

# Executive summary

It is 18 months since the publication of our last Impact Report. Reflecting in July 2019 on our first five years of investing, we said we thought SASC was on the cusp of a new phase of development. Looking back now, 18 months on: were we right?

As 2019 came to a close, Social and Sustainable Housing's early success attracted interest from Zamo Capital, a specialist investor in impact fund managers. Two things had caught Zamo's attention. We had designed a product that married compelling risk-adjusted financial returns with significant impact; and then managed to turn the idea into a working reality. Funding from Zamo, alongside investment from members of our Board and Investment Committee, allowed us to push ahead with confidence despite 2020's challenges.

First, we welcomed four new Board members and two new members to our Investment Committee. You can read about them and why they wanted to join SASC on pages 8 and 9.

Next we turned to an overhaul of our design and branding. This allowed us to reinvigorate our online presence and marketing. The new approach can be seen both on our re-launched website and in this Impact Report. We hope readers like it.

With our portfolio expanding at pace, we have refined our approach to assessing and reporting on the impact achieved by our borrowers. We have drawn on the internationally recognised Impact Management Project framework and the Sustainable Development Goals (SDGs) to create a consistent reporting approach across all our funds. This is shown on pages 28 onwards.

Like so many other organisations, the SASC team moved to remote working when the pandemic struck. Within weeks, it was clear that we needed to press ahead with our work with even more urgency than we had while working together in the office.

The critical role that charitable organisations had to play in

supporting disadvantaged communities through the pandemic soon became clear. It has been inspiring to see how dedicated, resilient and resourceful our borrower organisations are. On pages 16-19 we hear how some of them have met the challenges of the last 12 months.

SASC's ability to respond quickly and flexibly to organisations looking for finance has been invaluable during the pandemic. During 2020, we approved 17 new investments into 14 organisations.

With our two generalist funds – the Community Investment Fund (CIF) and the Third Sector Investment Fund (TSIF) – we have continued to expand our reach. We approved an investment in Lincolnshire, where we will be supporting P3 to deliver an innovative scheme renovating local housing for social rent in Gainsborough. In West Sussex we helped Active Prospects buy and renovate a property for use in supporting adults with learning difficulties. We were delighted to approve follow-on loans to Affinity Trust and Brook, enabling them to extend their work into new geographies. More detail can be found on page 46.

Turning to Social and Sustainable Housing (SASH), our investment activity continued to build. We now have eight organisations from across the UK in our portfolio, with a further three approved and in legal closing. The eight organisations are illustrated on the map on page 30 and more detail is provided on pages 32-35.

Since 2014, SASC has approved investments of more than £56m to enable charities to make safe, high quality housing available to the individuals and families they support. COVID-19 underlined the importance of this work. We are delighted that our investment has helped several

## The pandemic has shone a spotlight on a significant group of vulnerable people who, with support and decent housing, are able to get their lives back on track

charities in our portfolio respond to this growing need. We invited Mark Simms, CEO of P3, to offer his perspective on this issue (page 12).

Where does all this lead? On pages 14-15, we take a step back, and dare to believe that there is a much bigger prize now at stake. The pandemic has shone a spotlight on a significant group of vulnerable people who, with support and decent housing, are able to get their lives back on track. In many cases, small to medium sized charities are playing a critical role supporting this group.

Research recently published by IPPR North gave a detailed insight into the kind of housing needed for this work to be successful. IPPR identified significant issues with many aspects of the current landscape, including policy and funding, and coined a new term to make the sector more visible: 'Transitional Supported Housing' (TSH).

Most of what is often called 'supported housing' is for the long

# £43.8m of new investment into 14 organisations approved in 2020

term and needs to be specially adapted. Residents are typically either elderly or working-age people with severe disabilities and their housing is technically defined as 'specialist supported housing'.

By contrast, TSH mostly involves people of working age who can live in regular dispersed housing. The 'transitional' in TSH reflects the fact that these are individuals who need help for a limited period (typically up to two years) before they return to independent living.<sup>1</sup>

Our experience to date suggests that TSH as a whole needs a fresh approach. Social investors have an important role to play in making finance available to outstanding charities and social enterprises. This will help providers expand their stock of transitional supported housing.

It goes without saying that we can only do what we do with the support of our investors. In 2020 we have been able to build relationships with new investors as well as attracting further funding commitments from existing investors. They are all highlighted on page 6, together with our pro bono support partners. The endorsement that comes from being able to grow our funds in the face of the uncertainty created by the pandemic makes us more determined and ambitious. We are more focussed than ever on showing how effective a sustainable, impact-led social investment market can be.

The last 18 months have truly felt like a new stage in our journey. We are resolute in our mission to connect investors and social sector organisations. That creates a need for innovative funds that generate both compelling financial returns and tangible social impact. The work that our borrowers do is inspirational, and we are hugely grateful for steadfast support from our investors and partners.

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**As a specialist investor in the impact investment sector, Zamo looks to back high performing fund managers. SASC was a great fit. They are a well-led, agile and thoughtful social investor that, in 2019, had reached a critical phase in their own development. The importance and timeliness of SASC's work has been further borne out during the pandemic. Through its flagship fund, Social and Sustainable Housing, SASC has figured out a way to make great risk-adjusted commercial returns and simultaneously provide housing with support to homeless people. Zamo believes that the rapidly expanding focus on responsible investment will result in SASC's current and future funds attracting an increasing number and range of investors**

**Jim Roth, Founder and Managing Partner, Zamo Capital**

1. [www.ippr.org/research/publications/at-a-crossroads-the-future-of-transitional-supported-housing](http://www.ippr.org/research/publications/at-a-crossroads-the-future-of-transitional-supported-housing)