

# Nigel Huddleston speech on the launch of the Estimating and Describing the Impact Investing Market report

Thank you very much for that warm introduction – and for inviting me to speak at the launch of this important report, estimating the size of the impact investing market in the UK.

It is a pleasure to be here in this wonderful venue, and to see so many of you here in person.

Toynbee Hall is a trailblazing example of social activism at work, helping people who are experiencing disadvantage and hardship. This remarkable institution has a long and proud history of helping others out of poverty in the East End of London and it is a very visible example of the kind of impact all of us in this room are trying to create.

But not every community in this country is lucky enough to have a Toynbee Hall, and societal problems go much further than that.

Economic prosperity, job opportunities and strong social fabric are not spread equally across all parts of the country. This means that many communities suffer from poor connectivity, low levels of community engagement and a lack of community spaces and infrastructure.

Levelling up seeks to address these problems, but it is an ambitious agenda. The challenges we face are of a scale not seen for a long time and the Government can't tackle them alone.

Large-scale investment is needed to provide safe and affordable housing, training opportunities for young people and fast broadband to power our growing needs for connectivity.

Investment is also needed for issues close to my heart, such as access to sports facilities, creative opportunities, heritage sites and services delivered by civil society.

When I talk about the tremendous amount of resources needed, I don't just mean money. I am talking about the expertise, skills, and innovative thinking that is needed to create a society that we all want to live in.

That means all of us – government, civil society and the private sector – have a role to play. As our world changes, so do the attitudes of people, businesses and investors. More and more, they are looking for ways to be part of the solution to challenges such as inequality, poverty and climate change.

Increasingly the question is being asked 'how can we work together on this?'. I firmly believe that the defining challenges of our time must be addressed through people, communities and sectors working together.

At its heart, impact investing is all about partnerships. It gives investors a way to build thriving communities by supporting businesses and projects delivering real impact. It also shows that delivering this social value does not mean forgoing profit.

The UK is home to many innovative, dynamic social businesses and I believe you will be hearing from two of them later this morning.

Lighthouse Children's Homes is a charity which has used investment to power its ambition for equality of opportunity for children in care.

And The Good Club is an innovative start-up which has benefitted from investment to achieve their mission of reducing food waste. They are making zero-waste, sustainable groceries simple and accessible for people around the country.

These are just two examples we are lucky enough to have in the room today, but there are many other businesses which offer investors the chance to deliver impact alongside financial returns. Impact investing is a win-win for everyone.

That's why the government has worked with the private sector over the past two decades to nurture this market. In 2008 we set up the Dormant Assets scheme, which has so far released over £800 million towards good causes.

In 2012, we set up Big Society Capital as the UK's social investment wholesaler, to get money moving. We set up the Access Foundation, to make sure affordable finance is there for organisations that need it most. We pioneered the world's first Social Impact Bond. We kickstarted the community finance sector and set up the first tax relief for social investment.

In 2019, DCMS supported the set up of the Impact Investing Institute. The reason was simple – it had become clear that there was more to do. The amount of money aspiring to make the world a better place was quickly growing. What was once a niche idea, was now moving into the mainstream.

And just this month, our expanded Dormant Assets Bill received Royal Assent, helping to unlock even more funding to be distributed to good causes over the years to come.

There was – and still is – more to do to enable this money to have the greatest impact possible. The commitment of the UK Government has moved the dial on creating what is now a world-leading market.

## **Moment in time and role of this report launch**

Now is the moment in time to capitalise on this success. We have built the market infrastructure. We have investors who have a genuine desire to be a part of the solution. And we have local investment opportunities which can deliver profit with purpose.

This report demonstrates that now is the time for the market to take a leading role in creating a country that we all want to live in.

The report which the Impact Investing Institute is launching today shows that impact investing has the power, scale and momentum to deliver on this and more. The findings are profound.

The amount of money invested with impact has grown significantly. Investors plan to increase their commitment to delivering social impact, and they expect others to do the same.

I believe it is important that investors feel able to play an active role in contributing to pressing challenges of our time, such as addressing regional inequalities. This report shows the extent to which they are already doing that. I think there is more room to grow.

The social value that impact investing creates can be seen all around us. Some of us might have come across it this morning on the way to this event. It could be through buying a coffee from a socially conscious outlet. Others might experience it through the renewable energy used to power their homes. Or it could be through the dedicated health and social care services many of us have relied on over the past two years.

Impact investing can act as a powerful catalyst for change, by investing in projects in our communities which have a clear and visible impact for people and for our planet.

I was delighted to take on ministerial responsibility for civil society and for championing impact investing and I am grateful for the work many of you do to keep this important market growing and evolving.

I would like to give particular thanks to Sarah Gordon and the rest of the Institute team, as well as delivery partners Ernst & Young (EY), for producing this landmark study. I hope you will find it as inspiring as I have.