

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.

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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

