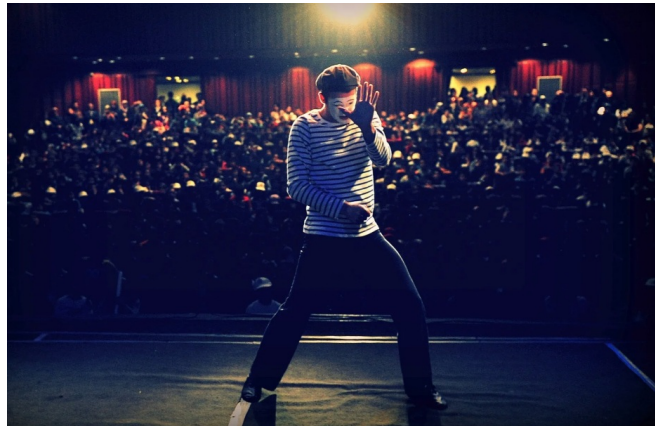


# UK's Nesta raises £20 million impact fund for the creative arts and culture

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*ImpactAlpha, March 4* – The creative economy in the U.K. contributes more than \$10 billion and generates some 364,000 jobs. Nesta's new £20 million (\$25.6 million) Arts & Culture Impact Fund will make affordable and flexible loans of up to £1 million to arts and heritage organizations, theaters, museums, comedy clubs, music venues and libraries.

The endowment-supported foundation is seeking to bridge an annual lending gap estimated at £62 million for U.K. arts organizations that banks consider too risky (see, "A catalytic loan fund helps arts and cultural organizations thrive in Chicago").

Nesta seeded the fund with £6 million and raised the rest from a mix of public, private and philanthropic and private investors including the **Arts Council England, National Lottery Heritage Fund, Bank of America, Big Society Capital** and **Esmée Fairbairn Foundation**.

"Impact loans are an under-explored way of supporting the arts and cultural sectors," said Nesta's **Francesca Sanderson**. The arts, adds Big Society Capital's **Anna Shiel**, "play an important role in building stronger and more inclusive communities."

**Cultural impact.** The new fund builds on Nesta's £3.7 million Cultural Impact Development Fund and the more than £7 million Arts Impact Fund (see, "More than 100 funds that are investing in the creative economy"). The two earlier funds have made 30 loans totaling £9.1 million since 2015. A loan to Fareham-based **Titchfield Festival Theatre**, for example, financed energy-saving retrofits that helped the theatre save money, double its income and grow to one of the largest community and amateur theatres in Europe.

**Proof points.** The funds “validate the opportunity to generate impact and financial return in the creative economy,” Upstart Co-Lab’s **Laura Callanan** told *ImpactAlpha*. The U.K. led the early wave of impact investing and brought social impact bonds to social services, criminal justice reform and health, says Callanan. “Now, again, they are defining what’s next: harnessing the power of art, design, culture, heritage and creativity to make money and make change.”