

# Third Sector Investment Fund (TSIF)

Now in run-off, TSIF was designed to offer a range of funding including unsecured lending to growing social enterprises. TSIF was able to support a wide range of sectors across the UK.

## NEW INVESTMENTS IN 2021

- 1 P3 Gainsborough
- 2 Trinity Homeless Projects

## CONTINUING INVESTMENTS

- 1 Affinity Trust
- 2 Five Lamps
- 3 Futures
- 4 HCT Group
- 5 Heart of England Community Energy
- 6 Homes for Good Glasgow

## Third Sector Investment Fund

### Reach

UK-wide

### Re-launch date

2017

### Funding available

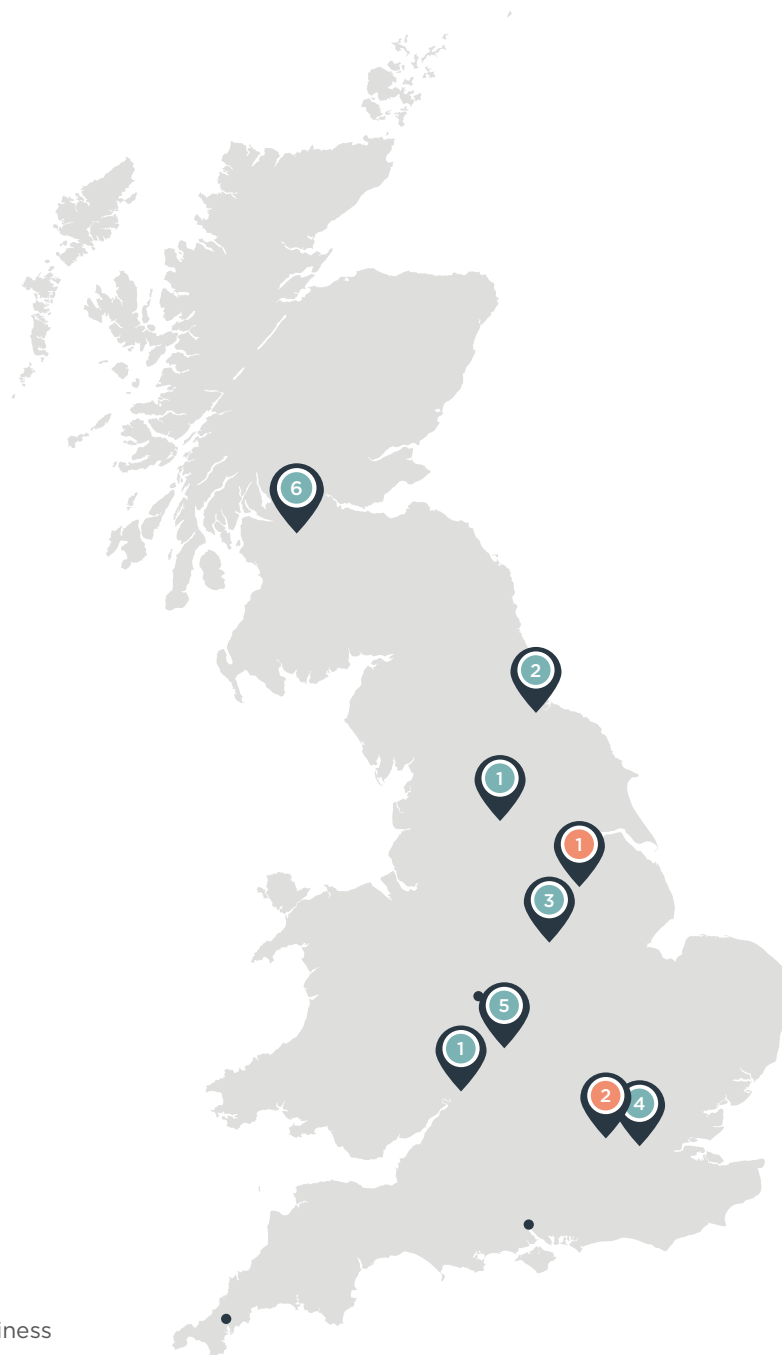
Closed

### Term

Closed

### INVESTORS

Big Society Capital  
Social Investment Business



- TSIF Alumni  
(see page 61)

TSIF DIRECTLY  
ADDRESSES 4 SDGS

The Third Sector Investment Fund supported organisations across all social sectors which focus on improving the economic and social well-being of individuals from vulnerable and disadvantaged communities.

TSIF recognised the need for unsecured lending to high performing social sector organisations, that can pose a higher financial risk.



Poverty and inequality in the UK leave many people caught in a poverty trap.

**TSIF offered flexible forms of finance to organisations working to alleviate poverty.**



Energy debt and fuel poverty is a big driver of social inequality across the UK.

**TSIF funded community projects that increase energy efficiency and help address fuel debt.**



Access to education, training and employment are key to social inclusion and breaking the cycle of disadvantage.

**TSIF provided flexible finance to organisations that support groups excluded from the employment market and individuals not in Education Employment or Training (NEET).**



Ensuring equal opportunities and access to services is critical to reducing inequality.

**TSIF provided funding to organisations that empower people and communities through education, employment and support.**

**£21.0m**

Total investment to end of 2021

**8**

Organisations active in SASH portfolio in 2021

**SASC provided Affinity Trust with the flexibility and simplicity we needed to take our first steps into the world of Social Impact Bonds. That was three years ago and we now have a high performing, award winning delivery model that is being replicated in other areas**

**Nicola Brittle**  
Former Development Director, Affinity Trust





## NEW INVESTMENT

### About our investment

#### People, Potential, Possibilities (P3)

**Location:** Gainsborough and Derbyshire

P3 is a charity that was established in 1972 and now operates across the UK, delivering services for socially excluded and vulnerable people.

P3 offers ongoing support and tailored advice to the people it works with. The organisation aims to help vulnerable individuals to transition towards semi-independent living and develop the skills to manage their own home.

#### Date of investment:

January 2021  
£2.2m asset finance

The loan will allow P3 to purchase 43 properties in Gainsborough and Derbyshire.

#### What

Transition to independent living

#### Who

Socially excluded, vulnerable individuals, with complex needs

#### How Much

43 properties for clients in move-on supported housing across Gainsborough and Derbyshire.

#### Contribution

Move-on accommodation for vulnerable individuals and support to local partners to help them improve the area.

#### Risk

Strong track record of providing support and housing alongside good void management and social investment experience



## NEW INVESTMENT

### About our investment

#### Trinity Homeless Projects

**Location:** Hillingdon, Greater London

Trinity has been operating in Hillingdon and Slough since 2007 and works with people at risk of or suffering homelessness. Trinity creates housing pathways for individuals offering services including street outreach, emergency housing, supported housing and longer-term affordable housing.

#### Date of investment:

December 2021  
£3.2m asset finance

TSIF funding will enable THP to purchase and refurbish Riverside Hotel and create 41 self-contained units in the London Borough of Hillingdon.

#### What

Trinity will provide tenants with safe and affordable homes to live in, designed to transition to independent living for those supported by Trinity's services and act as a steppingstone from shared houses back into a sustainable tenancy

#### Who

People who are vulnerable and socially excluded. This includes people who've experienced homelessness

#### How Much

41 self-contained units

#### Contribution

The loan enables Trinity to provide housing in Hillingdon where there is a shortage of social housing provision

#### Risk

The charity has a long history and strong track record of delivering support



#### Affinity Trust

**Location:** Bradford and Gloucestershire

Affinity Trust (AT) supports people with learning disabilities across the UK. The charity was established in 1991 and helps individuals lead the lives they want to, as independently as possible.

Many children and young people with learning disabilities are moved out of their own homes into residential placements, resulting in poorer outcomes. Affinity Trust delivers Positive Behavioural Support (PBS) programmes for children with learning disabilities and challenging behaviours who are at risk of entering residential care.

### About our investment

#### Date of investment:

March 2018  
£150k working capital loan  
Repaid February 2021

November 2020  
£150k working capital loan

Both loans were used to fund working capital under payment by results (PbR) contracts, part of a central government Social Impact Bond (SIB) programme

One contract was commissioned under the Commissioning Better Outcomes Fund and the other under the Life Chances Fund

#### What

Reduction in challenging behaviour and improved quality of life

#### Who

Children with learning disabilities and behavioural challenges, and their families

#### How Much

The loans part-financed highly specialised support programmes for extremely vulnerable young people at any one time, where no other options were available

#### Contribution

The loans helped AT win PbR contracts, providing the working capital to support the delivery of the PBS programme

#### Risk

AT has now delivered its PBS programme in 2 locations



# Spotlight on Trinity Homeless Projects

Trinity Homeless Projects is a registered charity in West London, which provides housing pathways for people affected by homelessness. The Riverside Project started three years ago when one of my colleagues took me to a pretty rundown old hotel that was up for sale and sold me a vision of how that hotel could be turned into supported housing. She wanted to create 41 micro studios from the hotel rooms. The site was on the banks of a river, surrounded by trees and a nature reserve. I saw the vision and made the decision that day to find the money for the project.

We looked for social investors because we figured it would be essential with this kind of project to have a critical friend along for the ride. Someone that bought into not just the business side of how this project would work, but also the philosophy of what we were trying to achieve. Our view was that whatever happened from the business perspective, as long as we're on the same page with what we're trying to achieve, things could be overcome.

We knew that we needed investment to deliver a project like this. And we were confident in our own processes. We just needed to convince someone to invest in it. We didn't really have that confidence in mainstream funders like banks, and probably the banks didn't have that kind of confidence in us.

When we met SASC it is fair to say there was some negotiation and convincing both ways. But ultimately what I was impressed by when we met SASC was the questions we were asked. They weren't just business questions. SASC wanted to know where we are going, what we are doing – and why. You looked under the bonnet of Trinity and challenged us, and it gave me the confidence to think that you were confident in our ability to deliver it. It became a self-serving process.



And, despite all the tough times with getting the renovations and the project over the finishing line, it was my belief that you believed in us that kept us going. This project has been a real test for both Trinity and SASC and tested our partnership. But there is a roadmap that can be gleaned from our experience together.

One thing I have taken away is having the right legal support. We had pro bono legal support which meant that we didn't always have advice and legal input when we needed it. With hindsight, with a complex project like this, having a legal team on hand when you need them would be better.

Looking to the future, our view is that we want to continue to grow. We want to be able to provide a solution that gives everyone a



home and at least a bed for the night. We also want to find other partners to work on affordable housing, because that is the silver bullet right now. We don't have enough of it and we need to create more of it. So as soon as we cut the ribbon on this project, we will be coming back to SASC again to make another plan.

**Steve Hedley**  
CEO, Trinity Homeless Projects



Watch a short interview  
with Steve Hedley here



## Five Lamps

**Location:** UK-wide

Five Lamps (FL) is a responsible finance provider, regulated by the Financial Conduct Authority, offering fair and affordable personal loans as an alternative to high-cost credit.

Financial exclusion is a pressing issue in the UK, and high-cost credit is widespread. Over 3 million UK adults have one or more high-cost loans or have had one in the past year. Vulnerable adults, with poor financial resilience, are twice as likely to use high-cost credit.

### About our investment

#### Date of investment:

September 2017  
£350k working capital loan

The SASC loan was part of a £5m loan to Five Lamps from a group of nine social investors

#### What

□ Helping vulnerable households to break the cycle of high-cost debt

#### Who

○ Individuals and families with limited/no access to mainstream finance

#### How Much

≡ Our funding was part of a larger facility which has enabled FL to make more than 7,000 loans per year

#### Contribution

✚ FL able to provide a fairer personal loan alternative nationally

#### Risk

△ Striking the right balance between helping as many people as possible and ensuring affordability of repayment is key, a particular challenge during COVID-19



## Fu+ures

## Futures

**Location:** Nottingham

Futures Advice, Skills and Employment was set up in Nottingham in 2001. They work with individuals and organisations to provide advice, guidance and practical support designed to help people achieve more in their jobs and get more from life.

Futures targets hard to reach young people who are vulnerable to becoming and then staying NEET (not in Education, Employment or Training). More mainstream training services may not meet their needs, often resulting in poorer life chances.

### About our investment

#### Date of investment:

September 2018  
£250k working capital loan

Futures won a contract with Nottingham City, Nottinghamshire County Council, and the Life Chances Fund to deliver a new service over 5 years on a payment by results (PbR) basis. The loan covers the working capital requirements before results can be evidenced

#### What

□ Overcoming barriers to learning and achievement; moving successfully into sustained employment

#### Who

○ Young people and adults at risk of being NEET

#### How Much

≡ Person-centred support for 560 young people and adults in Nottingham, over 5 years

#### Contribution

✚ The loan provides working capital for Futures to deliver a PbR contract

#### Risk

△ The programme (FutureU) explicitly focusses on the hardest to reach young people, at greatest risk of disengagement and often ill-served by mainstream services, leading to poorer life chances



## HCT Group

**Location:** UK-wide

HCT Group is a charity established in 1983. It aims to break down barriers for the most vulnerable and marginalised in society. It does this by providing community and other transport services in London and across the UK and offering jobs and education.

Need for their services is highlighted by low travel patterns of disabled people compared to non-disabled and reporting of difficulties with any kind of trip by 25% of people with disabilities.

### About our investment

#### Date of investment:

November 2015  
£500k (repaid June 2018)

May 2018  
£2.55m term loan

The loan was designed to support rapid growth in activity and impact

#### What

□ Provision of community transport and access to jobs and education services

#### Who

○ Disadvantaged and community groups

#### How Much

≡ Passenger trips, improved access to local facilities, training and job creation – with a focus on disadvantaged groups

#### Contribution

✚ Working capital to accelerate their growth, including funds to acquire commercial bus operators and turn them into social enterprises

#### Risk

△ Strong growth requires HCT to take on substantial levels of operating leases to fund the fleet and operational efficiency is key





## Heart of England Community Energy

**Location:** Stratford-upon-Avon

Heart of England Community Energy (HECE) is an asset-locked Community Benefit Society (CBS). Its three solar farms, comprising 14.7 MW of capacity, occupy 75 acres. They are co-located with 3MW of battery storage capacity. This enables the site to both generate solar energy and provide storage services to the grid.

HECE bought existing solar assets from a commercial developer. By placing ownership in community hands, the project gives local people a stake in their local energy infrastructure and profits are used to support local charities and projects with a positive social and environmental impact.

### About our investment

#### Date of investment:

June 2017  
£4.2m partial repayment and refinancing

September 2019

£1.5m bridge loan

£780k term loan

Refinanced again in May 2021

The loans financed the purchase of the largest community owned solar farm in the UK

The short term loans are due to be repaid via a series of community bond offers over the next two years



#### What

□ Improved access to affordable energy and energy saving; and additional support for vulnerable households in a deprived area

#### Who

○ Individuals and families faced with fuel poverty in the local community

#### How Much

≡ Renewable energy for c.4,500 homes. Profits from solar farm support projects such as Harbury e-Wheels, & Act On Energy, which help families facing fuel poverty

#### Contribution

✚ New additional funding for community initiatives and support for green energy

#### Risk

△ Asset is already in place with a combination of FIT and RoC accreditation



## Homes for Good, Glasgow

**Location:** Glasgow

Homes for Good (HFG) was founded in 2013 in Glasgow to provide quality homes within the private rented sector for people on low incomes and those who fall on the spectrum between homelessness, social, and affordable housing.

Homes for Good offers an alternative approach to a standard letting agency. It works with individuals struggling with a range of challenges including mental health issues, family breakdown and recovery from drug and/or alcohol dependency.

### About our investment

#### Date of investment:

June 2018  
£2.85m property loan (10-year term)

The loan enabled HFG to purchase 52 additional properties in Glasgow



#### What

□ Improved wellbeing and transition to training and employment

#### Who

○ Vulnerable adults across Glasgow

#### How Much

≡ 52 houses to be made available for a low income and vulnerable client group

#### Contribution

✚ The loan has provided finance for HFG to grow its portfolio by an additional 52 houses, in support of a vulnerable client group

#### Risk

△ HFG has a track record of bringing 190 properties back to life and providing quality support to tenants

TSIF ALUMNI		Beneficiary group supported	Geography	Loan value
<b>Cornerstone</b>		Adopted and fostered children/families	UK-wide	£600,000
<b>Family Action</b>		Vulnerable young people in the care system	Sandwell, Wolverhampton	£700,000
<b>Wheatsheaf</b>		Unemployed individuals with health conditions or disabilities	Hampshire and Isle of Wight	£330,000
<b>Brook Young People</b>		Vulnerable young people and NEETs	UK-wide and Cornwall	£300,000