

Resonance Bristol SITR Fund: Dismantling Poverty Through Investment in Social Enterprise

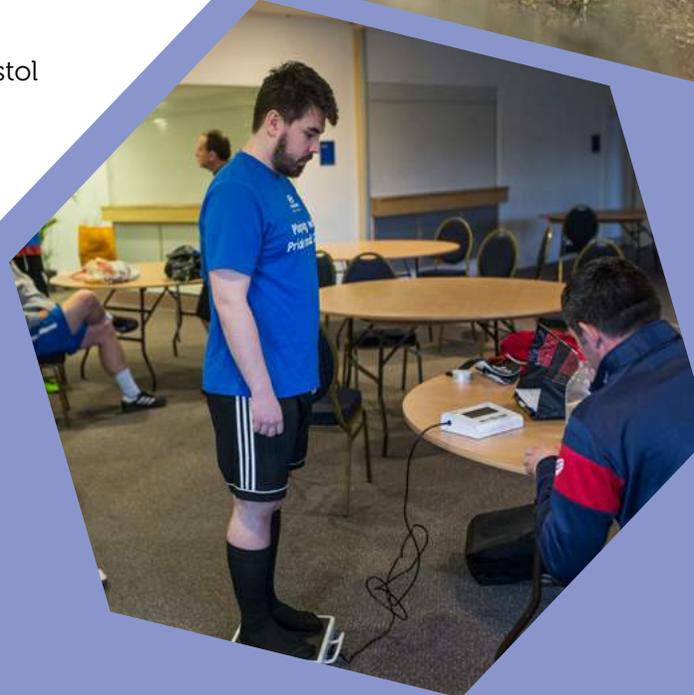
Social Impact Report
Second year (2017/18)



Thank you to the enterprises that took the time to speak with us and provided the photos you see throughout the report.

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IMPACT SUMMARY

This summary covers:

- What the enterprises have achieved
- How the Fund contributes, and
- How this relates to the context of poverty in Bristol, using three themes:



**Opportunities
for young
people**



**Addiction and
homelessness**



**Building a common
space for diverse
communities**

About the Fund

The Resonance Bristol SITR Fund (the "Fund") is a pioneering social impact investment fund aimed at helping to dismantle poverty in Bristol and the surrounding area by investing in local social enterprises. It takes advantage of Social Investment Tax Relief (SITR) to simultaneously lower the cost of loans for enterprises and to enable a competitive return to investors. After its sixth close in November 2017, the Fund has so far reached over £2.6m, from 99 investors, well on its way towards a target of £5m.

The heroes of the Fund are the enterprises and the people they work with. The Fund made its first investments in April 2016 and has now committed funds to seven enterprises in Bristol and the surrounding area, with many more in its pipeline of future investments. As of the end of financial year 2017/18, it had deployed £902,000. The Fund has helped to support them through more than just investment, offering advice, support and connections that enterprises say are crucial to their ability to make a difference.

Resonance produces an annual Social Impact Report for each of its funds, describing and measuring the positive difference it has made. This allows investors to see how their investment is contributing to the social impact of the enterprises and helps Resonance and enterprises learn and improve their impact over time. This report covers the second year of the Fund, which remains open for investment and is intended to invest into Bristol social enterprise for years to come.

The Fund and ventures within it, currently contribute to the following Sustainable Development Goals:



What the enterprises have achieved

This page highlights achievements from six of the social enterprises into which the Fund has invested to date. To find out more about what they have achieved, see page 14, or, to find out about what the Fund did to help them, go to page 21.

CHANDOS HOUSE
Residential treatment, therapy and follow up support for people with drug and alcohol dependencies

SUPPORTED **58 MEN** TO OVERCOME THEIR DRUG AND/OR ALCOHOL ADDICTIONS

SERVED **70,000** MEMBERS OF THE COMMUNITY

SOUTH BRISTOL SPORTS CENTRE
Engaging and including young people through sport, increasing their confidence and offering training

BRISTOL CITY
NAMED EFL COMMUNITY CLUB OF THE YEAR
DUE TO WORK WITH SBSC
2018

STREET IMPACT BRISTOL
Linking up and delivering services to address complex homelessness as part of a social impact bond

BEARPIT BRISTOL
Regenerating the St James Roundabout area using food, retail and community events

PAPER ARTS
Helping creative young people develop their potential

THE PROJECT WILL WORK WITH **125** ENTRENCHED ROUGH SLEEPERS over 3 ½ years

YOUNG CHEFS PROGRAMME
EDUCATED **9 YOUNG CHEFS** (16-25)
Alongside a Michelin Starred Chef, culminating in an Autumn Feast for 200 guests

BRISTOL 24/7
Printed magazine celebrating Bristol and covering local news and social issues

27 WORK OPPORTUNITIES CREATED FOR **5 YOUNG PEOPLE** AND **19 CREATIVE FACILITATORS**

Somerset Wood Recycling is the newest addition to the Fund, receiving investment in May 2018, and will be reported on fully in next year's report. They help those who are long-term unemployed and often facing multiple barriers to entering work, to gain work-based support and training.

How the Fund contributes

What does the money achieve? The enterprises use the investment in all kinds of ways – sometimes in renovating property, building new facilities or buying equipment, and other times in employing staff members dedicated to social impact. The enterprises say that the finance offers them stability and helps them increase their revenue, often increasing their ability to apply for grant funding from elsewhere. It also offers a platform for collaboration, bringing together groups across the city that can use their facilities. Finally, it enables them to re-focus on their social impact – the difference they make in Bristol and the surrounding area. This report is full of stories about what this looks like.

The Fund provides much more than money. The Resonance investment team acts as critical friends for the enterprises: helping them to build networks and their understanding of the difference they make in Bristol. This means the enterprises can broaden and deepen the work they do and become more sustainable.

The Resonance Bristol SITR Fund aims to dismantle poverty in Bristol. It does this through selecting social enterprises that address root causes, work with hard to reach groups and think about the bigger picture. Resonance understands poverty as having many dimensions - going beyond income to include factors such as health, education and the environment - and that it cannot be solved through any one intervention.

After two years of operation, **three themes** have so far emerged across the Fund's investments:



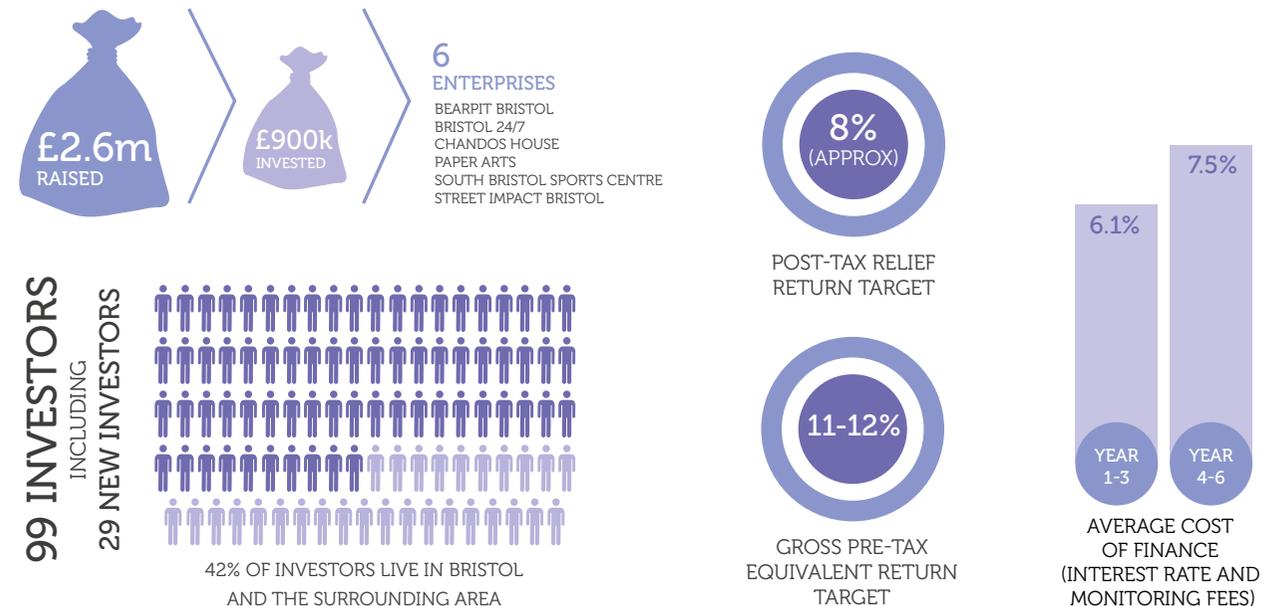
Opportunities for young people



Addiction and homelessness



Building a common space for diverse communities



Wealth Managers:



Rathbone Greenbank Investments



Paradigm Norton for life



Grierson Dickens Limited Chartered Financial Planners





The Problem

- Over a quarter of children in the city live in poverty once housing costs are taken into account.¹ Bristol is home to persistent poverty and inequality as well as significant wealth. According to the Indices of Multiple Deprivation, 73,400 people in the city (16% of the population) live in areas that are among the 10% most deprived in England, with some areas ranked among the most deprived 1%.² Generational poverty occurs when a family lives in poverty for at least two generations. This can reinforce cycles of poverty, affecting children's opportunities and potentially their aspirations. This makes the high level of child poverty particularly concerning.
- Bristol has a relatively young population; there are more children under sixteen than people of pensionable age, meaning many young people should be entering the labour force.
- 74% of 16-17 year olds (2016/17) were "not in education, employment or training" (NEET), worse than the national average (6.0%).³ Over a quarter of the areas in Bristol are in the top 10% most deprived for access to and attainment in Education, Skills and Training.⁴ Improving opportunities for young people in Bristol is very important to addressing factors that contribute to poverty.



How the Social Enterprises help

At **South Bristol Sports Centre**, the **Youth Council** is empowered to plan and run a wide range of activities, from "Mumball" to **holiday camps for 240 kids a day** during the February half term. At their Monday evening meetings, they talk through issues and opportunities, including how to ensure they are working with those with the highest need. This focus led them to **start weekly sessions in Netham with Somali young people**, who would not normally be able to come to the centre. Some of the Youth Council are doing **coaching qualifications**. One individual who has emerged as a leader despite a difficult childhood is now delivering the girls' football sessions. She walks two miles each way to volunteer daily and is on course for a full-time job at the centre. In addition, the media officer, who is autistic, has gained a great deal of confidence. He videoed the Easter football camp and was **retweeted by Bristol City Football Club**.



PAPER Arts teaches 'creative enterprise' to help young people see that a career in creative arts is not just a pipe dream. The members of the co-working community often become **mentors** and facilitate **workshops**. Over the last year they have provided **10 work experience placements**, hosted **54 networking events** for 749 people, and provided **seven industry talks** for 188 people. Through this work they look to raise aspiration and break deeply ingrained cycles of poverty.

Other enterprises also contribute under this theme: **Bearpit Bristol** has employed 14 people, and **Bristol 24/7** has provided **work experience** to 200 young people so far and is trying to target more disadvantaged groups. In addition, a new entrant to the cohort, **Somerset Wood Recycling**, takes on about **200 long-term unemployed** people per year who need reintroducing to the work place.



The Problem

Bristol faces deep-rooted problems in addiction and homelessness:

- Between November 2016 and October 2017, St Mungo's outreach team supported 980 homeless individuals. The team usually supports around 200 people at any one time.⁵ Council workers found 86 people sleeping rough on a single night during their annual count in 2017, up from 41 in 2014.⁶
- At least eight rough sleepers have died on the streets of Bristol over the past year.⁷
- One in five adults has direct or indirect experience with drug addiction: that's around 65,000 people in Bristol.⁸
- Bearpit Bristol works in an area frequented by rough sleepers and drug-users and has suffered abuse connected to this.



How the Social Enterprises help

Street Impact Bristol are supporting **125 specific people rough sleeping** in Bristol over the next three and a half years, aiming to support them off the streets, through providing accommodation and vital support services tailored to each individual's needs. This is **very targeted to individuals who are selected by Bristol City Council** and are, by definition, difficult to help with complex needs including substance misuse, a history of offending or street-based anti-social behaviour, mental health problems or long-term physical health conditions. The Street Impact Bristol team is able to spend as much time as is needed with individuals, because the **contract pays based on outcomes**. This means they can **link up services** in a way that all too often, doesn't happen. For example, a client who was just about to leave prison was accepted into a rehabilitation centre in the North-West. The Street Impact Bristol team brokered a plan to bring him from Portland prison to Bristol and then **accompanied him**



on the train from Bristol to the door of the centre, where he has now been for three months. This was to ensure that he gets the treatment he needs to break the cycle of offending that is driven by addiction.

At **Chandos House**, the transformation in individual men – or 'Chandos Brothers' – can be incredible. They spend time finding the **root cause of addiction**, which in many cases is childhood trauma, which has resulted in post traumatic stress disorder. For these people, drug use is a way to escape from situations and feelings that feel unbearable. The specialists at Chandos House support the men with therapy in order to deal with their feelings and memories in a safe and productive way, finishing with a **leaving ceremony**. At one ceremony, a client showed off his puppeteering skills and explained that when he first arrived, people crossed the street to avoid him because they were scared. Now he walks down the street and people smile at him – **a complete turnaround**.



The Problem

- Bristol is a diverse and growing city. The current population increase is largely driven by both rising birth rates and migration, with influxes of people from Eastern Europe and Africa, particularly Somalia. Some areas are very diverse, for example 55% of the population of Lawrence Hill Ward belongs to a BAME (black, asian or minority ethnic) group.
- Wealthy and poor areas of the city are often found side by side, meaning life opportunities can be very different depending on where you call home. Other forms of diversity include a thriving LGBT+ community.
- Although this diversity can contribute positively to Bristol's culture and economy, it also brings potential challenges of understanding and interaction.



How the Social Enterprises help

Bristol 24/7 launched the social impact channel on its website in December. This has created a **home for positive stories of social change** in Bristol. They also run their own projects, such as **“Talking LGBT+ Bristol”**, which is a ground-breaking project aimed at **sharing the rich history of LGBT+ life in Bristol** with a wider audience through a documentary produced by the award-winning Tusko Films. The project is all about sharing the real experiences – good and bad – of LGBT+ people, of all ages, and all ethnicities. The final film will be shown as part of the Bristol Pride Festival in July.

The Bearpit Roundabout is at a natural crossing point between different parts of the city; people from all walks of life pass through every day. **Bearpit Bristol creates and supports community activities** that make the Bearpit a safer, more welcoming and diverse destination for all who visit the space. During 2017, Bearpit Bristol was shortlisted for the **Best Social Impact Investment Award** by the UK Business Angels Association and Managing Director, Miriam Delogu, was nominated at the NatWest Great British Entrepreneur Awards. Bearpit **hosted over 1000 people at a community event** and created BearFit, bringing smiles and positivity to mornings in the Bearpit. Numerous charity events were hosted throughout the year including afternoons of tea and dancing alongside LinkAge. Bearpit has worked closely with Incredible Edible to keep the Bearpit gardens in bloom.

Alongside the success outlined above, Bearpit Bristol CIC has been facing some challenges. As the year progressed, anti-social behaviour increased to an unmanageable level for the CIC. Resonance followed the issues closely and supported Bearpit Bristol CIC in discussion with Bristol City Council at the highest level. In the light of these discussions, the CIC put the safety of its team first and in February 2018 took a hiatus to re-group. Since then Bristol City Council has initiated a regular cleaning service for the area, confirmed CCTV will be installed and is working with the local police to make the area safer.

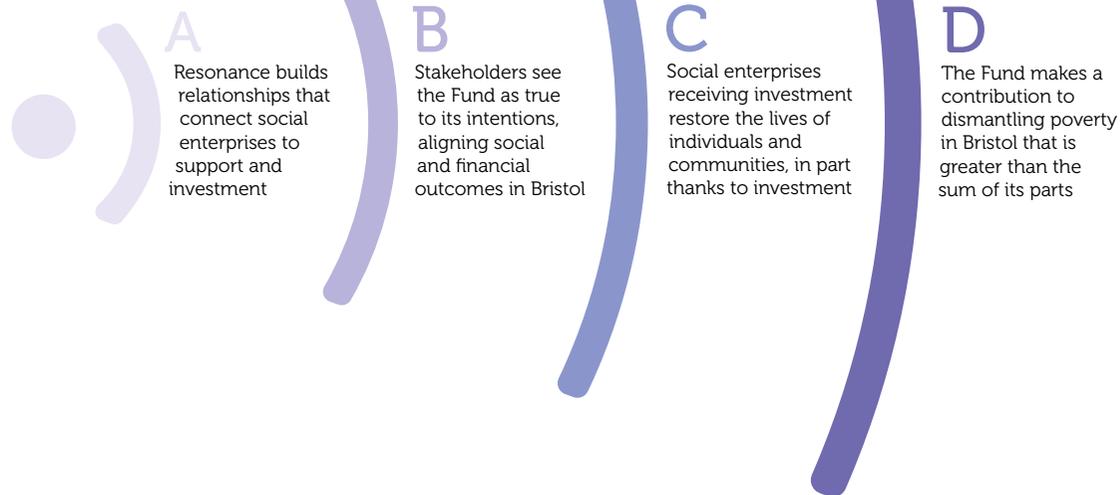
While the setbacks suffered are disappointing, this case represents a compelling story of how the Fund is providing political connections and support to generate change in an area, even in the face of difficulties. Bearpit Bristol CIC is now looking forward to relaunching in June 2018 as part of the wider regeneration of the area. This brings urban farmers, food producers and retailers together as “The Circle”, a collaborative Food Innovation Hub and space for the community to work, learn and celebrate together.

IMPACT IN DEPTH

This section expands on the summary and covers:

- A. Building connections: people and investment
- B. Fulfilling its intent: experience and perceptions
- C. Individual social enterprises do more to restore people in need in Bristol
- D. The Fund's contribution to dismantling poverty in Bristol

Model of Impact



This framework is based on the model of impact (see diagram), which was developed as a way of thinking about the overall difference that the Fund seeks to make. The ripple effect shows a progression from the core activities of the Fund through to its wider aim of dismantling poverty in Bristol.

Original qualitative research in the form of interviews with representatives from all enterprises, quantitative and qualitative data provided by Resonance, and reporting by the enterprises themselves, have been used to inform each of the four sections.



Building connections: people and investment

Intention: Resonance builds relationships that connect social enterprises to support and investment.

Part of the Fund's intended impact is connecting social enterprises to the support and investment they need – in other words, acting as a “bridge” between need and provision. This is a broader understanding of impact than simply finding Bristol social enterprises that require investment, although that is part of the intention and impact. The evidence shows that it starts earlier and goes broader. It is rooted in an understanding that enterprises often need more than money and that resources may come from sources other than the Fund.

Relationships increase as a result of Resonance's activity, adding value to social enterprises in Bristol

Bridge-building happens directly in a variety of ways beyond just the investment:

- through introductions to individuals and organisations that can help take the work of the social enterprise forwards in different ways. As well as one-to-one connections, Resonance hosted its first Market Place event in June 2017, which brought together both enterprises and investors. This will become an annual event.
- by investing in organisations and people that bring others together, such as Bristol 24/7 and Street Impact Bristol, where making connections is an explicit part of their work
- by bringing together organisations to invest in jointly, such as Bearpit and Street Impact Bristol, both of which were formed by bringing different social enterprises together to form one enterprise, and
- by investing in resources, facilities or property that become the basis for collaboration such as PAPER Arts and South Bristol Sports Centre.

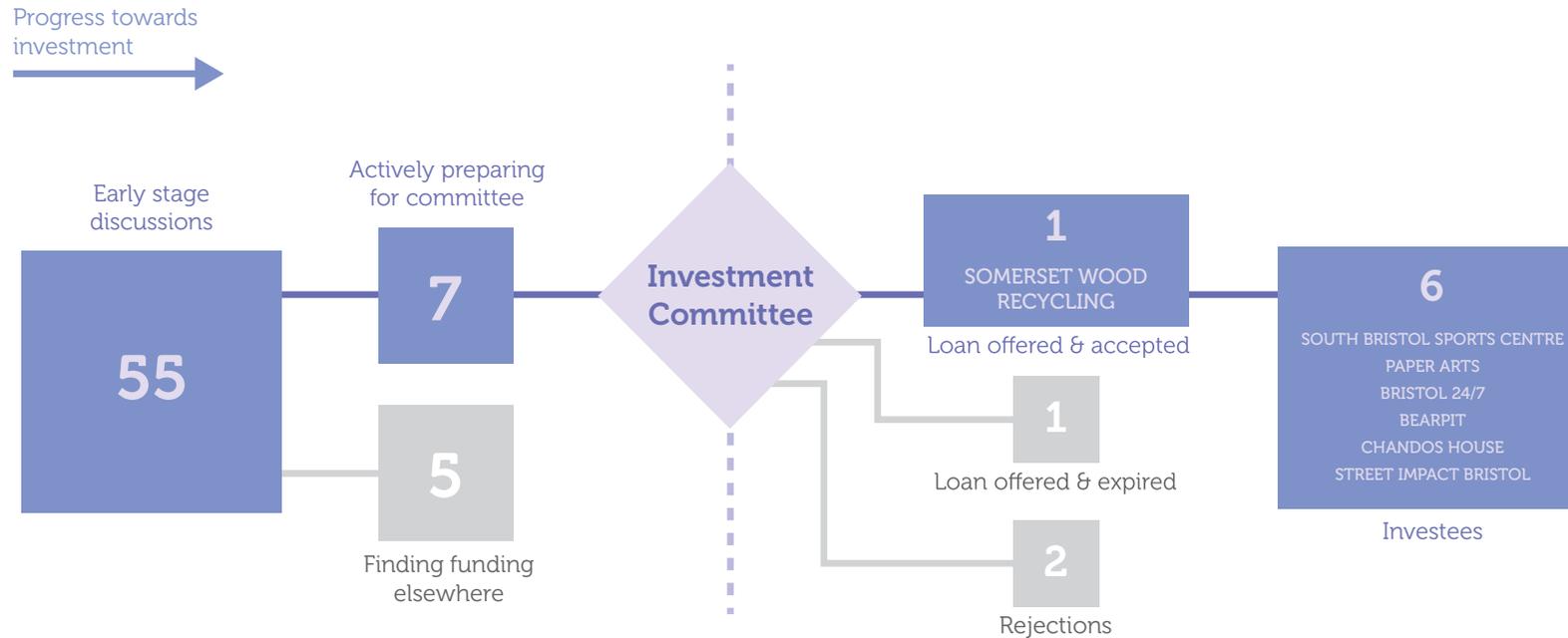
During independent interviews with the social enterprises in the Fund, they showed an interest and a tendency towards making connections and valued it when Resonance helped. **This year, Resonance has facilitated 30 introductions.**

This has almost doubled since last year. It is notable that nine connections involved current enterprises, showing that relational support is ongoing after investment, something that was noted and appreciated by the enterprises. 19 involved potential investee enterprises, and included connecting the organisation to sources of funding to strengthen their business model prior to investment, such as the Access Foundation's Reach Fund. This shows that support from the Fund is intentional and active well before an investment is possible. The mix of connections to professional support, funding, training and cross-referral between enterprises indicate that a healthy network is being built and activated.

Resonance is now managing relationships with over 60 organisations that might require investment from the Fund

As the diagram shows, there is a greater volume of social enterprises in discussion or preparing for the Investment Committee, than have completed deals. It is positive that there are 69 social enterprises actively involved. With 62 at the pre-investment stage, there is considerable work on the part of the Fund's investment team to develop and manage these relationships. It shows that there is a pipeline of future deals. Some may find funding elsewhere or decide not to pursue investment at this time. This network is valuable both to help the Fund achieve impact by investing into appropriate social enterprises and by working with them and facilitating connections. This could include connections to other sources of grant and investment.

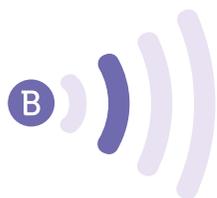
Engagement of enterprises with the Fund (as of end March 2018)



Connecting through finance

The flows of money into and out of the Fund have been somewhat slower than originally targeted but are continuing to grow. The eventual target is for the Fund to grow to £5m and to continue to raise capital on a quarterly basis, and deploy £5m every two years. After the sixth close in November 2017, the Fund reached over £2.6m, up from £2.1m last year, and investment closes continue on a quarterly basis. Growth came mainly from new as well as some repeat investors, with 29 new investors – a total of 99, up from 70 last year. Deployment has also been slower than initially targeted, and so has remained broadly in line with investment raised, although as shown above there are seven social enterprises preparing for the Investment Committee and many more in conversation. Slower deployment is partly due to the Fund staying true to its intention and appreciating that investment is not right for every social enterprise; this is often only possible to discover once they start to 'look under the bonnet'.

The most common investment amount is now an individual investment of up to £25k, followed by £25k-£49k. These two categories make up 79% of investors in the Fund, and just under half of the Fund by value (48%). The geography of investors is similar to last year, although the balance has shifted somewhat away from Bristol and the surrounding area towards the south east. Most investors continue to come either from Bristol or London, the two biggest categories last year. Investors from or near Bristol are now under half of the Fund in number (42%) and value (45%) but are still very significant.



Fulfilling its intent: experiences and perceptions

Intention: Stakeholders see the Fund as true to its intentions, aligning social and financial outcomes in Bristol.

Enterprises appreciate their relationship with Resonance, with a continuum of relationship from hands-on to hands-off. Many use Resonance as a critical friend to discuss ideas with, in both good times and when things are more challenging. In independent interviews the enterprises say really positive things about the Resonance team. For example, the Bearpit Bristol team is grateful for political support and backing as it prepares for the next phase of work in the Bearpit area. Some enterprises enjoy their arms-length relationship with Resonance, which lets them “get on with it”. For example, PAPER Arts hasn’t felt micro-managed during its Creative Alignment project (see below) and is very positive about the Fund. In general, there seems to be a welcome balance of supporting when required, without a stifling approach when it is not.

There are signs that, through the Fund’s involvement, social enterprises become more capable – increasing the quality of activities, not just their quantity. The Fund has changed the way the enterprises think and work in a way that should be beneficial. This forms an additional way the Fund has increased the impact of the enterprises, beyond providing finance. Examples that emerged from the interviews include:

- **Greater learning and reflection** – for example, PAPER Arts has undertaken a project titled “Creative Alignment”, reflecting on its journey and looking ahead. It said that receiving investment has meant it is more focussed: “If it doesn’t fit within mission and values, it’s not our realm.”
- **Thinking more about impact and who they are working with.** The Youth Council at South Bristol Sports Centre talks about this at its weekly meetings – ensuring more disadvantaged individuals are served. Bristol 24/7 is trying to increase the diversity of those joining them for work experience placements. The impact reports shared by the enterprises (examples shown opposite) demonstrate both the difference they are making in their communities and the level of thought that has gone into this.
- **Formalising processes and understanding finances.** Chandos House recognises that moving towards a more formal structure with a board (in this case, featuring one of the Resonance team as Chairperson) and gaining more clarity on its finances has helped it work in a more effective way and made it more attractive for other funders. Similarly, after working intensively with Resonance last year to restructure its building arrangements, PAPER Arts is now in a more robust position, enabling it to move forward with its social mission. In both cases the organisations seem to have become more mature and resilient, in part due to the support of the Fund.
- **Learning and re-focussing through the application process.** The investment decision-making process is designed to be robust for both social and financial outcomes. From the outset, Resonance asks questions to help it determine the organisation’s social impact as well as its commercial underpinning. Somerset Wood Recycling suggests that, even before receiving investment, the application process re-focussed its efforts on understanding, documenting and improving its social impact, rather than ‘spinning plates’ to keep the business running.

Examples of impact reporting by individual enterprises:

SOCIAL IMPACT REPORT
SOUTH BRISTOL SPORTS CENTRE

OCTOBER - DECEMBER 2017

YOUTH COUNCIL PROJECTS

The youth council continue to run their own projects, with Mumball, P3-Girls football and LUKE5s league all running with large numbers of participants - even in the cold weather.

Youth Council member Michael is now in control of the LUKE5s league, he is responsible for the league structure, inputting results and he is now refereeing each week, he will soon be a qualified referee.

Youth Council member Mal is now a qualified coach and is running the P3 sessions, supported by Laurent and Grant.

Girls Week of Football

We held a "Girls week at football in November which saw 80 girls turn up to take part in a fun football festival!

PAPER IMPACT 2017-2018

EMPOWERING Young CREATIVES TO LOVE what they DO

In 2017, we implemented a new Social Impact Framework, helping us to monitor and evaluate all of the opportunities we offer using a range of quantitative and qualitative tools, techniques and questionnaires. From our findings we have:

- Created 11 work experience placements
- Supported 16 young people to successfully gain a BRONZE ARTS AWARD
- Created 27 WORK OPPORTUNITIES for young people
- Provided 38 HOURS of one to one mentoring for 11 X YOUNG CREATIVES
- Hosted 24 NETWORKING EVENTS for 100 people
- Provided 7 INDUSTRY TALKS for 100 people
- Involved 654 PEOPLE in arts events and opportunities

SOCIAL IMPACT CREATED IN OUR COWORKING SPACE RESEARCH HOUSE

Chandos House
Treatment for Addiction C.I.C

OUR YEAR 2017

We transform men's lives from the ravages of addiction through community, connection and brotherhood!

Find out more about Kee's famous spag bol!

B24/7 Working together to create positive change

Bristol24/7 is a Community Interest Company and Bristol and the South West's best and most trusted website and free monthly magazine. Over the last year we have been building on the work we do in the community. This document looks at our approach and the impact we've made.

Task

- Paint a social impact vision and define aims
- Share vision with potential partners
- Raise awareness of the role Bristol24/7 plays in the community
- Establish Bristol24/7 as an authoritative voice in the social mobility conversation
- Involve readers and audiences

At the heart of our social impact agenda are our core values of **Investment, Inspiration & Inclusion**. These values underpin our aims.

Approach

- Invest in the people of Bristol and create opportunities for young people
- Engage communities and embrace Bristol's diversity through story telling
- Provide a voice for all
- Engaged over 50 potential partners
- Documenting initiatives on our channels
- Attended social mobility roundtables, Symposium 8, Bristol Treasury and HMRC visit, August 18
- Active engagement in the following instances:
 - Film series sharing diverse voices
 - Virtual 24/7 Cities Young Business Workshop
 - Talking LGBT+ Bristol
 - Inspiring the next generation of chefs
 - Bristol24/7 Autumn Feast

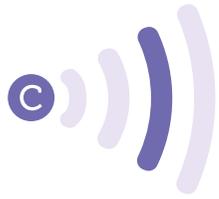
The Fund is offering inspiration to social enterprises in Bristol and has now been replicated by Resonance in the West Midlands. This is the next step in Resonance rolling out provision of this form of investment across the country whilst keeping focussed on the needs of specific regions. A measure of the success of the Fund is that enterprises are now coming to the Fund's investment team to find out whether they could benefit from it. As noted in the previous section, those in the pipeline for investment receive free support and signposting, strengthening social enterprises in Bristol, both individually and as a network.

Focus on STREET IMPACT BRISTOL: How using a social impact bond helps align social and financial outcomes.

Street Impact Bristol, one of the most recent investments by the Fund, uses a mechanism called a social impact bond. In this arrangement, Bristol City Council contracts with a partnership of three charities (St Mungo's, Second Step and Bristol Drugs Project) to pay them on the basis of delivering pre-determined results. For example, it will pay different amounts for different outcomes such as: each client moved into accommodation, or for accommodation being sustained by a client for three months, or for continuous periods of employment e.g. 13 or 26 weeks. The total potential value of these outcomes over the whole period of the contract is £1.125m. The Fund has provided part of the working capital needed by the partnership to implement the project before the bulk of the payments are received.

This arrangement means that there is a direct relationship between impact and funding; the mission is lined up with the business imperative. The incentives for the investor, the Council and the partnership are aligned around delivering the outcomes for individuals who need help. The Council identify people in need and the partners can do more work with those who genuinely need help. Street Impact Bristol say this gives them the freedom to do whatever is needed to reach the outcomes. They create a plan with each individual, for example breaking down the steps needed for them to go to a rehabilitation centre, and can spend the time necessary to help them on each part of this journey. They say: "The social impact bond is transparent – we have to deliver what is set out for us. But it's really about the journeys. If something doesn't work, we can change it and do it differently."





Individual social enterprises do more to restore people in need in Bristol

Intention: Social enterprises receiving investment restore the lives of individuals and communities, in part thanks to investment.

There is ample evidence of social impact being achieved by the enterprises themselves, as well as clear signs that their work has broadened or deepened to become more sustainable as a result of Resonance's work through the Fund. This section zooms into each enterprise in terms of its overall reported impact and the contribution that social enterprises attribute to the Fund.

South Bristol Sports Centre



Overall Impact:

- The Youth Council organises most of the activities. Some of them are doing coaching qualifications and are moving towards employment. Bristol City was named EFL Community Club of the Year due to its works with the Youth Council.
- Further recognition following a member of the Youth Council appearing on the Victoria Derbyshire show on the BBC to discuss 'Mumball'. This activity has engaged 78 mums, 85% of whom had never played football before.
- Compared with the situation before the pitches were constructed, the Centre has seen a 1253% increase in young attendees from deprived areas (March-August 2017). During a February half-term holiday camp, 240 kids a day attended.
- Working with the Council initiative, "Fit and Fed", they organised barbeques in the most disadvantaged areas (Netham, Knowle West, Hartcliffe).
- Criminal damage to the centre dropped by 90%, which could be taken as a proxy for what's going on in the wider area.

What they say the Fund has done:

- Financed construction of six new five-a-side all-weather pitches allowing for large increases in participation.
- SBSC feels it has "back up" to use facilities for community events and social impact.
- Work on social inclusion not affected by need to raise funds. Finance is well-aligned with impact - bringing in income, while remaining affordable.
- It has been able to target the most deprived areas.
- More jobs created, both due to increased demand for expanded facilities and by helping disadvantaged young people gain coaching qualifications.

Bearpit



Overall Impact:

- Spent six days a week on site, providing a place to come for food and safety. Created place of escape, for example for NHS staff working locally.
- Contributed £80,000 to small local businesses.
- Served 70,000 members of the community.
- Employed 14 people.
- Being eyes and ears in the space allows them to reach out to authorities for people who need help. For example, when a 12-year-old boy started hanging round, and then drinking, drug-dealing, and smoking, they alerted social services which intervened.

What they say the Fund has done:

- The merger of the three original enterprises to become a Community Interest Company (CIC) was inspired by Resonance and the Fund. This has made it possible to be more efficient (e.g. use a shared kitchen) and enabled longer opening hours and a broader offering.
- The Fund has offered connections and support, particularly during a year where tensions around the use of Bearpit have surfaced in a stressful fashion.

PAPER Arts



Overall Impact:

- PAPER Arts empowers young creatives to do what they love. Staff work around this focus of social impact.
- Created 10 high-quality work experience placements and supported 18 people to successfully gain a Bronze Arts Award.
- PAPER Arts is able to engage with many people through Redbrick House, its co-working space. It has hosted 54 networking events for 749 people, provided 20 enterprise workshops for 270 people and involved 654 people in arts events and opportunities.

What they say the Fund has done:

- Allowed for the purchase and renovation of a building (with co-investment) to provide workshop and co-working space, promoting social inclusion and revitalising the area.
- The investments and introductions to other funders were essential.
- Having a social impact framework has made a difference; it has helped PAPER Arts to understand where the focus should be and make decisions based on data.

Bristol 24/7



Overall Impact:

- Launched the social impact channel on its website. This draws out positive stories of social change in Bristol.
- “Talking LGBT Bristol”: told last 100 years of LGBT+ history in Bristol.
- Educated nine young chefs (16-25), including alongside a Michelin Starred Chef, culminating in an “Autumn Feast” for 200 guests - a banquet where the young people set up street food stalls to serve the starters.
- Working to increase the diversity of those who come for work experience placements, for example by allocating some placements to schools which are underachieving.

What they say the Fund has done:

- Financial support has allowed B24/7 to employ a partnerships manager who has been busy building partnerships and establishing its role in the community. The intention is to give marginalised communities more voice in Bristol.
- Improving work experience through feedback, diversity and mentoring.

Chandos House



Overall Impact:

- Chandos House treats individuals with a history of addiction. This often has a root cause in childhood trauma, and Chandos specialises in providing therapy to help the men deal with their feelings and memories in a safe and productive way.
- Supported 58 men overcome their drug and/or alcohol addictions.
- Supported 58 men in recognising/speaking about abuse/trauma they have suffered. 70% report that this is for the first time in their lives.
- Supported five men who left prison two weeks prior to arriving at Chandos House. 100% were recidivists at that point.
- Supported 49 men to adopt positions with positive community based projects such as voluntary work, church based activities, creative and sports projects.

What they say the Fund has done:

- Chandos has increased the number of beds from 12 to 15, built better facilities with two new treatment rooms, new office space and a communal kitchen.
- It has a more safe and secure environment after installing a fence and gate.
- Business-wise, it is more financially robust and has found having a board useful for accountability and for attracting further funding.



Street Impact Bristol

Overall Impact:

- The project intends to work with a cohort of 125 rough sleepers, identified by Bristol City Council as having multiple complex needs, over a 3½ year period. The eventual social impact could be huge in terms of people turning their lives around.
- Activity only started in November. So far, the work has mostly involved getting to know clients and creating individual “theories for change” based on the targets they discuss with clients.
- There has been some early success in moving individuals towards accommodation.

What they say the Fund has done:

- Street Impact Bristol uses a mechanism called a social impact bond (see page 13). Bristol City Council is in a contract with a partnership of three charities to pay them on the basis of delivering pre-determined results.
- The investment from the Fund acts as working capital to implement the project before the bulk of the payments are received.



The Fund's contribution to dismantling poverty in Bristol

Intention: the Fund makes a contribution to dismantling poverty in Bristol that is greater than the sum of its parts.

How the enterprises contribute to dismantling poverty

The Resonance Bristol SITR Fund has a stated aim to contribute to dismantling poverty in Bristol. This is a big, ambitious goal that involves engaging with the systems that contribute to poverty, above and beyond the good done by individual enterprises.

What might we expect from the sort of organisations that would contribute to more systemic change? They might:

1. Address root causes rather than symptoms
2. Reach out to people who are harder to help
3. Cut across different dimensions of poverty
4. Link things up and think about ripple effects
5. Create transformation in a particular geography
6. Influence institutions

Each enterprise in the Fund ticks at least one of these boxes.

✓ **Addressing root causes.** This could include creating transformation in individuals. **Chandos House** provides holistic support to individuals who have suffered from childhood abuse, which is often at the root of cycles of addiction. **PAPER Arts** creates opportunities for disadvantaged young people to gain skills and confidence, as well as earning an income, breaking what might be a generational cycle of poverty and lack of aspiration.

✓ **Reaching out. Street Impact Bristol** is very targeted to rough-sleeping individuals who are selected by Bristol City Council as being amongst the most difficult to help. **South Bristol Sports Centre** is now reaching out to the poorest parts of Bristol after realising children in those areas would not be able to travel, even if they offered sports for free and gave them lunch.

✓ **Different dimensions of poverty.** Analysis from Resonance indicates that most of the enterprises are contributing to multiple Sustainable Development Goal areas. For instance, **South Bristol Sports Centre** explicitly aims to involve those who may not normally engage in sport, tackling poor health in the process. It also hands over control to its Youth Council, empowering young people.

✓ **Linking things up. Bristol 24/7** links up and illuminates social impact, particularly through employing a partnerships manager and launching its social impact channel. This channel brings together positive stories of social change across Bristol. This helps others to identify ripple effects as they emerge and strengthen the network of organisations working towards social impact in Bristol.

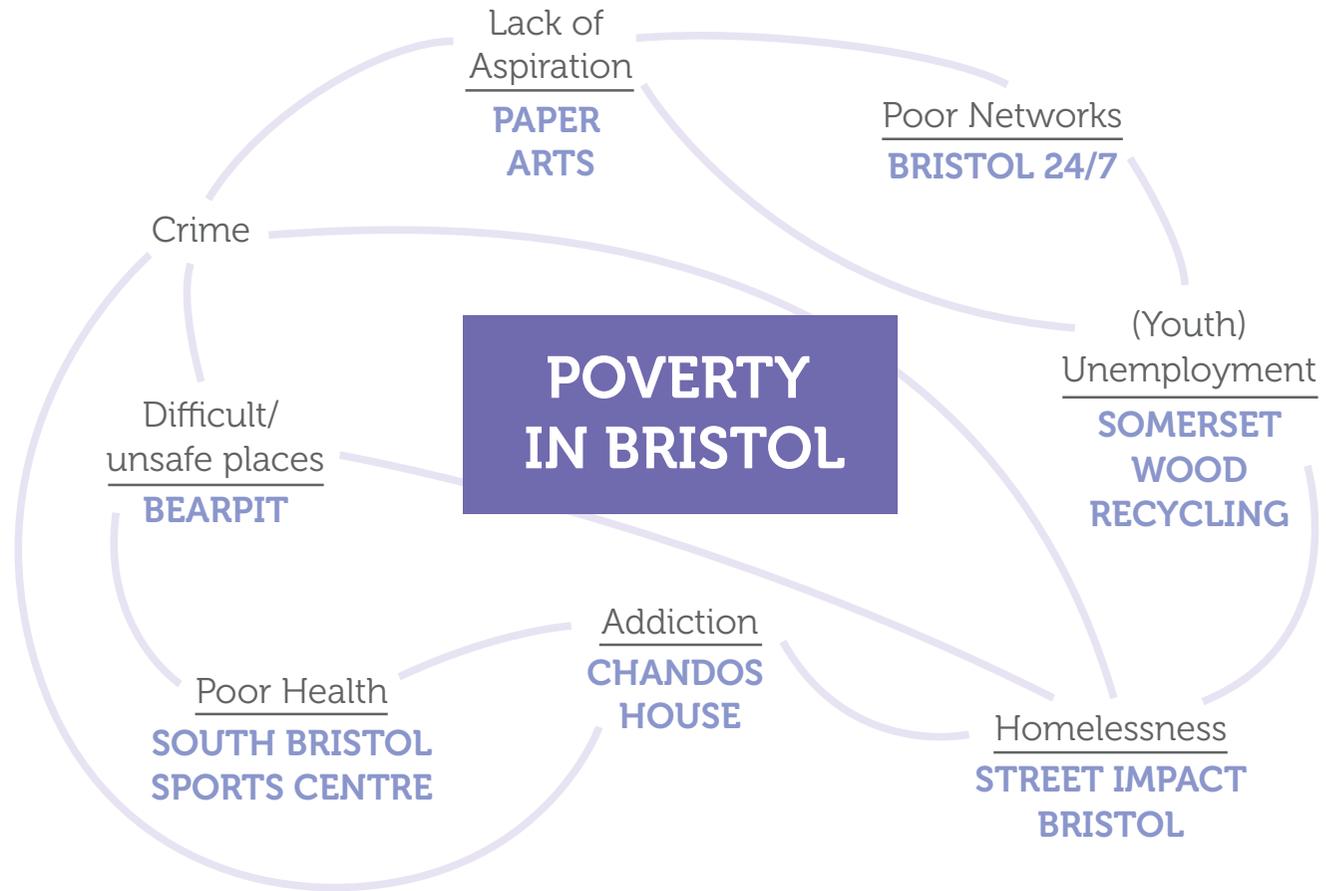
✓ **Place-based transformation. Bearpit Bristol** is attempting to change one of the most notorious parts of Bristol into something positive.

✓ **Influencing institutions.** It is inevitable that addressing complex problems will involve working with institutions, especially when there is disagreement which needs a resolution. **Street Impact Bristol** joins up a range of services for rough sleepers and having the flexibility to do whatever is needed to make it work. Meanwhile, Resonance brought the problems in the Bearpit roundabout to the attention of the Council because it needs a political solution, helping **Bearpit Bristol** to make its case.

How the Fund adds up to more than the sum of its parts

Enterprises cannot tackle problems of poverty by themselves. This challenge is perhaps at its clearest with Bearpit Bristol. The enterprise has achieved much that is positive but increasingly its efforts have been stifled by broader issues that relate to crime, policing and politics, including different views as to what the Bearpit needs. Without collaboration and consensus at a systemic level, there is a limit to how much a single enterprise, even with social investment and the added value of support from the Fund, can achieve.

It may be that part of what the Fund does by backing individual, impactful enterprises is to make these system level challenges clearer and potentially help with the connections that make lasting change more likely. This could be well aligned in terms of social impact, and could also complement the financial model, by influencing the conditions in which enterprises trade.



Example of a simple systems map

The Fund is moving towards more systemic understanding and action to reduce poverty by developing its understanding of poverty in the context of Bristol, seeing how different elements are joined up. The rudimentary systems map (left) is one way of showing this, and could help when considering which enterprises the Fund should invest in from its pipeline. It shows interconnected problems of poverty in Bristol and where enterprises are addressing these. An annual learning event involving all enterprises and others working to dismantle poverty in Bristol could include an exercise in participatory systems mapping, revealing how issues link together from different perspectives. The pipeline approach highlighted on pages 9 and 10 is in itself a good example of systems thinking, by helping organisations in the pipeline to benefit from the Fund and connect with each other even before they have received investment.

The positive impact by social enterprises, combined with the Fund as an enabling or amplifying piece of infrastructure is a good start, but it is too early to expect evidence of system-level changes at this point. Understanding so-called “systemic change” requires a longer-term view. In this light, it is positive that the Fund is evergreen, i.e. ongoing and open-ended. This means that as well as immediate, visible impacts now and within the next few years, it will also be important to look at the medium and longer term in order to understand the aspiration of dismantling poverty.



APPENDICES: Which enterprises are invested in so far?

1. SOUTH BRISTOL SPORTS CENTRE



WHAT THEY DO

Engaging and including young people through sport, increasing their confidence and offering training, particularly in poor parts of South Bristol.

Revenue comes from hiring out facilities to adults.

WHAT THE FUND INVESTED

£250k loan over six years (April 2016).

USING THE INVESTMENT

Six new five-a-side football pitches suitable for year-round use, increasing engagement by young people and providing a revenue stream from evening hire.

INTENDED IMPACT

Reaching young people in particularly deprived areas of the city through sport: productive use of time, increasing skills and confidence with opportunities to become coaches.

WHAT EXCITED RESONANCE

The fact that SBSC was established with a charitable purpose and had an "inclusion manager" set it apart from other sports centres. It was clear that this enterprise has a passion to see young people reach their potential by giving them the support and self-confidence to do so.

2. PAPER ARTS



WHAT THEY DO

Helping creative young people develop their potential.

Revenue comes from offering membership and workspace to creative and social entrepreneurs.

WHAT THE FUND INVESTED

£200k loan over six years (April 2016), plus a second £40k over six years (November 2016).

USING THE INVESTMENT

Acquiring and refurbishing an unused property to create a new space to engage more people; restructuring the business.

INTENDED IMPACT

Empowering young creatives to develop their confidence, artistic skills and employment prospects.

WHAT EXCITED RESONANCE

The drive and commitment of the CEO to create a platform for artists to make a living from their Art was inspiring. Alongside this, it supports artists by offering business training and encourages those artists in turn, to train and mentor young people new to the sector, with particular focus on those who need support and encouragement.

3. BRISTOL 24/7



WHAT THEY DO

Local journalism: online newsletter and printed magazine celebrating Bristol and covering local news and social issues.

Revenue comes from advertising.

WHAT THE FUND INVESTED

£150k loan over six years (June 2016).

USING THE INVESTMENT

New software and training to set up local hubs to enable local people to contribute articles and photos.

INTENDED IMPACT

Income for users from advertising.

New skills and opportunities in media for underserved groups.

WHAT EXCITED RESONANCE

Resonance was surprised to learn that this popular and successful publication and media hub was a CIC, and was excited to learn that the senior directors wanted to use this as a vehicle to give a voice to communities which are often misrepresented in the media.

4. BEARPIT BRISTOL



WHAT THEY DO

Regenerating the St James Roundabout area using food, retail and community events.

Revenue comes from trading activities.

WHAT THE FUND INVESTED

£112k loan over six years (December 2016).

USING THE INVESTMENT

Three existing social enterprises coming together and using the investment to improve the space and purchase electronic sales equipment.

INTENDED IMPACT

Reducing crime and antisocial behaviour by creating a safer, more welcoming destination.

Increased economic activity creating new jobs with a training programme for people from disadvantaged backgrounds.

WHAT EXCITED RESONANCE

The three businesses trading in this difficult area were so committed to regaining the space for the local community they decided to give up their individual status and merge into a single Community Interest Company. The new stronger business is also keen to offer structured training and work experience to young people who have struggled to find this elsewhere.

5. CHANDOS HOUSE



WHAT THEY DO

Residential treatment, therapy and follow up support for people with drug and alcohol dependencies.

Revenue from charging wealthier clients for services.

WHAT THE FUND INVESTED

£150k loan over six years (April 2017).

USING THE INVESTMENT

Physical improvements to Chandos House, strengthening the management team.

INTENDED IMPACT

Reducing drug and alcohol dependency, improving mental health by increasing social skills, confidence and self-responsibility.

WHAT EXCITED RESONANCE

This is more than a rehabilitation centre, it is a community, a sanctuary and a place to be oneself. In short it feels like home for those that require it, and it has been doing this successfully for over 30 years. Many of its clients have suffered terrible childhood traumas; as such the methods are not simply based around counselling but include therapeutic intervention and holistic wellbeing, offering a genuine opportunity to change, and making this accessible for many who cannot afford private treatment.

6. STREET IMPACT BRISTOL



WHAT THEY DO

Three charities (St Mungo's, Second Step and Bristol Drug Project) coming together as a consortium to help rough sleepers identified by Bristol City Council.

WHAT THE FUND INVESTED

£112.5k loan over 3½ years (April 2018).

USING THE INVESTMENT

Provides working capital for interventions before outcomes occur and are validated, triggering payments from Bristol City Council as part of a social impact bond.

INTENDED IMPACT

Support 125 people rough sleeping in Bristol over the next three and a half years, aiming to support them off the streets, through providing accommodation and vital support services tailored to each individual's needs.

WHAT EXCITED RESONANCE

Resonance is honoured to invest in Bristol's first Social Impact Bond within the homelessness sector. This innovative idea offers some of the City's most vulnerable individuals tailored, wraparound support spanning several years.

APPENDICES: What is SITR?

Social Investment Tax Relief (SITR) was introduced by the government in April 2014 to encourage investment into social enterprises – that is, profitable businesses intentionally dedicated to generating social impact and addressing social issues. It is available to businesses trading as one of the following three legal structures: Community Interest Companies, Community Benefit Societies and Charities.

SITR offers similar tax reliefs to those available through the longstanding Enterprise Investment Scheme (EIS), which already offers tax relief to those investing in share capital in small businesses in the form of unquoted private companies. However, as many social enterprises cannot issue shares due to their legal structure, this has prevented investors in social enterprises from accessing the tax reliefs available through EIS.

SITR overcomes this obstacle since it can also be claimed on debt-based investments into eligible social enterprises. This means investors in social enterprises can now access attractive tax incentives, as well as income from the servicing of their loan note.

Income Tax Relief

Investors can claim back 30% of the amount invested into a qualifying social enterprise against their income tax bill, either in the year the investment is made, or carried back against the previous year.

Capital Gains Tax (CGT) Deferral

Investors can currently defer CGT from the sale of any other assets disposed of, by investing the amount of the chargeable gain into SITR-qualifying social enterprises. Gains that occurred up to three years before, or one year after, the date of the SITR investment can be deferred.

Interest Income

As SITR is available on loan notes issued by social enterprises, where investments are structured as loan notes, this means that investors can begin to receive interest payments immediately, although this income element remains taxable in the normal way.

Capital Repayment

Since the Resonance Bristol SITR Fund will predominantly invest in loan notes issued by social enterprises, in these cases investors also have the advantage of a clear capital repayment plan, with loan note capital repayments being permitted after the initial three years.

Endnotes

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7. Bristol Post (2018) "At least eight homeless people have died in Bristol in the past year" Available at: <https://www.bristolpost.co.uk/news/bristol-news/least-eight-homeless-people-died-1541954>
8. Street Impact Bristol bid presentation, Unpublished

All references correct as of May 2018.



If you have any questions about this report, or if you are a social investor or social enterprise interested in the Fund, please contact Resonance using the contact details below:

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