

Dispatches from our borrower CEOs

We asked a selection of CEOs from across the portfolio to describe how their loan from SASC is enabling them to scale responsibly and meet the needs of their communities.

CEOs

Claire Hubberstey, CEO
One Small Thing

Derek Sharkey, CEO
Positive Steps Partnership

Liz Downie, CEO
Thrive Women's Aid

Along with her team and her board, Claire Hubberstey CEO of **One Small Thing** knows what needs to change to give women who have offended a chance to succeed in life. One Small Thing plays a vital role in showing what good looks like in this sector.

One Small Thing (OST) has a mission to make the criminal justice system better able to respond to women and children whose lives have been touched by trauma.

One Small Thing has worked for a number of years across the justice system advocating for a more compassionate and trauma-informed approach. They believe community-based provision should be available to women as an alternative to custody, including accommodation, specialist support services, work opportunities, education and training. These are all vital elements in enabling women to take control of their lives and reduce the trauma of a custodial sentence. This is why SASC partnered with One Small Thing by providing a loan. SASC's capital made it possible for OST to develop a new purpose-built residential community in Hampshire called Hope Street to house women and their children; and to purchase additional properties for use as safe move-on accommodation.

Claire has commissioned an independent evaluation of One Small Thing's services, with a view to scaling its approach. She wants to offer a blueprint to other organisations in the sector and, with the support of commissioners across the UK, see the model replicated.

Claire believes two of the biggest issues One Small Thing's model looks to address come from there being no alternative to prison for women, even for those convicted of minor offences. For many women there is simply no judicial alternative that allows them to remain in their homes and serve a community sentence. Often, they are imprisoned ostensibly for their own safety, due to an abusive partner or unsafe surroundings, rather than because of the severity of their offense. The second issue is how a woman's imprisonment results in her children being placed in care.

Unnecessary imprisonment, separation and the breakdown of the family can cause long term damage to the mental health and wellbeing of women and their children. The generational impact cannot be underestimated. The

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children often become less able to regulate their emotions, and experience difficulties at school, which in turn impacts their prospects in life. The disadvantage is not confined to the families who are directly involved. It also adds to the general pressure on social care, schools and the justice system.

Claire has seen first-hand how this can be avoided. Offering supported accommodation and community services changes the lives of women who might otherwise have faced prison. It gives them a chance to break the cycle of re-offending and retain custody of their children. At the most basic level, demonstrating skills such as the ability to sustain a tenancy, make regular bill payments and maintain a home goes a long way. It means a woman can get a recommendation from a landlord, enabling her to secure further accommodation; but will also contribute enormously to her sense of self-belief.

Claire stressed how carefully she and her board went about choosing their funding partner. What made SASC stand out was the effort we made to understand OST and our

responsiveness. Another key factor was SASC's risk-sharing approach to property ownership, and the freedom we gave OST to choose the right properties for its clients.

Claire felt the investment process helped to change the way One Small Thing's management look at the charity's finances. Instead of the traditional lens of charitable funding, they now look at their contracts, costs and wider funding in a more commercial way. She also felt SASC's investment committee (IC) showed a deep knowledge of OST and while the process was rigorous it was also constructive.

Claire believes One Small Thing's partnership with SASC could play a key role in supporting the expansion of OST's model. Far from being just a pilot, OST's Hope Street project and its model of supported move-on accommodation will be part of a five-year longitudinal impact study. The ambition is to help OST to better understand the impact of the OST model and to share this with other providers. Ideally, it will also encourage commissioners to adopt more holistic, trauma informed, and compassionate services to help women and their children escape the consequences of imprisonment and inadequate social support. We are delighted to partner with Claire and be involved in One Small Thing's transformative work.

Claire Hubberstey
CEO, One Small Thing



Positive Steps Partnership (PSP) was founded in 1989 to provide housing support for the HIV community of Dundee. Since then, Positive Steps has supported over 190,600 vulnerable people facing a range of potential barriers to sustainable independent living. These include mental health issues, learning disabilities, substance misuse, offending behaviour, homelessness and poverty.

Derek Sharkey, Positive Steps' longstanding CEO, knows secure access to supported housing is key to helping vulnerable people improve their prospects and progress to living independently. That made it a 'watershed moment', in his words, when SASC offered a loan of nearly £2 million to Positive Steps in 2021 (we have since agreed a second £1 million project with the charity). This allowed it to move from renting properties to becoming a property owner. Positive Steps was able to buy thirty properties, expanding and broadening its services without having to cut back elsewhere. As an example, PSP became able to work with new partners in the criminal justice system, providing accommodation such as short-term lets for ex-offenders and others when the council was unable to meet demand.

Derek believes the strategic benefits of working with SASC include increased income generation, business resilience and the opportunity for further expansion.



The first question for Positive Steps was whether property ownership was a strategic imperative. Could it justify using scarce capital to buy property when there were so many competing demands on the charity's finances? This is why Derek and Positive Steps' board found SASC's loan so appealing. Our offer to pay over 100% of the property value, to

allow for purchase costs and some refurbishment, meant the charity's balance sheet was protected and it did not need to 'raid' other services to redirect capital. SASC's offer also addressed the board's concern about the risk of voids or loss of contracts. We mitigate these risks by offering payment terms based on the income generated by the properties and a low-risk exit if needs be. Derek felt SASC's offer ticked many key boxes. Finding a lender that really sought to understand the organisation and was willing to share risk helped Positive Steps' board make the momentous decision to purchase properties.

Derek believes owning property has been transformative for Positive Steps. Being given the time and support by SASC to buy properties in the best locations for their clients made a huge difference to the charity's ability to find the right place for each client and support them accordingly. Often there is a lot of scepticism about people who have or are still experiencing substance misuse. They need to be supported in their community, which means proper one-to-one household management, working with neighbours to build good relationships and improve the client's ability to maintain a tenancy. Individuals using drugs are often housed, before they are ready to live independently, in remote housing estates where they suffer social isolation and are vulnerable to dealers. Without services and a social network to help, maintaining a tenancy can be a real struggle.

The additional capacity Positive Steps has added to its workforce to manage the properties means it has become a larger local employer. Having this infrastructure also allows it to offer property maintenance to other charities.

Derek believes the strategic benefits of working with SASC include increased income generation, business resilience and the opportunity for further

expansion. Derek pointed out that one of the biggest wins was the growth in Positive Steps' stature. By signalling to other lenders that Positive Steps is a solid partner, SASC's loan will help PSP widen its future funding options.

Derek felt that while SASC's due diligence process was appropriately rigorous, it also enhanced his organisation's internal processes and prepared them for conversations with other lenders. In terms of what SASC can improve, Derek suggested a more streamlined approach to our research to ensure the same questions are not asked more than once. We have taken this feedback to heart.

Finally, Derek welcomes the Scottish government's plan to invest in more rehabilitation services for people with problem drug use in 2024. He also knows that for this initiative to be truly successful, pre-rehab and post-rehab services also need to be expanded. Positive Steps is ready to offer these services and is exploring with us how we might help. Social impact only comes about through a combination of trust and picking the right partners. At SASC, we are delighted Positive Steps chose us as their partner.

Derek Sharkey
CEO, Positive Steps Partnership



For nearly 45 years **Thrive Women's Aid** has provided a haven for women, children and young people in Neath Port Talbot who have experienced domestic abuse. Since opening its first refuge in 1980 Thrive has added several services, the latest of which is Thrive Housing. In September 2022 SASC agreed to lend Thrive Housing £2.7m to purchase twenty self-contained properties. These will be used as second stage move-on accommodation for women and their children, once they can be safely supported in the community. Thrive will also provide tenants with specialist support to help them rebuild their lives.

Liz Downie, recently appointed as CEO in April 2023 and Chair of Merthyr Tydfil Housing Association, brings a wealth of housing experience to the organisation. She believes owning property that Thrive has chosen will allow them to make a much greater impact on their community.

She described how domestic abuse had spiked through the Covid pandemic, to the extent it became called the 'second pandemic'. Increased domestic violence combined with the housing crisis resulted in a huge backlog of those who needed access to the Thrive refuge. The backlog was made worse by the lack of safe supported social housing that enables women and children to move out of the refuge.

In addition to this, Liz highlighted how life in a refuge is not easy for anyone who has suffered abuse and remains vulnerable. It is especially difficult for women with larger numbers of children, older women, or women with older children.

These new properties will allow Thrive to help their clients in several ways, these include reuniting families (16-18 year old males cannot be housed in the refuge); providing families with a home they can make their own; the chance to create more normal living conditions; and a route to independence. Thrive will also offer wrap-around support to help clients master or regain some key life skills – for example, budgeting and food planning.

Becoming a property owner also means Thrive can offer staff new career routes and employment opportunities in their local community. Thrive will recruit staff locally to manage the tenancies and offer support services to clients in those houses.

In terms of financial resilience, Liz said the SASC investment offered benefits in three ways. In the first instance, SASC's due diligence and attention to detail made the organisation focus on developing more realistic and detailed financial forecasts. Liz believes the forecasting skills her colleagues developed in the process will be helpful with future funding needs analysis. SASC worked hard to make sure the offer was right for Thrive and since then SASC's portfolio team have helped them reforecast their income, enabling Thrive to buy better quality homes.

Secondly, receiving housing benefit directly from the local authority reduces the risk of arrears. With careful management, this will allow Thrive to build up a surplus – strengthening their balance sheet alongside their equity in Thrive's portfolio of houses. It also leads them towards being self-funded, reducing their need for grants and donations. Thirdly, the potential for expansion as well as stability is key. Owning property will improve Thrive's ability to win contracts outside their current footprint: expanding is often easier with a track record and a proven model. Greater liquidity and being less vulnerable to a limited number of contracts means less risk to income and better staff retention.

Finally, Liz reflected on why Thrive had chosen to work with SASC, having looked at other funding options. She felt there was a clear affinity with SASC in terms of ethos and a shared desire to create impact and underpin the organisation's future. Liz believed Thrive emerged from the due diligence process with a more analytical approach and fresh sense of confidence in their own abilities. The experience was made positive by SASC's real desire to understand Thrive's operations – not just the

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finances. Liz was also impressed by the SASC Portfolio Management Team's on-going support and genuine interest in Thrive, as reflected by SASC's visits to see the newly acquired houses and meet the staff. We are delighted to hear that Liz is looking forward to working with SASC again

Liz Downie
CEO, Thrive Women's Aid

