

♥ CARING FOR COMMUNITIES AND PEOPLE

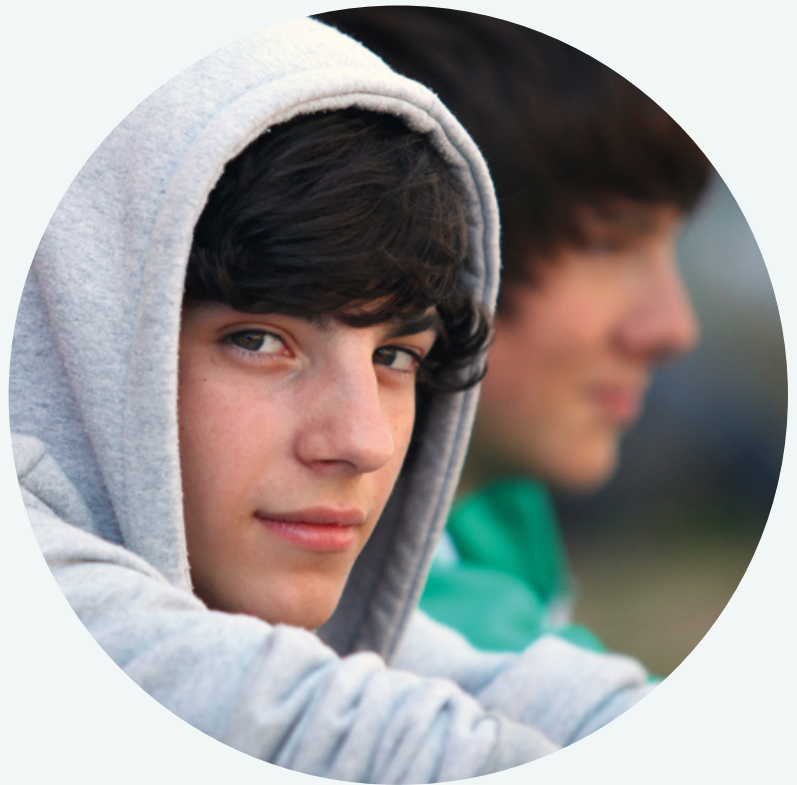
LOCATION: SOUTH WEST

WHO BENEFITS: VULNERABLE YOUNG PEOPLE (16 - 18 YRS)

DATE OF INVESTMENT: JUNE 2019

Caring for Communities and People (CCP) exists to transform the lives of children, young people, families and vulnerable adults by preventing homelessness and strengthening families. The charity has done this for over 30 years and serves communities across South West England and further afield.

The Community Investment Fund provided a £2,850,000 loan to the organisation, using SASC's innovative whole property finance structure. The loan is to enable CCP to expand their supported accommodation services for young people leaving care.



WHY

Problem & Solution

Founded in 1989, CCP was established in response to the growing number of homeless young people in Cheltenham. Over the years, the charity has grown to become one of Gloucestershire's foremost voluntary sector social care providers, expanding the range of services offered and their geographic reach, to a number of counties in the South West.

CCP currently offers 69 units of supported housing across the South West, with the majority of these in rented properties. Sadly, the demand for supported accommodation for young people leaving care continues to grow. The £2.85m loan is to support the charity to expand its housing services, as well as ownership of the properties their services operate from to have certainty of stable accommodation for beneficiaries.

HOW

is SASC supporting?

SASC's whole property finance model was appealing to the charity as it provides CCP the finance to fund the acquisition, refurbishment and associated costs of owning their own portfolio, on a flexible basis.

The financing structure is designed to address the group's specific needs regarding property ownership and supporting vulnerable young people. SASC has shared the investment risk with CCP, absorbing the void risk over the life of the loan. The loan also gives the charity the option to refinance at the end of the 10-year loan period, based on the current purchase price of properties.

WHAT

Outcomes & Impact

SASC structured the investment to minimise investment risk for the charity and support its ongoing work. As a result of this investment, a larger number of young people in challenging situations will have access to appropriate housing, alongside dedicated support services delivered by the charity.

Young people leaving care already have a lifetime of struggle behind them. Offering independent, stable and high quality accommodation, gives young people the platform they need to feel emotionally stable, financially secure, and ultimately make a more successful transition to independence.

THE INVESTMENT OPPORTUNITY THROUGH SASC IS EXACTLY WHAT CCP WERE LOOKING FOR. WITH A GROWING PORTFOLIO OF RENTED PROPERTIES, WE FELT THE TIME HAD COME TO CONSIDER OWNERSHIP, IN SO DOING OFFERING US MORE CONTROL AND FLEXIBILITY IN HOW WE USE THE STOCK. THE SASC DEAL ENABLES US TO ACHIEVE THIS ON BEHALF OF THE YOUNG PEOPLE WE SERVE.

Cordell Ray, CCP CEO

HOMES FOR GOOD GLASGOW

LOCATION: GLASGOW

**WHO BENEFITS: PEOPLE ON LOW
INCOMES**

DATE OF INVESTMENT: JUNE 2018

Homes for Good was created to provide quality homes within the private rented sector, with a focus on housing supply for people on low incomes. It approached SASC for investment as it recognised the need for an alternative approach in the face of growing housing demand: access to appropriately located, high quality and stable housing is key to enabling individuals to address wider challenges, such as mental health, relationship breakdown and recovery or other issues.

SASC has provided the loan finance using our innovative whole property finance structure that will enable the social enterprise to grow its portfolio of homes by at least 50 additional properties to serve its beneficiaries and homelessness partner organisations.



WHY

Problem & Solution

Homes for Good was founded by Susan Aktemel in 2013 with the purpose of supporting the under-served in the community and individuals who fall on the spectrum between homelessness, social, and affordable housing. Susan recognised the need for an alternative approach to growing housing demand with the importance of access to appropriately located, high quality housing being obvious to enabling individuals to often address wider challenges such as mental health, family breakdown and recovery from drug and/or alcohol dependency. Homes for Good wanted to focus on building a portfolio of good quality homes across the city of Glasgow.

HOW

is SASC supporting?

SASC has made a £2.85m investment into a new subsidiary, Homes for Good Glasgow, using our innovative whole property finance structure, which will support the social enterprise to grow their portfolio of homes. The social investment structure was designed to address the specific needs of impactful, accommodation-based charities and social enterprises like Homes for Good, and was developed to offer an alternative to the range of financing options currently available.

WHAT

Outcomes & Impact

SASC's investment will support Homes for Good Glasgow to increase the provision of quality housing, with at least 50 additional properties to serve its beneficiaries and homelessness partner organisations. Our aim is that a greater number of men, women and children facing housing challenges in and around Glasgow will have access to appropriate accommodation and the support services that are offered through the unique social letting agency.

RESILIENT ENERGY ALVINGTON COURT RENEWABLES (REACR)

LOCATION: FOREST OF DEAN,
GLOUCESTERSHIRE

WHO BENEFITS: LOCAL COMMUNITY,
FAMILIES & INDIVIDUALS IN FUEL
POVERTY

DATE OF INVESTMENT: APRIL 2019

Resilient Energy Alvington Court Renewables (REACR) is a Community Benefit Society (CBS) that owns and operates a 500kW wind turbine near Alvington, in the Forest of Dean. The Society directs a share of operational turnover and any surpluses generated by the project towards supporting local community resilience initiatives, including fuel poverty.

REACR is one of several projects founded and managed by The Resilience Centre (TRC), a Forest of Dean based social purpose business building resilience in society in response to climate change and diminishing resources.

In March 2019, REACR acquired Resilient Energy Great Dunkilns (REGD), another TRC-managed project, in a transaction that will enhance community benefit over the life of the projects.



WHY

Problem & Solution

REGD was TRC's first renewable energy project, which developed a 500kW wind turbine near St Briavels, Forest of Dean, in late 2012. The project was the UK's first crowd-funded wind turbine, which gave the community the opportunity to invest in the project via debentures issued through the Abundance platform. In order to achieve this, however, the project was required to become a public limited company (PLC); this resulted in a number of additional administrative costs for the project.

The REGD shareholders realised that restructuring as a CBS would be more appropriate, and an acquisition by nearby CBS REACR would be the optimal way to achieve this.

HOW

is SASC supporting?

In March 2019, following specialist advice on due diligence and confirmation of a loan facility from SASC, REACR acquired REGD, issuing REACR shares to the REGD shareholders according to an independent valuation. The SASC loan of £1.4m enabled the redemption of the debentures, removing the PLC structure requirement, and allowing REGD to be restructured as a wholly owned subsidiary of the CBS.

WHAT

Outcomes & Impact

The restructuring will increase community investor participation in the combined projects. The resulting capital structure will be more cost efficient, strengthening the society's financial position. This will generate increased surpluses for broader resilience initiatives in the Forest of Dean, increasing the positive social impact achieved over the life of the two turbines.

OUR PORTFOLIO

◎ FUTURES

LOCATION: NOTTINGHAMSHIRE
WHO BENEFITS: YOUNG PEOPLE AND ADULTS AT RISK OF BEING NEET
DATE OF INVESTMENT: MARCH 2019

SASC has provided a £250,000 loan to Futures to fund the working capital requirement for the expansion of the organisation's support services for young people at risk of being not in education, employment or training (NEET) in Nottinghamshire. Through an innovative project known as FutureU, developed in a collaboration with local commissioners, Futures aims to address the hardest to reach part of their NEET cohort - young people with SEND (special education needs and disability).



Fu+ures

WHY

Problem & Solution

FutureU explicitly addresses the hardest to reach part of the NEET cohort which is at greatest risk of disengagement and can be ill-served by more mainstream services, having poorer life chances as a result. Futures have noted that with increasing pressure on Local Authority budgets and increasing NEET numbers, this group of young people are at increased risk of becoming and staying NEET.

HOW

is SASC supporting?

Futures has been awarded a contract with Nottingham City, Nottinghamshire County Council, and the Life Chances Fund to deliver the new service over 5 years on a payment by results (PbR) basis. SASC is providing a £250,000 loan to Futures to cover its working capital requirements before results can be evidenced. The additional funding will mean that whilst the current provision serves 16-18 year olds only, FutureU will provide person-centred support to 15-24 year olds. FutureU also allows for a more intensive service with a smaller caseload of 25 (compared to a more typical 120) which allows caseworkers to better support young people in their pathway to an outcome.

WHAT

Outcomes & Impact

Futures's new service aims to work with 560 young people over the 5 year contract, ultimately to support them into sustained employment. Young people are expected to benefit in a variety of ways: overcoming barriers to learning and achievement, achieving at school or college and moving from education or training into employment.

BROOK

LOCATION: NATIONWIDE

WHO BENEFITS: YOUNG PEOPLE

DATE OF INVESTMENT:

OCTOBER 2018

SASC has invested £200,000 of working capital in Brook, a charity specialising in sexual health, and the only organisation in the UK to offer clinical and educational services specifically to young people.

Brook was established in 1964 by Helen Brook who opened the first sexual health clinic for women in London. The organisation now operates in 22 locations in England and delivers relationship and sex education (RSE) in 38% of local authorities in England.



WHY

Problem & Solution

Last year Brook's clinical services helped more than 51,000 young people, with over half of those coming from the 40% most deprived communities. Over half a million young people accessed the charity's online help and advice pages and a further 128,000 under 25s benefitted from its education and wellbeing programmes.

Going forward, Brook will continue to use its unique position as a leader in the field of young people's RSE and as experts in professionals' training, when the subject becomes mandatory in September 2020. However, the difficult commissioning environment for public health in the UK is making it harder for charities like Brook to access funding.

HOW

is SASC supporting?

SASC has provided a short-term loan to support Brook's continued organisational growth with a particular focus on its education programmes for young people and training for professionals.

Social investment is offering Brook a solution that enables it to continue the great work they do.

This is the first time Brook has used social investment. It comes at a time when two thirds of local councils have cut funding for sexual and reproductive health services¹.

WHAT

Outcomes & Impact

Brook is providing a service not widely available and the impact of its work in some of the most deprived communities in the UK is huge. The charity has long been lobbying for compulsory RSE, with a view to improve the sexual and reproductive health, relationships and wellbeing of the nation.

The investment from SASC has enabled Brook to accelerate its work in preparation for mandatory RSE and ensure that the charity is in the best possible position to support schools and teachers with the implementation and delivery of these new subjects.

THROUGH OUR FACE-TO-FACE AND ONLINE TRAINING, BROOK BUILDS THE SKILLS AND CONFIDENCE OF PROFESSIONALS WORKING WITH YOUNG PEOPLE IN A RANGE OF SCHOOL AND COMMUNITY SETTINGS, ENABLING THEM TO DELIVER RSE MORE CONFIDENTLY AND EFFECTIVELY. OUR NEW OFFER WILL SEE THE EXPANSION OF RSE OUTSIDE OF THE CLASSROOM AND INTO THE WORKPLACE, TO HELP BRIDGE THE GAP BETWEEN SCHOOL AND WORK LIFE.

¹ <http://theagc.org.uk/wp-content/uploads/2018/09/2018-FOI-audit-press-release-1.pdf>

Helen Marshall, Brook CEO

£ FIVE LAMPS

LOCATION: STOCKTON-ON-TEES
WHO BENEFITS: VULNERABLE
HOUSEHOLDS WITH LIMITED ACCESS
TO MAINSTREAM FINANCE
DATE OF INVESTMENT: JULY 2018

Five Lamps is a responsible finance provider, regulated by the Financial Conduct Authority, offering fair and affordable personal loans as an alternative solution to high-cost credit. To date it has provided close to £40m of affordable personal loans primarily in the North East of England, but more recently in Scotland and, following considerable investment in systems and infrastructure, throughout England and Wales.

The Third Sector Investment Fund committed £1.1m, as part of a £5m loan to Five Lamps, with the aim of helping vulnerable households across the UK break out of the cycle of high-cost debt.



WHY

Problem & Solution

Financial exclusion is a pressing issue in the UK, and high-cost credit is widespread. 3.1 million UK adults have one or more high-cost loans or have had one in the past year. Potentially vulnerable people are twice as likely to have used high-cost credit as other UK adults; younger single parents are three times as likely. 6.5 million UK adults have no cash savings, leaving them particularly vulnerable to financial shocks and more likely to turn to high-cost credit in times of financial need².

HOW

is SASC supporting?

The Third Sector Investment Fund committed £1.1m, as part of a £5m loan to Five Lamps, with the aim of helping vulnerable households across the UK break out of the cycle of high-cost debt.

SASC is one of nine investors and the deal represents the largest-ever single investment in a UK community lender.

The new investment will allow Five Lamps to grow the scale and impact of affordable credit to vulnerable individuals nationally.

WHAT

Outcomes & Impact

The funding will mobilise over £60m of lending, enabling Five Lamps to offer over 100,000 affordable personal loans under its Conduit brand, through a dedicated subsidiary called Five Lamps Trading Ltd.

The Financial Conduct Authority 'High Cost Credit Review', published recently, highlighted the need for more alternatives to high-cost credit. Five Lamps is that kind of different lender, offering a better choice to people with little or no financial resilience, who would otherwise need to resort to high-cost or unregulated lenders in times of crisis.

OUR LOANS PLUS THE SERVICES WE PROVIDE CHANGE PEOPLES' LIVES AND SUPPORT THEM TO BREAK FREE OF THE DEBT CYCLE AND POVERTY PREMIUM. THIS FINANCIAL & SOCIAL IMPACT AS WELL AS THE DISRUPTION TO AND TRANSFORMATION OF THE HIGH COST CREDIT MARKET IS DOABLE THANKS TO THIS GROUND BREAKING INVESTMENT.

2 https://www.fivelamps.org.uk/blog/2018/07/30/investment/#_ftn1