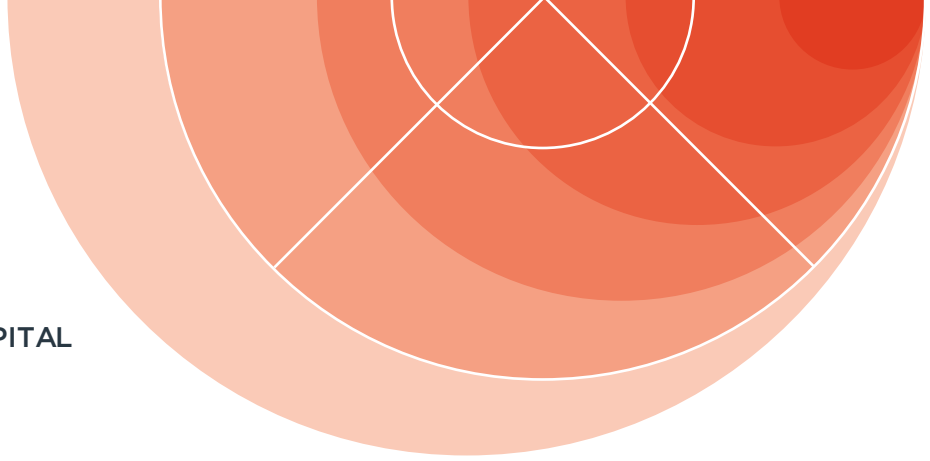


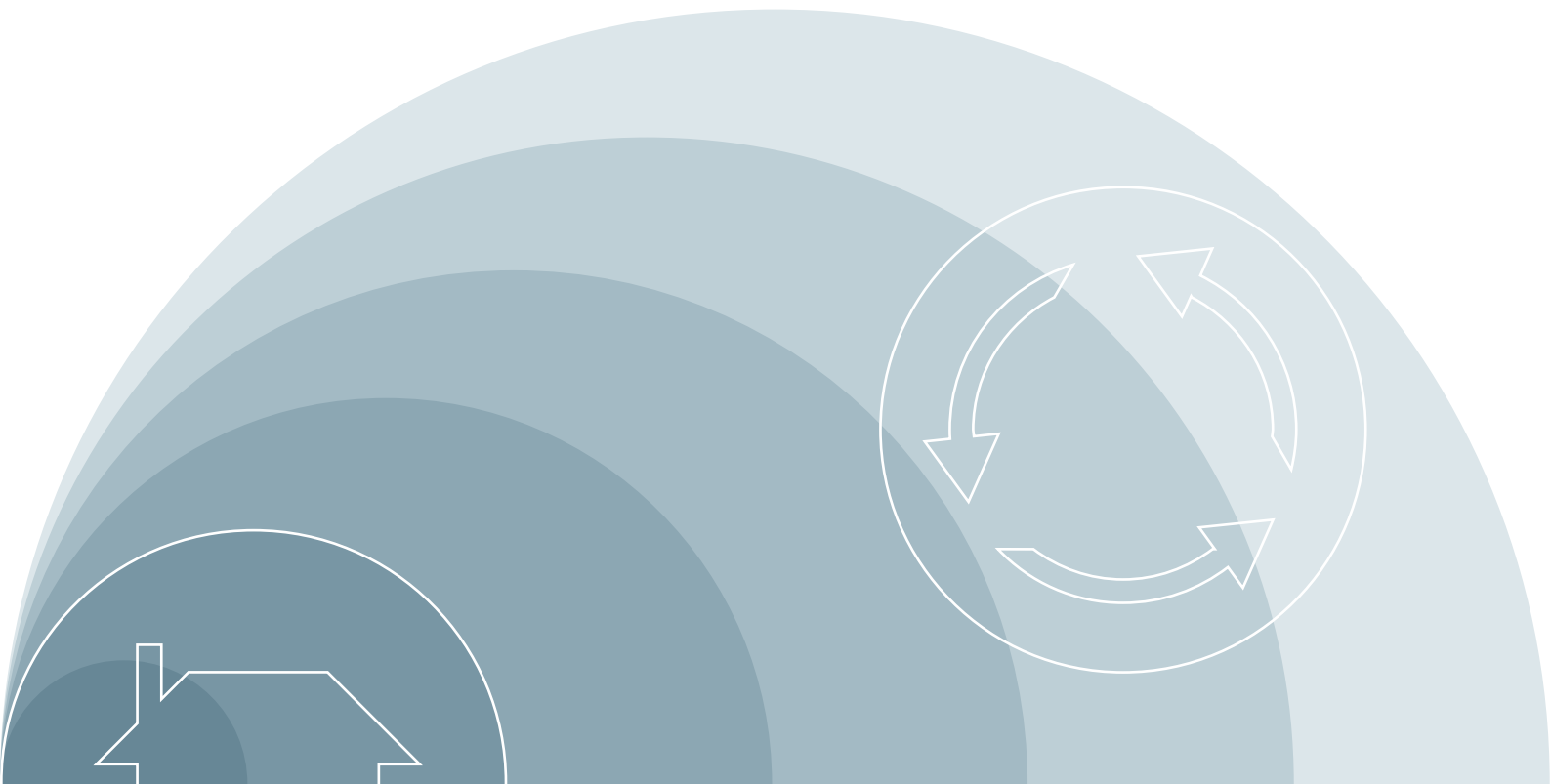


SOCIAL and
SUSTAINABLE CAPITAL



IMPACT REPORT 2017

...our first 3 years





SASC

**SOCIAL and
SUSTAINABLE CAPITAL**



DEAR FRIENDS,

The three years since we launched the first of our two funds have passed very quickly. When we look back we realise how much we have achieved and how much we have learned. Social and Sustainable Capital was born from a desire to support social sector organisations in the UK. We aim to help deliver scalable and sustainable solutions to social issues by providing social sector organisations with investment that will allow them to grow and to help those most in need in our society today. SASC is a social investor. We believe greater access to the right kind of finance makes charities and social enterprises better able to tackle large scale problems such as poverty, homelessness and unemployment.

The purpose of this report is to share our success with you and to show the difference that our investments are making to the lives of the most disadvantaged in UK society. The charities and social enterprises we have invested in do extraordinary work. Thanks to their efforts, vulnerable people and families across the UK are gaining better access to quality education; being cared for by their local communities; developing lifelong skills through employment and training; and the list goes on. We could not be more proud to be able to say this. We hope

...our first 3 years

that this report does justice to the commitment and dedication of the organisations SASC has supported.

SASC has celebrated many successes in the last three years. These include launching our second fund, the Third Sector Loan Fund (TSLF) in October 2014; developing an innovative partnership with the Power to Change charitable trust; and building a first-class investment team to take our work forward. Just this month our investment committee approved our 16th investment. Of course we also face a number of what can sometimes seem intractable challenges. Social investment is a complex process to begin with because it has to combine two bottom lines. It becomes even more challenging to provide repayable finance to social sector organisations in a world where their main source of income, public spending, is being cut year after year. We've responded by trying to develop a more flexible investment offering. This involves working creatively and in partnership with potential investees to address the unique set of problems they each face. We are in the process of relaunching The Third Sector Loan Fund in order to incorporate what we have learned over the last three years.

We are delighted to have made twelve investments over the last three years. These investments have seen us provide more than £8 million of funding to front-line organisations. We continue to believe that the best way to do this is by thinking through carefully both financial and impact risk. We are a social enterprise ourselves. That means it forms part of our DNA that investing is only a means, not the end. If we and our peers in the sector can get it right, social investment can play a crucial role in what are undoubtedly highly challenging times for the most marginalised members of our society.

**OUR MISSION
IS TO HELP
SOCIAL SECTOR
ORGANISATIONS
DELIVER
SUSTAINABLE
SOLUTIONS TO
SOCIAL ISSUES
ACROSS THE UK.**

**NAT SLOANE,
CHAIR OF THE BOARD**
**BEN RICK,
CO-FOUNDER AND
MANAGING DIRECTOR**



SOCIAL & SUSTAINABLE CAPITAL

about us

OUR JOURNEY

SASC was founded in 2012. Our mission is to help social sector organisations deliver scalable and sustainable solutions to social issues across the UK. Since 2012 we have raised two funds: the £20 million Community Investment Fund and the £30 million Third Sector Loan Fund. We have made twelve investments with a total value of £8 million. This funding has gone into inspiring, high-potential charities and social enterprises. It will help them go on growing and achieving greater impact. SASC is a social enterprise itself, with 51 per cent of our profits going to the Social Investment Business Foundation; we are regulated by the Financial Conduct Authority.



51%

SASC IS A SOCIAL ENTERPRISE WITH 51% OF OUR PROFITS GOING TO THE SOCIAL INVESTMENT BUSINESS FOUNDATION

OUR FUNDS

Our funds aim to improve the wellbeing of individuals, families, groups and communities. They focus particularly on those who are vulnerable or disadvantaged. This includes people who are struggling with poverty, disability, illness, unemployment and economic hardship. The twelve investments we have made are helping to respond to gaps in health and social care, provide employment and training opportunities and affordable housing, create community owned renewable energy projects and improve community cohesion across the UK.

COMMUNITY INVESTMENT FUND

COMMUNITY INVESTMENT FUND / INVESTING IN LOCALLY-LED ORGANISATIONS ACROSS ENGLAND

This Fund invests in organisations located in England that are community-based and locally led. These organisations provide essential support and services to improve the well-being of local residents. They develop the local economy. And they create positive social change for individuals in the community.

The Fund offers long-term, flexible loans and quasi-equity investments in amounts that range from £150,000 to £2 million. CIF has invested in nine community organisations. Each of them has developed its own ways of supporting and engaging its local community. These can include caring for the more vulnerable local residents and families, employing and training a local workforce, and developing innovative business models to generate a surplus that can be reinvested in the community. In the face of growing austerity in local government spending, these organisations continue to demonstrate true ambition and forward thinking. They are expanding in order both to increase their social impact and to secure their long-term future.

THIRD SECTOR LOAN FUND

THIRD SECTOR LOAN FUND / PROVIDING SIMPLE FINANCE FOR EXTRAORDINARY CHARITIES AND SOCIAL ENTERPRISES ACROSS THE UK

Regardless of the kind of organisation involved, growth and innovation usually create a need for extra funding. In the private sector, organisations can issue shares to raise the cash they need. But third sector organisations, by definition, have no access to equity funding. Some have sizeable reserves they can draw on, or own assets such as buildings that give them access to secured borrowing. But many third sector organisations have neither. This creates a serious funding gap, which in turn limits the sector's ability to create impact.

TSLF aims to address this gap. It provides unsecured loans of between £150,000 and £3 million to charities and social enterprises in the UK that can show they will increase their social impact if they receive such funding. The fund has invested in social care charity Family Action and transport social enterprise HCT. TSLF's loans are focused on supporting organisations that work with marginalised, excluded or vulnerable individuals and groups. TSLF is able to lend on a secured basis. But its true niche lies in medium term, unsecured loans. Terms can be quite flexible, for example including revenue participation notes and similar quasi-equity instruments.

SASC launched TSLF in April 2014 with a pioneering structure. The structure brings together three different kinds of funding. SIB Foundation provided repayable grant, Big Society Capital invested mezzanine capital and Santander extended a £13.5 million debt facility. We believe this is the single largest commitment that a leading commercial bank has yet made to a third party fund that supports social ventures.

OUR IMPACT DRIVEN APPROACH

We aim to build enduring partnerships with our investees. The reason is simple: we believe our success as an investor is closely linked to their success as social ventures. Our overarching goals are:



TO PROVIDE THE RIGHT KIND OF FUNDING TO SOCIAL SECTOR ORGANISATIONS WHICH HAVE REAL POTENTIAL, BUT WHOSE PERCEIVED RISK PROFILE OFTEN RULES OUT MAINSTREAM SOURCES OF INVESTMENT.

TO HELP OUR INVESTEES BECOME MORE FINANCIALLY SUSTAINABLE SO THAT THEY CAN GENERATE MORE IMPACT FOR THE PEOPLE THEY WORK WITH BOTH IN THE SHORT TERM AND - MOST IMPORTANTLY - IN THE LONG TERM.

We want to ensure that social outcomes are at the heart of every investment decision we make. To do this, we have developed an approach for assessing the impact potential of each proposal. We use this framework throughout the investment process. This process starts when we first meet an organisation. A key part of our due diligence is to get to know the organisation (meaning its people) and to establish a relationship of trust. Finally, we structure an investment that meets the organisation's needs. Once the investment has been made, we work with our investees to monitor and report on impact. Focus on impact is a constant.







We want to assess the impact that could result if we invest in an organisation. Our approach falls into three stages:

<p>UNDERSTAND</p> <p>In the first part of the process, we spend time understanding how an organisation achieves or intends to achieve the social outcomes it aims for. What problem is it trying to address, and for whose benefit? How exactly does an organisation believe its interventions will create desired social outcomes? This is not just about theorizing; we also spend time understanding what it looks like in practice.</p>	<p>ASSESS</p> <p>Once we can clearly map an organisation's impact strategy and how it delivers impact on the ground, we assess and test the risks that come with the strategy. Risks can include the management team's capability and track record, the operating context, and how this affects the organisation's work. We also assess how the organisation plans for and manages unintended outcomes.</p>	<p>DEFINE</p> <p>A good understanding of the social outcomes, and of the risks associated with them, allows us to see how our investment will help an organisation achieve greater impact. We think about both depth and breadth of impact. We also think in both quantitative and qualitative terms ("no numbers without stories, no stories without numbers").</p>
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Once our investment committee has approved an investment, we work closely with organisations to agree a set of social impact key performance indicators that they report on regularly. Indicators are linked to an organisation's target outcomes and are a helpful way of tracking social impact performance. We aim to be pragmatic rather than prescriptive: wherever possible, we build on what an organisation is already measuring, rather than imposing new requirements.


OUR PARTNERS

Our investments and impact to date have been made possible through the strong relationships SASC has built with our partners.

 <p><i>Big Society Capital</i></p> <p>Big Society Capital (BSC) was set up in 2012 to help grow the social investment market in the UK. It is an independent organisation, the first of its kind, established by the Cabinet office and launched with a £600 million investment fund. The investment fund comes from dormant bank accounts and four leading UK banks. BSC acts as a champion to help increase awareness and confidence in social investment. It also acts as an investor into fund managers like SASC, enabling them in turn to invest in charities and social enterprises to tackle social issues across the UK. BSC has committed £10 million to the Community Investment Fund and £15 million to the Third Sector Loan Fund.</p>	 <p><i>Social Investment Business</i></p> <p>Social Investment Business (SIB) is one of the UK's first social investors. Its programmes include Communitybuilders, Futurebuilders and the Social Enterprise Investment Fund. These have allowed SIB to provide over £390 million of loans and grants to over 1,200 social sector organisations across the country. SIB has over thirteen years of experience in social investment and has played an important role in helping develop the market in the UK. SIB is an investor in SASC and receives 51 per cent of our profits. SIB is also an investor in both of our funds, having committed £10 million to the Community Investment Fund and a catalytic first-loss investment of £1.5 million to the Third Sector Loan Fund.</p>	 <p><i>Power to Change</i></p> <p>Power to Change is an independent charitable trust, set up in January 2015 with a £150 million endowment from the Big Lottery Fund, to support, develop and grow community business across England. Funding and support is available to organisations at each stage of their journey to becoming a sustainable community business, from inspiring and nurturing ideas to expansion. The Trust also plays a broader national leadership and advocacy role in increasing awareness of the social and economic benefits of community business. SASC launched an innovative 'blended finance' pilot with Power to Change in 2015.</p>
 <p><i>Santander</i></p> <p>Santander Bank has extended a £13.5 million debt facility to the Third Sector Loan Fund. We believe this is the single largest commitment that a leading commercial bank has made to a third party fund supporting social ventures. The investment is in line with Santander's commitment to support the growing social investment sector and to invest in small and medium sized organisations.</p>	 <p><i>Charity Bank</i></p> <p>Charity Bank was set up in 2002 to offer secured loans to organisations with social and charitable goals. SASC and Charity Bank have partnered to provide up to 100 per cent of asset value loan finance to projects that have demonstrable social impact. Investment may be used for purchasing, renovating, or building property or premises. It is available to organisations which might require a bigger loan than mainstream banks will typically lend on a secured basis.</p>	 <p><i>Access Foundation</i></p> <p>SASC has been selected as an "Access Point" for the Reach Fund. The Reach Fund is a two-year £4 million investment readiness grant programme that has been funded by Access - The Foundation for Social Investment. Access was set up in 2015 to make it easier for social sector organisations to access social investment and take on repayable finance. Being an Access Point enables SASC to recommend organisations we are working with directly to the Reach investment readiness support programme.</p>

A SNAPSHOT OF OUR INVESTMENTS

Our investees cover a broad geography, some operating at a very local level and others with a national reach. Our investments are also spread over a range of social outcome areas.

-  EDUCATION, EMPLOYMENT AND TRAINING
-  HOUSING
-  PHYSICAL HEALTH
-  SOCIAL CARE
-  CITIZENSHIP AND COMMUNITY
-  SUSTAINABLE LIVING



12 INVESTMENTS

£8 million invested

FIVE
BLENDED INVESTMENTS WITH POWER TO CHANGE

TWO
INVESTMENTS FULLY REPAID

70% OF INVESTMENTS SUPPORTING PEOPLE IN THE 20% MOST DEPRIVED NEIGHBOURHOODS IN THE COUNTRY

SIXTY-SEVEN
YOUNG ADULTS BACK INTO TRAINING AND EMPLOYMENT

90 VOLUNTEERS RECRUITED

ONE INNOVATIVE PAYMENT BY RESULTS PROGRAMME

53 affordable quality childcare places created

three

LOCAL RENEWABLE ENERGY PROJECTS IN COMMUNITY HANDS GENERATING 120,000 TONNES OF CO2 SAVINGS A YEAR

550 VULNERABLE PEOPLE GIVEN ACCESS TO SERVICES THROUGH TRANSPORT

41 PEOPLE REHOUSED IN APPROPRIATE ACCOMMODATION

255 disadvantaged people engaged in vocational training



THE LESSONS

we have learned

When we set up SASC, we knew social investing was going to be challenging. Not least because everyone told us it would be. And the people telling us included the Social Investment Business and Big Society Capital, the sector experts who were entrusting us with their money.

In 2012, we were already in a low interest rate environment where commercial investment funds were struggling to provide their clients with attractive returns. Meanwhile, as a start-up social investor, SASC was setting out to invest for a double bottom line. We needed to generate both social impact; and a financial return for our investors.

Our work to date has been fascinating and constantly rewarding for all of us at SASC. It has also been even harder than any of us expected. One of the most important reasons is the continuing austerity in government spending. This has left the organisations we are here to support squeezed between increasing demand for their services on the one hand, and reduced income and margins on the other.

We would like to share with you some of the lessons of the last three years.

LESSON #1 / DEPLOYMENT, DEPLOYMENT, DEPLOYMENT

The SASC project is, in theory, simple: can we put our funds to work by making investments into inspiring organisations that can deliver social impact – and get our investors' money back, with some interest?

Deployment (putting our funds to work) is key to everything we do. It gives our investors confidence that we are doing a good job (although of course getting the money out is only half the story). It enables organisations to deliver social impact. And it keeps our team motivated. Most importantly, doing deals is contagious – we have noticed a clear link between the number of investments we are completing and the quality (but not necessarily the quantity) of the applications we receive. We are finding that the people and organisations we work with often refer other opportunities to us.

No matter how much analysis and theory you bring to the table, until you can point to actual investments completed your voice struggles to be heard. We are well aware that we need to try and provide a distinct social investment offering.

We realised we needed to do more than just set out our stall and offer more of the same – we needed to be creative and to find a way to offer something that organisations needed but were unable to obtain elsewhere. Here are some of the ways in which we are doing this:

One avenue is to look for areas where market changes create new opportunities. The financing environment for community energy changed dramatically in end of 2015: government subsidies for generation were withdrawn at the same time as tax incentives for investors fell away. We stepped in to provide a range of financing solutions. These have helped inspiring communities to take ownership of renewable assets and generate long term income streams to support the most deprived individuals within their locality.

We looked back at the work that had been done by our partner SIB in previous programmes they had run, and realised the power of blended finance. Advancing a combination of grant and loan was an idea that felt like it was going out of fashion, but we saw many situations where we believed this was the right way to proceed. Many organisations applying to SASC had sustainable business models, but they were not sustainable enough to service the upfront debt required to get the project started. They needed a grant to cover a portion of the initial costs. This would catalyse a sustainable future in which the organisation could go on to deliver social impact year after year.

We discuss blended finance and outcome based finance further below.

LESSON #2 / BLENDED FINANCE TO DRIVE IMPACT

The combination of grant and loan can be a powerful tool for driving greater impact. SASC always thought that combining different types of funding could produce something greater than the sum of the parts. Our Third Sector Loan Fund brought together three such strands: repayable grant from SIB, investment from Big Society Capital, and a loan from Santander. This addressed each investor's different risk/return needs and created something more powerful than any one of the investors could do on its own.

We went on to see an opportunity to blend different types of funding when we in turn make our own investments into organisations. This involves advancing a grant and a loan together. Some

SOME ORGANISATIONS HAVE SUSTAINABLE BUSINESS MODELS, BUT ARE UNABLE TO SUPPORT REPAYABLE FINANCE COVERING THE WHOLE SUM THEY NEED. PROVIDING PART OF THE FINANCE IN THE FORM OF A GRANT BRIDGES THIS GAP.

organisations have sustainable business models, but are unable to support repayable finance covering the whole sum they need. Providing part of the finance in the form of a grant bridges this gap.

In the autumn of 2015, we launched an innovative partnership with Power to Change. Power to Change is a £150 million foundation that supports community businesses across England. Working with Power to Change has enabled SASC to

complete five of the investments contained in this report that otherwise would not have been possible. We continue to work on other projects as we try to find new ways of aligning the strategic goals of Power to Change with the mandate of our Community Investment Fund.

'Community business' (Power to Change's focus) and 'social impact' (SASC's mission) often overlap, but not always. Many organisations that apply to SASC would be able to support a blended investment, but do not meet the definition of a "community business". SASC is keen to identify other grant funders, currently working in areas that overlap with our funds, who could partner with us to expand the blended offering. There is a challenge, though. Blended investment gives a wider range of inspiring organisations a onetime leg up to a sustainable future. Nonetheless, some grant makers hesitate because they view blended investment as a subsidy for lender returns. This is a complex discussion with robust arguments on both sides that requires more space than we can devote to it in this report. But one lesson is undeniable: collaboration is catalytic. Funders with different types of finance working together will result in organisations and projects coming to life that would otherwise never get traction.

LESSON #3 / A DIFFERENT APPROACH TO OUTCOMES BASED FINANCE

The creation of Social Impact Bonds (SIBs) was an important response to the trend towards commissioning on an outcomes or payment by results (PBR) basis. Early SIB deals did much to bring different investors together to fund innovative interventions. To date, however, despite significant grant and subsidy, the level of growth predicted for SIBs has been less than desired. SASC believes that getting outcomes based financing right is a key test of whether social investment will ever reach the scale it needs to become more than a "cottage industry".

At SASC, we believe outcomes based financing should be as easy to understand, flexible and inexpensive as possible. We see our role as helping third sector providers win and then successfully deliver payment by results contracts. We should play a supporting role, rather than being the focus of any commissioning process. Where possible, the aim should be to elevate third sector organisations from subcontractor to prime contractor. If external support is required around issues such as performance management, we believe there must be a process in place to transfer skills to the delivery organisation over the life of the contract. Trust is vital: between investor and provider (delivery organisation), and between provider and commissioner. Risk and reward should be shared appropriately between us as an investor and the provider. If SASC makes a positive return, then the provider should also earn some surplus, and vice versa (as long as this does not put the provider's overall finances at risk). The absolute level of return to the investor must reflect the risk it is taking – including how innovative the intervention is. All of this means that trust and alignment of interests are key to the SASC PBR financing structure.

Where structure is concerned, SASC looks first for simplicity. We only accept complexity (eg the use of a Special Purpose Vehicle or SPV) if that will genuinely help delivery of the contract. Complexity increases the upfront and running costs of a SIB financing. This has become a sticking point for both providers and commissioners.

On the following page Family Action CEO David Holmes describes his experience of working with SASC to take on investment for PBR.

Spotlight on outcomes based finance



**DAVID HOLMES,
FAMILY ACTION CEO**

FAMILY ACTION'S STORY

Family Action has been providing community-based services to support vulnerable families, children, and adults since 1869. We have 145 services across the UK ranging from Children's Centres to intensive home-based family support and from therapeutic services for children recovering from abuse to supported housing for adults with mental health issues.

Two years ago, in a context of continuing financial austerity, Family Action decided to explore social investment as part of a strategy to diversify our income base and prioritise innovation in our service delivery. We spent months developing a bold, new, intensive service for adolescents in care who were experiencing multiple placement moves, who were going missing regularly, were at risk of exploitation or offending or who were otherwise at significant risk. The model we developed was exciting, but unproven. How could we persuade local authorities to commission such a service without a substantial evidence base? And how could we manage cash flow in year one without putting a substantial amount of the charity's reserves at risk? Who might help us?

Well, we tried and failed to persuade the DfE to invest in the service through its Innovation Fund. And what grant making trust would be willing to invest enough money to enable our service to prove its worth? But we refused to give up – we knew the service was needed. Every Director of Children's Services in every local authority across the country will know by name a number of young people who are unable to settle in care who they are deeply worried about – this service was for those young people. And so we turned to social investment.

We spent a lot of time talking to different social investors to find an investor and a deal that was right for us. We knew we didn't want a social impact bond. We wanted a more flexible financial product with less intensive governance, but with risk sharing too. With consultancy support we found the right investors for our deal – Social and Sustainable Capital and the Esmée Fairbairn Foundation.

Together we created something different: an unsecured loan to help with cash flow while the service proved its concept. We agreed that if the



service succeeded in achieving stretching target outcomes for our young people, then the investors would benefit financially and if the service failed altogether, the investors would share the closure costs with Family Action. We also created a payment by results structure for the service that would be attractive to commissioners. After much discussion with a number of local authorities the service was eventually commissioned by two of those we approached.

Family Action's social investment-enabled service has been up and running for four months now and it is working! As a CEO I have learned that social investment is fundamentally a deal and you need to find the right deal for your charity. Our Chair and trustees worked alongside the executive team throughout the period when we were exploring social investment. We considered social investment together at four consecutive Board meetings in 2015 – from first principles to finally agreeing a deal.

True innovation is rarely easy and social investment is not a free ride. You have to come up with a great idea and get the best deal you can. To achieve that the

executive team and the Trustees (and indeed the investors) all need to be performing at the top of their game – sparking off one another, challenging one another, but ultimately coming up with an idea and a deal that will fly. Fundamentally, the executive team and the charity's trustees need to trust and support each another, but that does not mean they need to agree on everything. Robust healthy challenge is just what is needed when deciding if social investment is right for your charity.

Our Chair, Bryan Portman, says that taking social investment is a leap of faith, but it does not have to be a leap in the dark! He's right about that – the key to social investment is getting the deal right. Be prepared for lots of detailed work and intense scrutiny of your proposal by your Board and at least the same amount of scrutiny of your proposal, your charity's finances and the strength of your executive team and Board by your chosen investors. But do explore social investment – if you find the right deal the potential of social investment is amazing. In our case, it may transform young lives forever.



OUR PORTFOLIO

meet our investees

IT IS A PRIVILEGE FOR THE SASC TEAM TO MEET AND WORK WITH INNOVATIVE AND INSPIRING ENTREPRENEURS. ALTHOUGH OUR INVESTMENTS COVER A WIDE RANGE OF SOCIAL SECTORS, BEHIND EACH ONE IS A GROUP OF PASSIONATE AND SELFLESS INDIVIDUALS WHO ARE DEDICATED TO IMPROVING THE LIVES OF COMMUNITIES OR VULNERABLE PEOPLE. SEVENTY PER CENT OF OUR INVESTMENTS ARE SUPPORTING PEOPLE IN THE 20 PER CENT MOST DEPRIVED NEIGHBOURHOODS IN THE COUNTRY.

THESE ORGANISATIONS HAVE FOUND IT CHALLENGING TO OBTAIN FINANCING FROM TRADITIONAL SOURCES. OUR FUNDING HAS ENABLED THEM TO GROW THEIR SERVICES, INCREASE THE NUMBER OF PEOPLE THEY HELP, TRANSFORM THEIR DELIVERY MODELS, AND IMPROVE THE QUALITY OF THEIR SUPPORT.

THE FOLLOWING PAGES PROVIDE FURTHER DETAIL ABOUT EACH OF THE INVESTMENTS AND ORGANISATIONS IN OUR PORTFOLIO. EACH INVESTMENT IS PRESENTED BY DEFINING:

WHY

the organisation is delivering services and to solve which problem

HOW

our investment is helping them to address the opportunity or problem

WHAT

the intended outcomes and longer-term impact will be



WHY

Problem & Solution

Based in Exeter, Chime CIC spun out of the NHS in 2011 as an independent organisation. It is the only audiology department in the UK to have done so. Today Chime CIC runs a patient-centred audiology service across multiple locations in Devon and has a case load of 34,000 patients. By spinning out, Chime CIC gained more control over decision-making. This supported the provision of a high-quality service to patients and put Chime CIC in a stronger position to renegotiate supplier contracts, creating a more sustainable business model for the organisation over time.

HOW

is SASC supporting?

SASC made a £170,000 loan to support the fitting out of a leasehold property in Exeter city centre with five new treatment rooms. This gave Chime CIC a high-street presence and the physical space to see more patients and reduce waiting lists.

WHAT

Outcomes & Impact

The investment has enabled Chime CIC to employ three new staff and to see an additional 5,000 patients each year. As Chime CIC reinvests surpluses back into the business, the new centre will also create opportunities for improving patient care. There are plans to increase the specialist capacity in the paediatric audiology service, purchase new equipment, and invest in staff training.

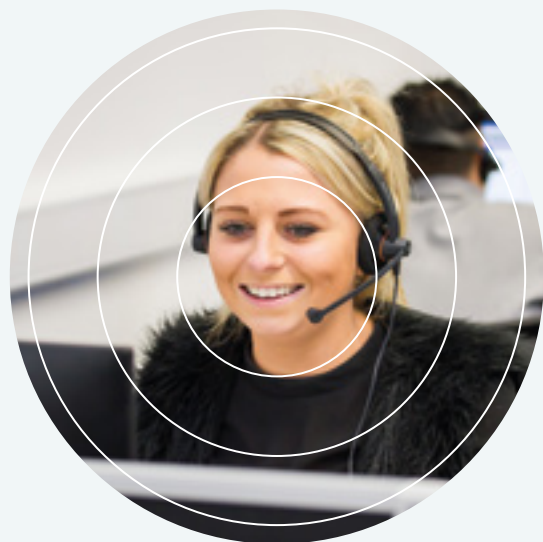
+ CHIME CIC

LOCATION / EXETER, NORTH DEVON
WHO BENEFITS / ADULTS AND CHILDREN WITH HEARING LOSS AND HEARING IMPAIRMENTS

Chime CIC runs dedicated hearing service clinics across fifteen locations throughout Devon. Bringing NHS treatment of hearing loss into the community results in better outcomes for patients and an improved quality of life. As a social enterprise, all profits go back into delivering more frequent and better services.

WE FELT THERE WAS AN OPPORTUNITY TO SECURE THE WAY WE WERE WORKING MORE EFFECTIVELY IN A DIFFICULT FINANCIAL ENVIRONMENT AND TO HAVE MORE CONTROL OVER THE DECISIONS WE WERE MAKING IN RELATION TO THE CARE OF THE PATIENTS... IT HAS BEEN FANTASTIC TO WORK WITH AN INVESTOR LIKE SASC WHO TAKES THE TROUBLE TO REALLY UNDERSTAND A BUSINESS AND GET BEHIND IT IN THE WAY THEY DO.

Jonathan Parsons, Chime CIC CEO



SPACIOUS PLACE CONTACT

LOCATION / BURNLEY, LANCASHIRE
WHO BENEFITS / VULNERABLE ADULTS, INCLUDING EX-OFFENDERS AND LONG-TERM UNEMPLOYED

Spacious Place Contact (SPC) is a new and innovative social enterprise whose core aim is to support vulnerable individuals through a bespoke 'engagement to employment' programme in Burnley.

INVESTMENT
£1.5million

WITH £500,000 GRANT FROM POWER TO CHANGE

WHY

Problem & Solution

SPC's delivery model for supporting vulnerable people is based on a 'wrap around' service which helps individuals in all aspects of their lives, with training and employment at its core. Its mission is to give disadvantaged people from Burnley an opportunity to successfully reintegrate into society through professional skills development. Its first corporate partnership for testing this model is with a contact centre provider, Intelling UK Ltd.

Based on its experience over the first 15 months of trading SPC has been looking to develop its delivery model so as to be able to provide support services to employees of other organisations.

HOW

is SASC supporting?

SASC made a £1.5 million loan to help purchase Slater Terrace, a grade-II listed former cotton mill in Burnley. The investment was made alongside a £500,000 grant from Power to Change. The purchase enables SPC to set up a 60 seat call centre as a place of employment and training in a fully supportive environment. The investment also makes space at Slater Terrace available for other local businesses who will create more employment and share SPC's ethos of helping people in the local community.

WHAT

Outcomes & Impact

The investment has helped create a safe and supportive environment. Here, vulnerable adults can acquire the skills needed to grow in confidence and progress towards more stable and secure living. SPC has been working with a range of individuals including ex-offenders, long term unemployed and disadvantaged young people who are socially isolated and far from the job market. The project will also contribute to the regeneration of a deprived area of Burnley by creating a high quality hub for businesses.



CHILD DYNAMIX

LOCATION / HULL, YORKSHIRE
WHO BENEFITS / CHILDREN AND FAMILIES

Child Dynamix provides high quality, affordable nursery provision to the most deprived communities in Hull. The organisation also offers family support services, manages two charity shops in East Hull, and operates a toy bank.

fifty-three
NEW AFFORDABLE NURSERY PLACES

WHY

Problem & Solution

Child Dynamix aims to create communities in which children and families can thrive. Its origins lie in several regeneration projects in the Preston Road area in the early 2000s. Child Dynamix has grown beyond its original childcare service. Today it also runs youth clubs and sports activities, the Little Stars Children's Centre, and even its own charity shops. The charity also provides tailored support for local families, including help with parenting, debt management, one-to-one work in the family home, or sourcing much-needed replacement white goods and baby equipment.

HOW

is SASC supporting?

SASC has helped Child Dynamix acquire a building to house a new nursery in the St Andrews ward in West Hull. The additional space will help to relieve the significant local capacity gap in places for disadvantaged two year olds. As well as expanding its nursery provision, the new premises will also offer additional space for Child Dynamix to expand its community services, which until now have been limited to the eastern part of the city. The property purchase is a key milestone towards Child Dynamix's long term sustainability.

WHAT

Outcomes & Impact

SASC's loan, combined with a grant from our partners at Power to Change, will enable Child Dynamix to continue to deliver a significant positive community impact. Today the charity works with 106 disadvantaged two year olds receiving early years funding, provides opportunities for 91 community volunteers each year and has over 120 employees, 88 per cent of whom are from the local community. Child Dynamix's long term vision is to establish a recognised brand in childcare and a scalable blueprint for further expansion across the Humber sub-region.



GIROSCOPE
Turning empty houses into homes

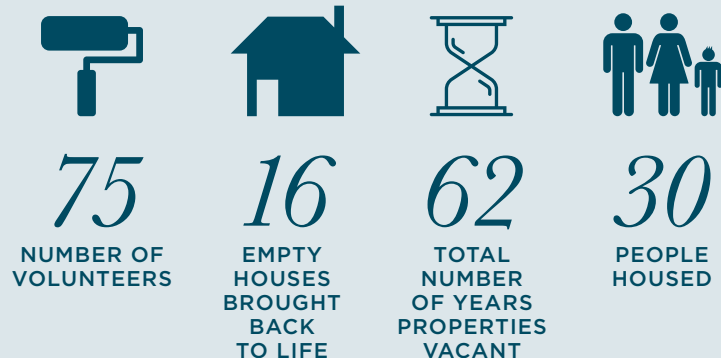


GIROSCOPE

LOCATION / HULL, YORKSHIRE
WHO BENEFITS / DISADVANTAGED PEOPLE IN NEED OF AFFORDABLE RENT, LONG-TERM UNEMPLOYED

Giroscope is an award winning housing charity based in West Hull. For nearly 30 years the organisation has brought sustainable regeneration to its local community by providing housing, employment and training. Giroscope's primary activity is renovating empty and derelict properties, bringing them back into use to provide affordable accommodation to those in housing need. In March 2016, Giroscope, in partnership with Canopy Housing Project, won the 'World Habitat Award for Self-Help Housing in the North'.

LAST YEAR AT GIROSCOPE



WHY

Problem & Solution

Giroscope was founded in 1985 by a group of volunteers to combat the housing crisis that resulted following the collapse of Hull's trawling industry. Many areas of the city were left with low levels of owner occupation and a surplus of poorly maintained private rented housing. Through buying and renovating empty properties, Giroscope provides homes for those in need at an affordable rent. The charity also engages with a large number of volunteers, many of whom are at risk of social exclusion, through a comprehensive training and employment programme linked to its housing renovation activity.

HOW

is SASC supporting?

SASC has provided a £250,000 investment to facilitate Giroscope's continued growth. The loan enabled the charity to move quickly to purchase three properties. One of them will be renovated into a community hub that provides support services and training and enterprise, as well as space for rent by other local organisations.

WHAT

Outcomes & Impact

The investment will help to grow Giroscope's housing portfolio and immediately house two vulnerable families. One is a refugee family who are also receiving employment training. Giroscope's offices have been expanded and now also house an IT training project for disabled adults. Giroscope will also expand its social impact through a new self-build project of 4-6 houses to be developed on a piece of land to the rear of the newly acquired property.



CASE STUDY / ANDY

Andy grew up in a very chaotic and abusive environment. During his teenage years he became involved in petty crime and cannabis misuse. Over time, this escalated to broader substance misuse, resulting in him becoming increasingly violent. He spent much of his time either in prison or in local hostels and his relationship with his family was at an all-time low.

In 2012, Andy's life began to improve. While living in a hostel, he was offered stable accommodation. He accepted this opportunity as a way to start rebuilding his life, contacting his family again and engaging with drug services. However, having been involved in such violent behaviour, he struggled to leave his old life behind. Andy continued having problems with the police and it was following his last incident that Andy was referred to us by his Probation Officer.

Since he joined Giroscope, Andy has been involved in the renovation of our properties. He has received training and developed a broad range of skills critical to securing employment. He has also been attending a local college to improve his literacy skills, and recently read his first book aged 29. Giroscope continues to support Andy and provided assistance with removal costs and carpets. Andy has clearly grown in confidence and self-esteem.

Giroscope gifted Andy a bike and in March took him along with some volunteers to Shropshire for the weekend. This had a massive impact on Andy, as he had never left Hull before.

Andy continues to engage with the organisation and has not re-offended since he joined. When asked about his time with Giroscope he stated that "it has been brilliant for me" and wishes that he had known about the organisation sooner.



HCT

**LOCATION / NATIONWIDE
WHO BENEFITS / THE PUBLIC, COMMUNITY GROUPS
INCLUDING DISADVANTAGED AND VULNERABLE GROUPS**

HCT Group is a social enterprise that provides a range of transport services. These include transport for schools, social services and the community. SASC's investment was part of a large financing round that brought in mainstream and social banks, charitable trusts, foundations and other social investment funds.

IN TIMES OF FINANCIAL CONSTRAINT, HCT HAS PROVEN THAT HIGH-IMPACT AND HIGH-QUALITY SERVICE DELIVERY IS POSSIBLE, AND THAT WORKING WITH SOCIAL ENTERPRISES SHOULD BE A KEY PART OF ANY LOCAL AUTHORITY'S COMMISSIONING STRATEGY.

Dai Powell, HCT Group CEO

WHY

Problem & Solution

HCT was founded in 1982 as Hackney Community Transport, to provide low cost minibuses for local community groups. Today the group has a turnover of £44 million. It competes in the commercial operator market as well as developing group transport projects for community organisations, supporting individuals in need with better access to services and developing employability programmes for low income groups.

HOW

is SASC supporting?

SASC has made a £500,000 investment as part of a £10 million financing round, to support HCT's next phase of growth. This includes expanding its Special Educational Needs (SEN) programme which transports children with special education needs to and from school.

WHAT

Outcomes & Impact

Public transport makes a big difference to people's lives – especially to those who are most deprived or vulnerable – by improving access to jobs, education, healthcare and community life. The investment will help HCT to generate £18 million of cumulative new business across its range of activities.





HS4LC
Harrogate Skills 4 Living Centre

♥ **HARROGATE SKILLS FOR LIVING CENTRE**

LOCATION / HARROGATE, YORKSHIRE
WHO BENEFITS / ADULTS WITH LEARNING DISABILITIES

Harrogate Skills 4 Living Centre (HS4LC) is an inspirational charity providing quality care and essential lifelong skills to over 100 adults with learning disabilities in Harrogate. SASC has made two loans totalling £785,000 to help the charity purchase two residential care homes. Previously offering day care services only, the move to include residential care was a natural extension of HS4LC's activities.

The purchases were also an opportunity for the charity to invest in securing its financial future in the face of challenging funding environment. Our investment has ensured HS4LC can both expand its social impact and improve its sustainability.

IF WE HADN'T TAKEN ON SOCIAL INVESTMENT WE WOULDN'T HAVE BEEN ABLE TO MAKE THE OPPORTUNITIES FOR PEOPLE THAT WE CAN NOW.

Stephanie Kirkman Meikle, HS4LC Former CEO

WHY

Problem & Solution

Many people with learning disabilities face inequalities in health and social care as well as a high degree of isolation. HS4LC was formed in 2010 in response to an overwhelming need for support for vulnerable people in Harrogate. Since then, it has grown into a thriving education and community centre for people with learning disabilities. As well as day care, it offers structured adult education courses, information, advice and guidance. It also operates a year round support centre where people can learn new skills and take an active part in their local community.

HOW

is SASC supporting?

SASC made an initial loan to allow HS4LC to purchase Brackenley, a 13 bed care home which was in administration. After the successful takeover of Brackenley, SASC funded the purchase of a second similar sized facility called Briardene. The residential care service supports people 24 hours a day to lead full lives, within the local community.

WHAT

Outcomes & Impact

The investment protects and improves the livelihoods of 26 adults with learning disabilities, safeguarded the jobs of 35 people and facilitated the creation of two new additional posts. By running the care homes, HS4LC will generate a surplus which will be reinvested into new services such as housing related support and training and employment opportunities for their clients.



 Bristol Energy Cooperative

WITH 9.3 MW OF RENEWABLE CAPACITY, WE WILL BECOME THE UK'S LARGEST GENERATOR OF COMMUNITY ENERGY. HOWEVER, THIS IS A FAST-GROWING AND ESSENTIAL PART OF THE UK'S ENERGY MIX, SO WE LOOK FORWARD TO BEING OVERTAKEN AS MORE COMMUNITY OWNED CAPACITY IS ADDED TO THE NATIONAL GRID.

Andy O'Brien, BEC Director



 Plymouth Energy Community

WHY

Problem & Solution

PEC identified an opportunity in the community of Ernesettle. It would enable PEC to significantly scale up its anti-fuel poverty activities by building a community owned solar farm on derelict brownfield land. PEC raised short term construction funding which it planned to refinance by raising community shares to ensure community ownership. However, the removal of tax incentives created a more challenging environment in which to raise the funding and PEC was left facing a potential financial shortfall.

HOW

is SASC supporting?

The 4.1MW Ernesettle solar array was energised in March 2016. It will generate enough energy to meet the annual needs of 1,000 homes. SASC provided a £610,000 3-year loan to refinance the construction loan. The investment has been repaid from the issuance of further community shares.

WHAT

Outcomes & Impact

SASC's involvement helped to make it possible for the community to take ownership of an important local renewable energy asset. Over its life, the Ernesettle solar array will generate £600,000 in rental payments to Four Greens Community Trust. This will support local regeneration activities in a deprived area of the city. The project will also generate an expected surplus of more than £2 million over its lifetime. This will increase PEC's longevity and help to fund its work to tackle fuel poverty over the next 25 years.

 BRISTOL ENERGY COOPERATIVE

LOCATION / BRISTOL, SOUTH WEST
WHO BENEFITS / LOCAL COMMUNITY, FAMILIES AND INDIVIDUALS IN FUEL POVERTY

Bristol Energy Cooperative is community-owned. It is growing the local area's renewable energy supply and making the benefits available to all.

WHY

Problem & Solution

The combined effects on the community energy market of the reductions in government subsidy and the removal of tax incentives were profound. An estimated £266 million of schemes were postponed or cancelled in 2015. Those schemes that did persist in the face of such obstacles were under significant time pressure to raise funding and to become operational before a September 2016 deadline. Bristol Energy Cooperative ('BEC'), which was planning to build larger scale solar installations of over 4GW, was in this situation. SASC saw an opportunity to use social investment to fill the funding gap created by policy changes. At the same time, the investment would ensure improved social outcomes for the local community.

HOW

is SASC supporting?

SASC provided investment to support the development of a solar farm in the Lawrence Weston area. This is a community on the outskirts of Bristol that exhibits multiple indicators of deprivation. SASC invested alongside Triodos Bank, Bristol City Council, Power to Change Foundation and community shareholders in a deal worth over £4.3 million. To enable local residents of Lawrence Weston to invest alongside SASC, the minimum community share investment size was reduced to £50, one of the lowest levels in the UK for such a project.

WHAT

Outcomes & Impact

The successful completion of the Lawrence Weston Solar Farm will enable BEC to become the UK's largest generator of community energy, providing enough green electricity to power over 2,400 homes. Surpluses from the project will be invested back into the community. At least half will go directly to the community organisation Ambition Lawrence Weston, which will use it to fund the development of local services and amenities. The remainder will fund fuel poverty initiatives in the Bristol area.

 PLYMOUTH ENERGY COMMUNITY

LOCATION / PLYMOUTH, DEVON
WHO BENEFITS / LOCAL COMMUNITY, FAMILIES IN FUEL POVERTY

Plymouth Energy Community (PEC) is an award-winning community benefit society established by local residents to tackle the high levels of fuel poverty in Plymouth. PEC's work has already benefited more than 11,000 households to date, with over £200,000 of fuel debt cleared and over £340,000 of energy savings made.

PEC IS COMMITTED TO HELPING THE COMMUNITY ACCESS MORE ENERGY EFFICIENT, WELL INSULATED, AND WARMER HOMES. OUR SOLAR ARRAY IN ERNESETTLE WILL GENERATE CLEAN ENERGY TO MEET THE ANNUAL NEEDS OF 1,000 HOMES, FIGHTING FUEL POVERTY AND SAVING MONEY ON ENERGY BILLS.

Alistair Macpherson, CEO PEC



RESILIENT ENERGY MOUNTENEYS RENEWABLES (REMR)

**LOCATION / KINGSWOOD, GLOUCESTERSHIRE
WHO BENEFITS / LOCAL COMMUNITY,
FAMILIES IN FUEL POVERTY**

Resilient Energy Mounteneys Renewables Limited (REMR) is a community benefit society that was established to deliver renewable energy and community benefits to the local communities of Kingswood, Hillesley and Wickwar in Gloucestershire.



Credit: SQUIFF CREATIVE MEDIA

WHY

Problem & Solution

REMR's roots lie in a collaboration between an established community energy developer (The Resilience Centre) and a community minded landowner. Both wanted to make a positive difference through community based renewable energy generation. The development of the two wind turbines was originally due to be financed through a community share raise that would transfer ownership of the project to REMR. However, despite considerable local support, sudden changes to tax incentives for community investors in renewable energy resulted in an investment shortfall. SASC saw this as an opportunity to support an innovative renewable energy project, while supporting positive change to the quality of life and resilience of the community.

HOW

is SASC supporting?

SASC's investment has supported REMR with its remaining capital requirement. Alongside the initial investment from the project pioneers and the £1.2 million of funding from community investors, our £1.6 million loan has provided the funding necessary to enable the purchase, construction and installation of two wind turbines.

WHAT

Outcomes & Impact

SASC's investment will enable REMR to generate clean energy for 880 homes and reduce CO2 emissions by 1,342 tonnes per year. All surplus will flow to the community fund which will support further resilience initiatives. These include the society's aim to remove 200 homes from fuel poverty and reducing energy bills by 25 per cent.



FAMILY ACTION

**LOCATION / WEST MIDLANDS
WHO BENEFITS / YOUNG PEOPLE, CHILDREN AND FAMILIES WHO
ARE EXPERIENCING POVERTY, DISADVANTAGE AND SOCIAL ISOLATION**

With origins that go back to 1869 and a reputation for innovation, Family Action is one of the UK's oldest charities working across Early Years, Children and Families, and Adult Mental Health. SASC has invested in Family Action to support an innovative programme called Safe Haven.

WHY

Problem & Solution

Family Action provides practical, emotional and financial support to those who are experiencing poverty, disadvantage and social isolation across England. Today the charity supports 45,000 families and children through 140 community based services and helps thousands more with financial assistance through education and welfare grants programmes. Family Action has developed Safe Haven, to improve outcomes for particularly vulnerable young people in care through the provision of intensive, wraparound support tailored to each young person's needs. The programme offers a 24 hour a day bespoke support package which is also available to their carers and birth families.

HOW

is SASC supporting?

Safe Haven is commissioned on a payment by results (PBR) basis. The local authorities of Sandwell and Wolverhampton make payments to Family Action contingent on the achievement of defined social outcomes. To deliver the programme, SASC and Family Action created a simple financing arrangement that shares risk and reward appropriately. SASC provided £700,000 alongside £300,000 from the Esmée Fairbairn Foundation. If the intervention performs well, investors will share in the upside; conversely, if it does less well than expected, investors will share any losses that are incurred.

WHAT

Outcomes & Impact

Safe Haven beneficiaries are young people who find it hard to settle in placement (such as a foster home or a children's home). They may go through five or more placements in the course of a single year which inevitably leads to very poor outcomes and escalating levels of vulnerability. Safe Haven aims to address this issue by providing the right combination of wraparound support for each young person referred to the project so that they can move forward with confidence in their lives. The intervention will also offer local government a cost effective solution to working with vulnerable young people in care, a model which could be rolled out across the country.

**45,000
FAMILIES
& 120
COMMUNITY
SERVICES**
SUPPORTED EACH YEAR



STOREROOM 2010

LOCATION / ISLE OF WIGHT

WHO BENEFITS / LOCAL COMMUNITY, LOW-INCOME FAMILIES AND YOUNG PEOPLE AND LONG-TERM UNEMPLOYED

Storeroom2010 is an inspirational social enterprise situated on the Isle of Wight. It enables deprived families to furnish their homes in a more affordable way. This improves their quality of life and preserves their dignity.

STOREROOM 2010 IS A FANTASTIC EXAMPLE OF A COMMUNITY BUSINESS IN ACTION. THE PROJECT BENEFITS THE WHOLE ISLAND COMMUNITY BY PROVIDING AFFORDABLE FURNITURE, WHICH HELPS IMPROVE PEOPLE'S QUALITY OF LIFE, BOOSTS THE LOCAL ECONOMY AND NOW OFFERS INDIVIDUALS THE OPPORTUNITY TO DEVELOP PRACTICAL SKILLS SUCH AS JOINERY AND CARPENTRY, THROUGH ACCREDITED TRAINING. IT'S REALLY GREAT NEWS THAT OUR SUPPORT ALONG WITH THAT OF OUR PARTNERS HAS HELPED STOREROOM 2010 TO PURCHASE THESE PREMISES SO VITAL TO THEIR FUTURE.

Vidhya Alakeson, Power to Change CEO

WHY

Problem & Solution

Several areas of the Isle of Wight suffer from disproportionately high unemployment and child poverty compared to other areas in the UK. To help combat this, Nick and Wendy Miller established Storeroom in 2010 as a charity with two key business units: Storeroom Furniture and Storeroom Education. One collects donated furniture and sells at reduced cost to low-income and marginalised individuals across the island. The other helps disadvantaged people by providing them with training in areas such as carpentry and joinery.

HOW

is SASC supporting?

SASC provided Storeroom2010 with a £360,000 loan alongside a grant of £80,000 from Power to Change. This funding package allowed Storeroom to buy the warehouse where it stores and sells furniture. The building is next to the Storeroom Education premises. The Isle of Wight does not have many buildings suitable for Storeroom 2010's furniture business. Being able to buy the warehouse it already uses will help Storeroom work towards securing its long term future.

WHAT

Outcomes & Impact

Having bought the building, Storeroom2010 intends to increase the benefits to the local community by installing a lift for disabled access and providing furniture refurbishment courses, as well as apprentice and volunteer opportunities. Last year Storeroom 2010 assisted with the re-use of over 150 tonnes of furniture which would otherwise have gone to landfill. The charity also enabled more than 5,000 households to benefit from affordable items to improve their quality of life. Storeroom Education supported 237 learners to gain qualifications in carpentry, joinery and health and safety in construction.



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Social and Sustainable Capital is an FCA authorised and regulated fund manager and social enterprise providing finance to charities and social enterprises.

Our mission is simple: to help social sector organisations deliver scalable and sustainable solutions to social issues. We do this by providing simple financing for viable organisations so that they can continue to grow and achieve greater impact.

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