITY CHALLENGE
NORTHERN ENTERPRISE LTD.	NORTHERN ENTERPRISE LOAN FUND
NORTHERN ENTERPRISE LTD.	BARCLAYS ENTERPRISE LOAN FUND
NORTHERN ENTERPRISE LTD.	NORTH EAST INVESTMENT FUND
NORTHUMBERLAND ENTERPRISE TRUST	ROWAN START UP FUND
NOTTINGHAMSHIRE BUSINESS VENTURE	FIRST ENTERPRISE, RENEWAL TRUST
ORMEAU ENTERPRISES LTD.	
ORTUS	BELFAST BUSINESS LOAN FUND
PECKHAM ENTERPRISE CENTRE	LLOYDS BANK BUSINESS DEVELOPMENT LOAN FUND
PETERBOROUGH ENTERPRISE PROGRAMME	SOUTH LINCOLNSHIRE VENTURE CAPITAL LIMITED
PORTOBELLO BUSINESS CENTRE	
PORTSMOUTH AREA REGENERATION TRUST (PART)	CONSUMPTION LOAN
PRINCE'S TRUST	PRINCE'S TRUST
PRIME	
PROJECT NORTH EAST	SMALL ENTERPRISE LOAN FUND
PROJECT NORTH EAST	NORTHERN YOUTH VENTURE FUND
RADICAL ROUTES	ROOTSTOCK LTD.
SALFORD MONEYLINE	
SANDWELL ENTERPRISE LTD.	S.E.L.F. STARTUP, BLACK CNTRY DVLP, RICHARDSON YTH
SASDA LTD.	
SCOTTISH ENTERPRISE DUNBARTON	DUMBARTONSHIRE ENTERPRISE FUND
SENET	NEW START ENTERPRISES
SHEFFIELD SEEDCORN LTD.	SEEDCORN FUND
SHEFFIELD CO-OPERATIVE VENTURES LTD.	SCV - REVOLVING LOAN FUND
SHEFFIELD ENTERPRISE AGENCY	SHEFFIELD ENTERPRISE LOAN
SHEFFIELD ENTERPRISE AGENCY SENTA	ROYAL BRITISH LEGION, PRINCES TRUST
SHROPSHIRE COUNTY COUNCIL	SHROPSHIRE BUSINS GROWTH SCHME STTUP & EXIST BUSN
SIR THOMAS WHITE LOAN CHARITY	SIR THOMAS WHITE LOAN CHARITY
SIRIUS	BP LOAN FUND (GENERAL)
SOLIHULL BUSINESS ENTERPRISE	SOLIHULL START-UP SOFT LOAN SCHEME
SOLOTEC	SOLOTEC HSBC GROWTH LOAN FUND

SOUTH BIRMINGHAM ENTERPRISE CENTRE	BIRMINGHAM BUSINESS RESOURCE CONSORTIUM, LOAN GUARANTEE SCHEME
SOUTH LINCOLNSHIRE ENTERPRISE AGENCY	NORTH KESTIVEN SMALL BUSINESS LOAN SCHEME
SOUTH TYNESIDE BOROUGH COUNCIL	SOUTH TYNESIDE LOAN FUND
SOUTH TYNESIDE BOROUGH COUNCIL WITH TEDCO	MIDLAND BANK SOUTH TYNESIDE LOAN FUND
SOUTH WEST INVESTMENT GROUP	BUSINESS DEVELOPMENT FUND
SOUTHAMPTON AREA CO-OPERATIVE DEVELOPMENT AGENCY	
SOUTHEND ENTERPRISE AGENCY LIMITED	PRINCES TRUST
STEVENAGE BUSINESS INITIATIVE	
STOCKTON BOROUGH COUNCIL	BUSINESS GRANT AND LOAN SCHEME
STRATHCLYDE INVESTMENT FUND	STRATHCLYDE INVESTMENT FUND
STREET CRED	
STREET UK LTD.	
SUNDERLAND CITY COUNCIL	SUNDERLAND MIDLAND INVESTMENT LOAN ENTERPRISE SCHEME (SMILES)
SURREY TRAINING & ENTERPRISE COUNCIL	SURREY DEVELOPMENT FUND
SUSSEX ENTERPRISE	SUSSEX DEVELOPMENT FUND
TILT	RURAL SOUTH WEST COMMUNITY INVESTMENT FUND
THE ARROW FUND LIMITED	THE ARROW FUND LOAN SCHEME
THE CO-OPERATIVE BANK	OLDHAM BUSINESS DEVELOPMENT LOAN FUND
THE ROYAL BRITISH LEGION	SMALL BUSINESS LOAN SCHEME
THE SOUTH WEST INVESTMENT GROUP LIMITED	
THOMAS ARNEWAY'S LOAN CHARITY	THOMAS ARNEWAY'S LOAN CHARITY
THURROCK COUNCIL	PORT (TILBURY)
THURROCK COUNCIL	BUSINESS DEVELOPMENT FUND
TOWNSEND ENTERPRISE PARK	
TYNE & WEAR ENTERPRISE TRUST	NORTH TYNESIDE CITY CHALLENGE LOAN FUND
TYNE & WEAR ENTERPRISE TRUST	CALOR GAS /ENTRUST REVOLVING LOAN FUND
TYNE & WEAR ENTERPRISE TRUST	NEWCASTLE CITY CHALLENGE LOAN FUND
TYNESIDE ECONOMIC DEVELOPMENT CO LTD. (TEDCO)	TEDCO ENTERPRISE LOAN FUND
ULSTER COMMUNITY INVESTMENT TRUST	
UNICHEM PLC	UNICHEM FINANCE SCHEME
UK STEEL ENTERPRISE LTD.	
WARRINGTON BUSINESS VENTURE WITH NORMIDTEC	NORMIDTEC
WARWICKSHIRE COUNTY COUNCIL	WARWICKSHIRE SMALL BUSINESS LOANS SCHEME
WELLPARK ENTERPRISE CENTRE	MICROCREDIT PROGRAMME
WEST CUMBRIA DEVELOPMENT AGENCY	WEST CUMBRIA DEVELOPMENT FUND
WEST LONDON TRAINING AND ENTERPRISE COUNCIL	ENTERPRISE LINK LOAN FUND
WEST YORKSHIRE SMALL FIRMS FUND	LEEDS & BRADFORD ENTERPRISE LOAN SCHEME
WEST YORKSHIRE SMALL FIRMS FUND	WEST YORKSHIRE SMALL FIRMS FUND
WESTMINSTER ENTERPRISE AGENCY	THE MIDLAND BANK SPECIAL ENTERPRISE LOAN FUND
WIRRAL BUSINESS ENTERPRISE	WIRRAL TASK FORCE START-UP LOAN
WOLVERHAMPTON ENTERPRISE LTD.	WOLVERHAMPTON ENTERPRISE FUND
WOMENS' EMPLOYMENT ENTERPRISE & TRAINING	FULL CIRCLE FUND
WORK WEST	SEEDCORN FUND
WYRE FOREST DISTRICT COUNCIL WITH LOCAL ENTERPRISE AGENCY	WYRE FOREST DISTRICT COUNCIL
YORK BUSINESS DEVELOPMENT	THE BUSINESS DEVELOPMENT LOAN FUND
YORK BUSINESS DEVELOPMENT LTD.	BUSINESS DEVELOPMENT LOAN FUND
YORKSHIRE ENTERPRISE LTD.	

# Appendix 2: Feedback Form

This form can also be downloaded from [www.uksif.org](http://www.uksif.org) or e mail Ros Boyle on [ros.boyle@uksif.org](mailto:ros.boyle@uksif.org)

**Please return the form by 29 June 2001. It should be sent or faxed to:**

Ros Boyle, UKSIF, Holywell Centre, 1 Phipp Street, London, EC2A 4PS. Fax - 020 7749 4881; Tel - 020 7749 4880

Name of organisation:

Address:

E mail:

Tel no:

Name of contact:

Position within organisation:

Please do not feel constrained by the space provided - if you need to continue on separate paper please do.

<b>1</b>	PAGE 2
<b>Please state what kind of organisation you are:</b> <i>Please tick</i>	
<input type="checkbox"/> CDFI	<input type="checkbox"/> trade association
<input type="checkbox"/> credit union	<input type="checkbox"/> government department
<input type="checkbox"/> bank	<input type="checkbox"/> business
<input type="checkbox"/> other financial service provider	<input type="checkbox"/> social enterprise
<input type="checkbox"/> charity/trust/foundation	
<input type="checkbox"/> other – please state what	

<b>2</b>	PAGE 3	
<b>Is the suggested scope of the Trade Association's work, as shown in the mission statement, sufficient, too wide or too narrow? Please tick</b>		
<input type="checkbox"/> sufficient	<input type="checkbox"/> too wide	<input type="checkbox"/> too narrow
<i>Please explain why.</i>		
          <b>What would you add or subtract?</b>		

<b>3</b>	PAGE 3
<b>Here are some suggested names for the Trade Association:</b>	
<input type="checkbox"/> UK Community Capital Association	
<input type="checkbox"/> Network, Business and Community Finance Association	
<input type="checkbox"/> Network, Community Finance Association	
<input type="checkbox"/> Network, Social Finance Association	
<input type="checkbox"/> Network, Community Reinvestment Association	
<input type="checkbox"/> Network, Money 4 Change Association	
<input type="checkbox"/> Network, Progressive Finance Group	
<b>Which name(s) do you feel would be most appropriate?</b>	
Or do you have another suggestion?	

<b>4</b>	PAGE 5	
<b>Do you have any comments on the appropriateness of these goals? In particular are they too ambitious/ not ambitious enough? Please tick</b>		
<input type="checkbox"/> Good	<input type="checkbox"/> too ambitious	<input type="checkbox"/> not ambitious enough
<i>Comments...</i>		
          <b>Are there other goals that you feel are missing?</b>		

**If you know of other potential CDFIs that are not given in Appendix 1, please give details of the name of the organisation and their contact address/e mail /phone number if possible. Use a separate sheet if necessary.**

**Do you agree with this definition of a CDFI? Please tick**

Yes  No

**If not, why is this?**

**Is this target market too inclusive or too exclusive?**

*Please tick*

OK  too inclusive  too exclusive

**Please explain why you think this is?**

**Are the criteria for CDFI membership too wide or too restricting? Please tick**

Good  too wide  too restricting

*Please explain why...*

**If you feel additional criteria are needed please provide details.**

**If you feel you are a CDFI, would these criteria allow you to qualify for membership? If not, why not?**

Are you a CDFI?  Yes  No

Would you qualify for membership?  Yes  No

**If not, why not?**

10

PAGE 7

**Do you think the CDFI membership should split into full and association membership categories?**

Yes       No

**If so, when, within 1 year or longer?  
If not why?**

11

PAGE 7

**What criteria for full membership would you recommend are used?**

13

PAGE 7

**Are these benefits sufficient incentive for you to join the association? Please tick**

Yes       No

**If not what additional benefits would persuade you to join?..**

14

PAGE 10

**Do you feel these proposed services are appropriate? Please tick**

Yes       No

*Comment...*

12

PAGE 7

**Would you join this association once it was established? Please tick**

Yes       No

**If so, what type of membership would you apply for? Please tick**

Full       Associate       Supporting

**If you would not join, please state why...**

**What would help you to change your mind and decide to join in the future?**

**Which of the services would you prioritise?**

**Do you feel there are additional services that the Association should offer, and if so what?**

15

PAGE 11

**How many Directors do you think there should be?**

17

PAGE 11

**Who do you think should be able to vote for the Directors – all members or only full members?**

*Please tick*

All members     Full members only

*Please explain why...*

16

PAGE 11

**Do you think Directors should be drawn from members, outside or a mixture?**

*Please tick*

Members     Outside     Mixture

*Please explain why...*

18

PAGE 11

**What do you think of the idea of having a President?**

**If they are a mixture, should non-members be a minority, in parity or a majority?**

*Please tick*

Minority     Parity     Majority

*Please explain why...*

19

PAGE 12

**Do you have any suggestions for a President, if you think one appropriate? A Chairperson? Or for potential Directors?**

**Please return the form by 29 June 2001. It should be sent or faxed to:**

Ros Boyle, UKSIF, Holywell Centre, 1 Phipp Street, London, EC2A 4PS. Fax - 020 7749 4881; Tel - 020 7749 4880

**For further information please contact:** Ros Boyle, UKSIF, Holywell Centre  
1 Phipp Street, London, EC2A 4PS. Fax - 020 7749 4881; Tel - 020 7749 4880