

# BUILDING

INCLUSIVE AND RESILIENT COMMUNITIES

resonance





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This report was prepared by the Resonance Communications and Developing Communities Teams, including contributions from our investees. The authors gratefully acknowledge the support of all those who helped in the writing of this report.

Cover photo: Nudge Community Builders has a mission to create a strong community and economy in Plymouth.

# ABOUT THIS REPORT

Welcome to the first social impact report for our community asset fund, **Resonance Community Developers (RCD)**. In this report, we provide an update on how our Developing Communities Team has been working with local neighbourhoods across England.

The fund has two constituent parts, **Community Land and Finance C.I.C. (CLF)**, which mainly provides finance for community groups to establish and strengthen themselves in advance of development, and **Resonance Community Developers Ltd**, which provides finance once a community group has identified a project, including costs such as development and acquisition.

In addition, this report also provides a contextual background and update on Resonance's first two community asset funds, one of which has achieved a full exit, with all investments having been repaid, fulfilling returns and returning capital to investors, in a way that demonstrates real social impact, and the other scheduled to exit in Autumn 2024.

## DEVELOPING COMMUNITIES - OUR VISION

### A TRACK RECORD OF DELIVERING FOR COMMUNITIES

In 2012, Resonance evolved from being a social impact intermediary to become a social impact fund manager, with the launch of its first two community asset funds – the **Community Share Underwriting Fund (CSUF)** and the **Affordable Homes Rental Fund (AHRF)**. These two ground-breaking funds worked directly with local community groups to address specific needs in their towns and villages. In 2019 we built on the success of these two funds with the launch of **Resonance Community Developers**.

Across the two original funds, investors entrusted Resonance with £8.25M to invest in communities across the UK. RCD has continued investing in communities, having been entrusted with £12.3M, and these funds have been, and are, helping community groups achieve their ambitions to deliver social impact through sustainable, local community asset projects. Projects range from affordable housing to preserving and building much needed community assets such as sports facilities. They also include developing low-carbon and renewable energy generation.

We have used patient and flexible finance to create new solutions for communities across the UK. We believe that by supporting communities to build their own homes and other assets, such as leisure facilities, we are building resilience and helping neighbourhoods to be more self-sufficient. We do this by collaborating with local leaders enabling stakeholders to find the best solution to their local needs. Our innovative support means we are hands-on and working in partnership with communities to help them find solutions to the many challenges they face.

All data in this report is as of 31 July 2024.

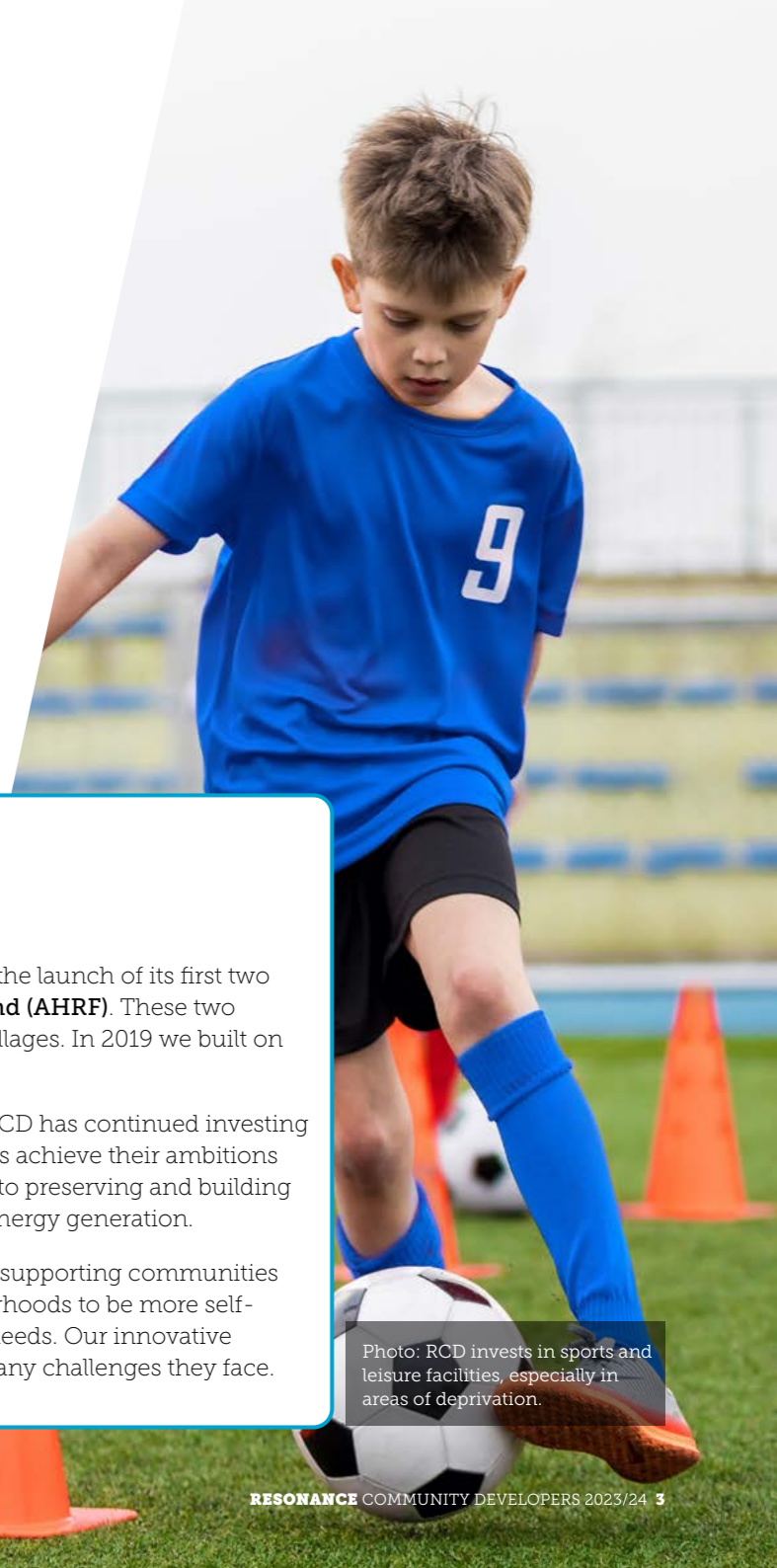


Photo: RCD invests in sports and leisure facilities, especially in areas of deprivation.

# RESONANCE COMMUNITY ASSET FUNDS - KEY MILESTONES

**2009**

**RESONANCE AND COMMUNITY LAND & FINANCE (CLF) MERGE**, with CLF founder Bob Patereson joining the new organisation and working on the development of the **AFFORDABLE HOMES RENTAL FUND**

The learnings from a deal for Red Brick Building, contribute to the development of the **COMMUNITY SHARE UNDERWRITING FUND**

**2011**

**NESTA** provides Resonance (and seven other intermediaries) with pivotal investment to ensure they are ready for Big Society Capital investment when it launches

**BIG SOCIETY CAPITAL FOUNDED** (now called Better Society Capital)

Work continues with the development of **RESONANCE'S FIRST TWO COMMUNITY ASSET FUNDS**

**2012**

**LAUNCH of COMMUNITY SHARE UNDERWRITING FUND** and the **AFFORDABLE HOMES RENTAL FUND**

**SHELTER PRIVATE RENT WATCH REPORT** identifies Cornwall as an area with unaffordable rents

**2013**

**OVERWHELMING NEED FOR AFFORDABLE HOUSING**, sees the Affordable Homes Rental Fund disburse loans of £0.9M to three projects, and approve loans of £3M to a further eight projects in its first year, with a healthy pipeline to follow

**COMMUNITY BENEFIT SOCIETIES** accepted as legal forms, to be run entirely for the benefit of the community

**COMMUNITY SHARE UNDERWRITING FUND** works with three community groups to launch their community share offers including Stockwood Community Benefit Society (CBS)

**FINANCIAL SERVICES AUTHORITY** confirms there are c. 7.5K co-operatives and Community Benefit Societies in the UK



**2014**

**BETTER SOCIETY CAPITAL** invests £1M in CSUF

**COMMUNITY BUYS RUSH FARM AND STOCKWOOD BUSINESS PARK** for £2.6M including investment from CSUF

**OSNEY LOCK HYDRO** archimedes screw installed with CSUF investment



**2017**

**AFFORDABLE HOMES RENTAL FUND** makes final two investments before fully deploying – East Midlands Homes Cooperative and Holsworthy CPT

**COMMUNITY SHARE UNDERWRITING FUND** fully deploys



**2020**

**COMMUNITY SHARE UNDERWRITING FUND** achieves exit with predicted impact and returns



**2021**

Resonance launches new community asset fund, **RESONANCE COMMUNITY DEVELOPERS**, with £5M investment from Better Society Capital and £2.8M from Access - the Foundation for Social Investment

The fund makes one of its first investments into **LEIGH SPINNERS MILL**, a heritage community hub in Greater Manchester



**2023**

**RESONANCE COMMUNITY DEVELOPERS** receives a £3M investment from Ministry of Housing, Communities and Local Government (formerly known as DLUHC)

One of the fund's investments is into Plymouth based **NUDGE COMMUNITY BUILDERS** for £69K



**2024**

**AFFORDABLE HOMES RENTAL FUND** scheduled to achieve exit in 2024

**RESONANCE COMMUNITY DEVELOPERS** makes largest investment to date of £2.5M, into YorSpace

# INTRODUCING RESONANCE COMMUNITY DEVELOPERS

**Resonance Community Developers (RCD)** is a social investment fund. It was designed to support communities to create and own assets that meet local needs and help to build community cohesion, by investing in community-led affordable homes and facilities that benefit the whole community.

The fund's vision is for all communities to feel empowered, create local solutions, become asset owners and contribute to place-making, economic resilience and tackling inequalities.

RCD supports new and established community enterprises structured as Community Benefit Societies or similar legal entities, investing in pre-development feasibility, land acquisition and construction. RCD has been developed to work with communities to deliver the assets they need to develop and become more resilient. The fund invests in:

-  **AFFORDABLE HOMES**
-  **SPORTS & LEISURE FACILITIES**
-  **LOW-CARBON & RENEWABLE ENERGY GENERATION**
-  **OTHER COMMUNITY ASSETS**

The fund is operating in three main geographies – Greater Manchester, Devon & Cornwall and Gloucestershire, but has also expanded its remit to cover other regions where there is an aligned demand.

The fund builds on Resonance's previous community asset funds, the **Community Share Underwriting Fund** and **Affordable Homes Rental Fund**.

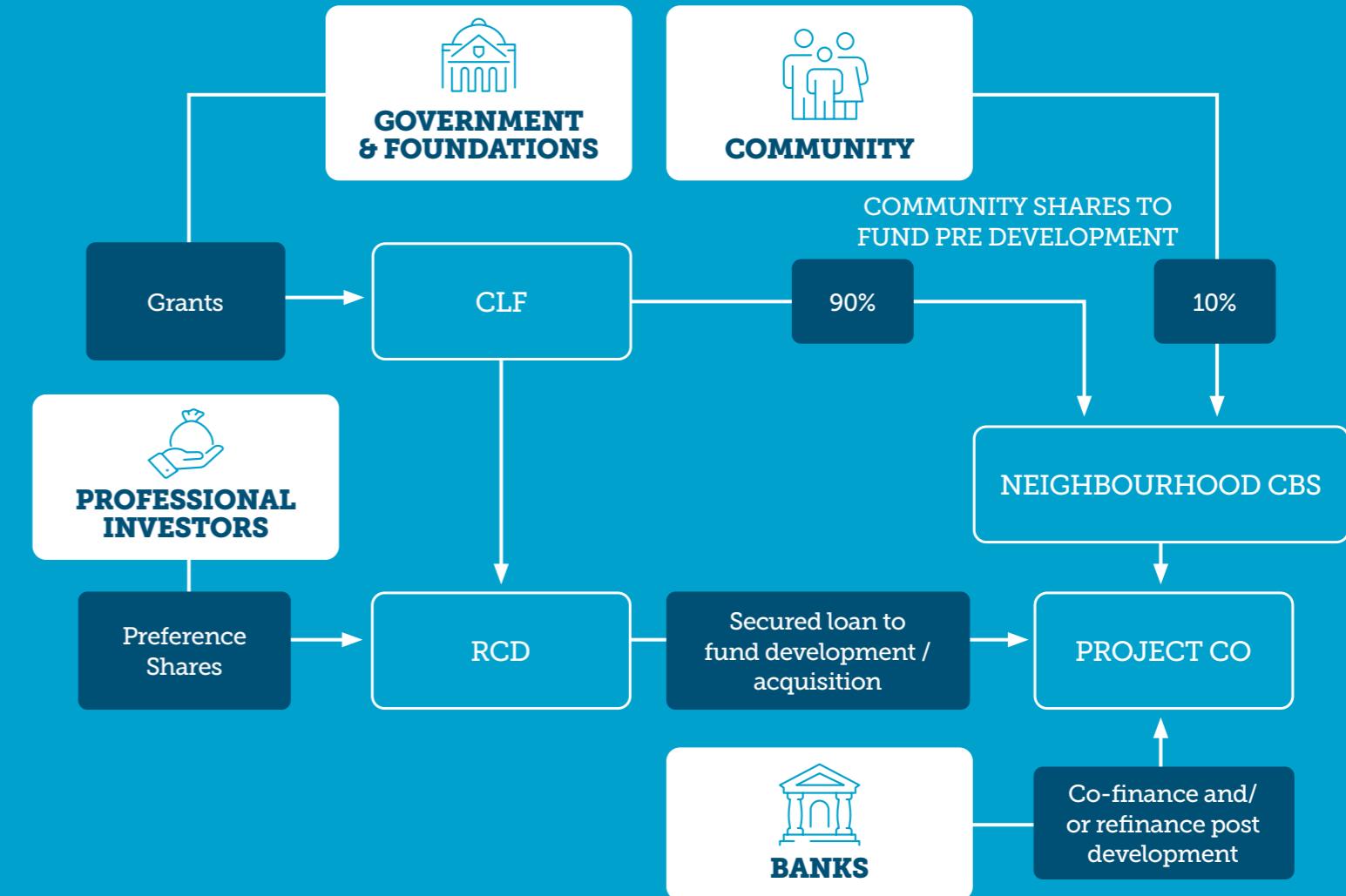
“Community Land Trusts (CLT) are a tool, a collective muscle, to secure a sustainable and thriving community. Through their CLT, communities can democratically steward land to develop homes, workspace, community amenities, space for nature or whatever else they need. They can do this solo, or more often in partnership with councils, housing associations and developers. Instead of being opponents of change and consultees to others' plans, CLTs give communities a seat at the decision-making table and ownership of resulting assets. The stronger the muscle, the greater their confidence, pride in place and wellbeing.”

**Tom Chance, CEO, Community Land Trust Network**

## HOW THE FUND WORKS

Resonance Community Developers operates through two legal entities: Community Land & Finance C.I.C. (CLF) and Resonance Community Developers Ltd (RCD or the fund).

CLF raises grant funding and uses this to pump-prime a pipeline of investment opportunities for RCD, which blends grant funding and investment capital to create new community assets.





**PROFIT THROUGH PURPOSE**

Photo: East Marsh United started transforming their community with litter picking, before becoming more ambitious and working together to provide affordable homes from once derelict properties.



“ Working with Resonance has been excellent and effective, ranging from specialist financial planning input to detailed work on specific projects. The nature of the work, especially where we are focused on engaging with communities where resources and capacity are limited and stretched, requires patience, resilience and creativity as well as commitment to long-term outcomes. Resonance has consistently delivered on those qualities and values. ”

**Bill Lovat, Greater Manchester Community Led Homes**

### WHY THE FUND IS NEEDED

Resonance is an impact property fund manager that is providing life-changing homes and solutions to people and communities facing crisis across the UK.

We believe that community ownership can play a much greater part in the big challenges facing our country – the cost of housing, left behind communities and a path to Net Zero.

## 340,000 NEW HOMES

England needs **340,000 new homes** – including 145,000 affordable homes – by 2031, to meet current demands. This includes 90,000 for social rent and 25,000 for shared ownership.<sup>3</sup>

## 112,660 HOUSEHOLDS

There are currently **112,660 households** in England living in temporary accommodation, including 146,800 children.<sup>4</sup>

## 1.29M HOUSEHOLDS

## 278,000 COMMUNITY-LED HOMES

According to the Community Land Trust Network, there is a market opportunity to develop at least **278,000 community-led homes**.<sup>2</sup>

## 8.3 x ANNUAL EARNINGS

In 2023, full-time employees in England could expect to spend around **8.3 times** their annual earnings buying a home.<sup>5</sup>

## SHORTAGES OF BASIC SOCIAL INFRASTRUCTURE

England's poorest neighbourhoods have by far the **biggest shortages of basic social infrastructure** such as parks, playgrounds, pubs, shops and sports facilities – and are least likely to get government funding to rejuvenate their community.<sup>6</sup>

## 550 COMMUNITY LAND TRUSTS

There are over **550 Community Land Trusts** in existence or in the process of being formed.<sup>7</sup>



# THE FUND'S ACHIEVEMENTS

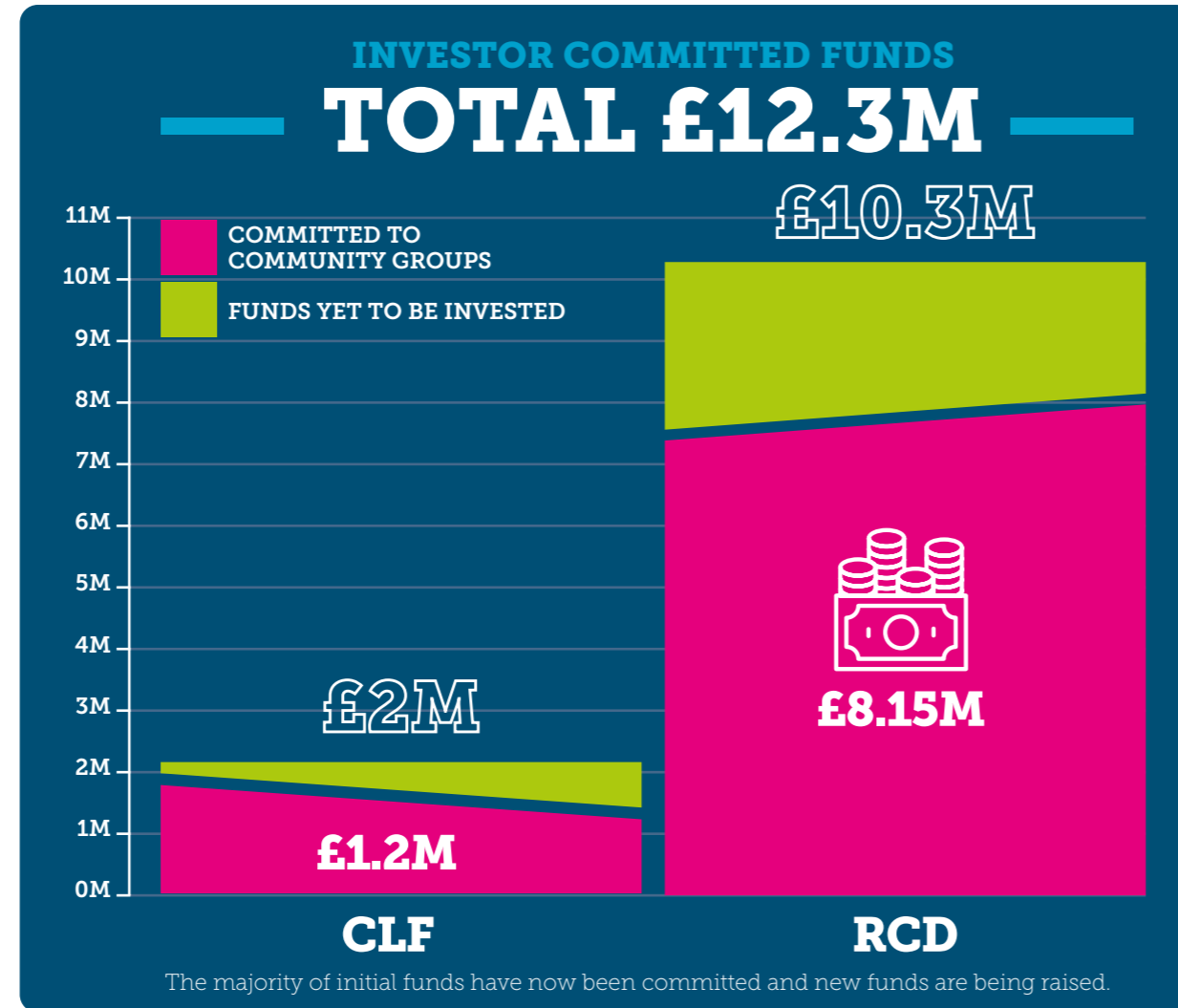
FROM LAUNCH TO 31 JULY 2024

**7**  
INVESTORS  
AND GRANT  
FUNDERS

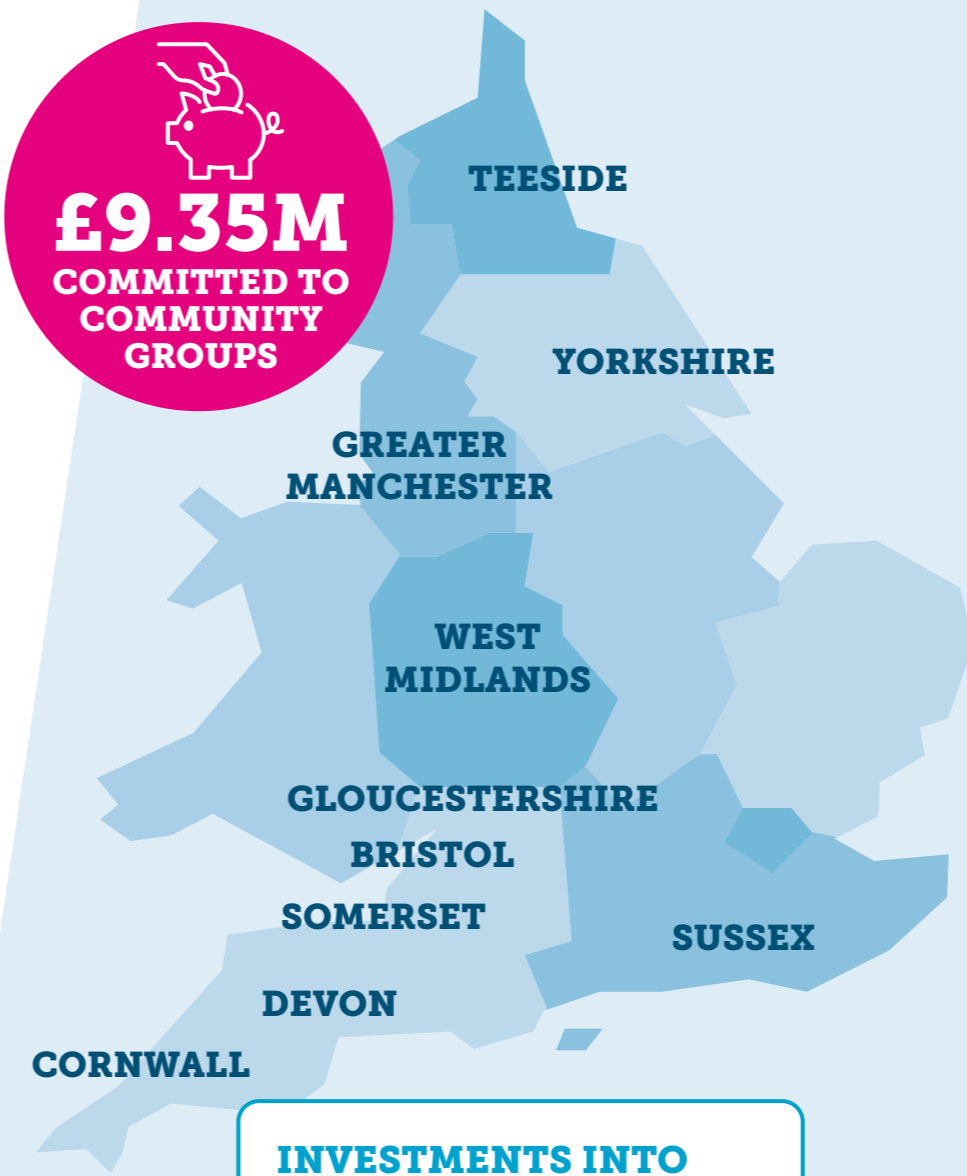
CLF AND RCD IS  
SUPPORTING, AND  
HAS INVESTED  
IN OR MADE  
OFFERS TO  
**28**  
COMMUNITY  
GROUPS

**c.40%**  
OF COMMUNITIES INVESTED IN  
ARE BASED IN THE MOST DEPRIVED  
NEIGHBOURHOODS IN ENGLAND\*

\*Ranked in top 10% areas in index of multiple deprivation UK Gov 2019.<sup>8</sup>

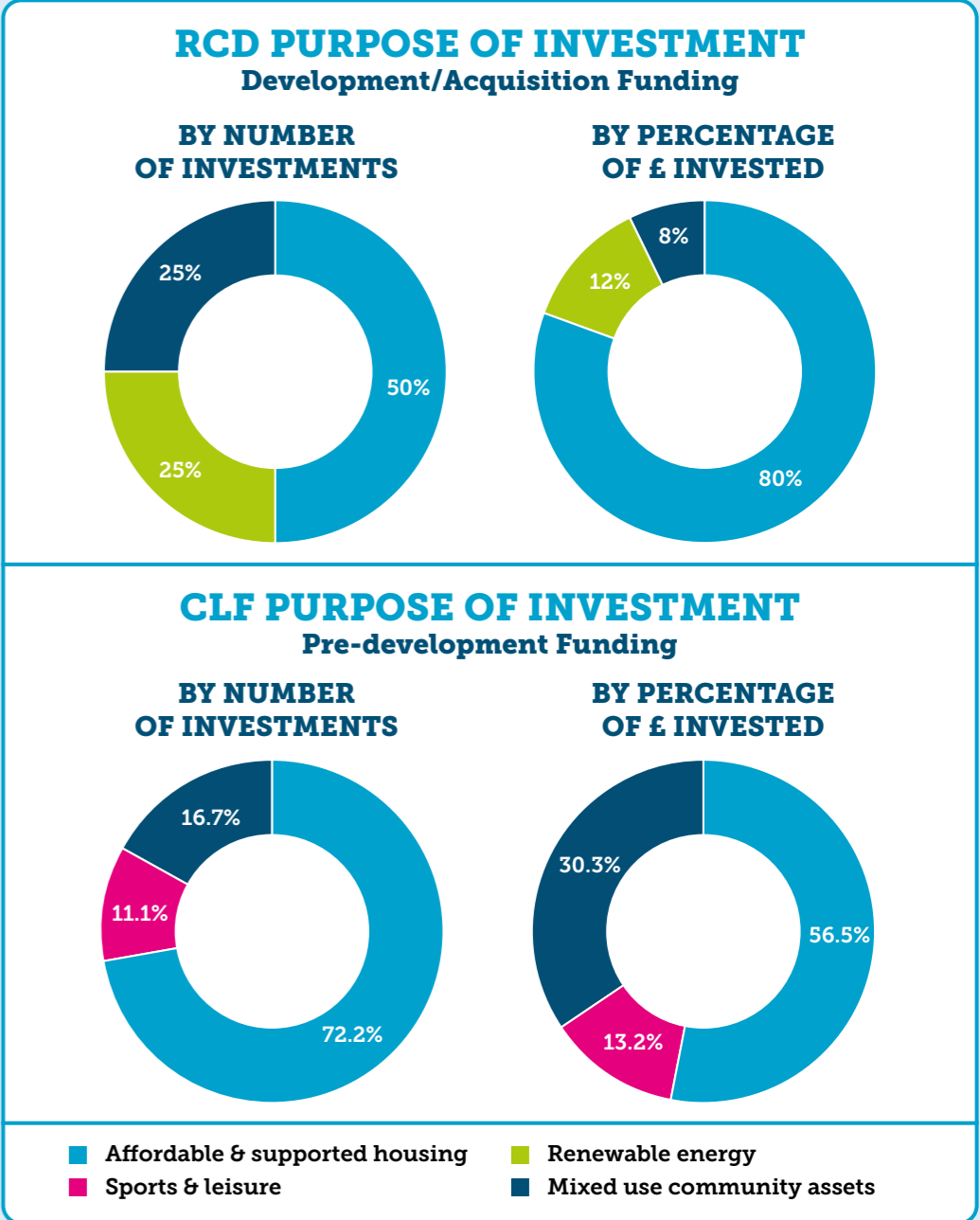


**£9.35M**  
COMMITTED TO  
COMMUNITY  
GROUPS



INVESTMENTS INTO  
**10 ENGLISH  
REGIONS**

## FUNDING IS ADDRESSING ALL TARGET AREAS





# OUR REACH

## THE FUND IS ALREADY OPERATING ACROSS THE COUNTRY

CLF and RCD has invested in or made investment offers to 28 community groups as at 31 July 2024.

### GREATER MANCHESTER

- Central Rochdale CLT **£20K**
- Foxdenton/Chadderton CBS **£25K**
- Firs CBS **£60K**
- Greater Manchester Community Led Homes **£50K**
- Hollinwood CLT **£130K**
- Langley Community Homes **£59.5K**
- Leigh Spinners **£35K**
- Rochdale Housing Initiative **£10K**
- Timperley Sports Club **£35K**
- TUFU (Positive Places) **£22.5K**

### BRISTOL

- Tiny Homes Bristol **£90K**

### SOMERSET

- Frome Area CLT **£10K**
- Somerset CLT **£50K**

### CORNWALL

- Launceston CDT **£186K**
- Mustard Seed Property **£1M**
- ACT Falmouth **£35K**
- Mor Land Trust **£2K**

- ### NATIONAL
- Big Solar **£800K**

### SOURCE OF INVESTMENT

- CLF Pre Development Investment
- RCD Investment

### ASSET TYPES

- Housing
- Sports/Leisure
- Energy
- Mixed use community assets

### TEESIDE

- Community Ventures (Middlesborough) Ltd **£500K**
- Community Ventures Ltd (Middlesborough) **£1.35M**

### NORTH YORKSHIRE

- YorSpace (York) **£2.5M**

### WEST MIDLANDS

- West Midlands Urban Community Homes **£25K**

### GLOUCESTERSHIRE

- Blackbridge CLT **£100K**
- The Glebe **£8K**

### SUSSEX

- Brighton & Hove Energy Services Co-operative Ltd **£200K**
- Strawberry Fields Homes CIC (Brighton) **£1.7M**

### DEVON

- Nudge Community Builders **£69K**
- Drewsteignton (Drewe Arms) **£100K**
- Mortenhampstead **£6K**

Photo: RCD works with local community groups who understand their communities, and can help deliver the affordable homes they need.

“ This investment will go a huge way to building pride and ownership amongst our community. A lot of the people we work with don't feel they're valued, but investment like this shows they are, and provides them with more freedom to take ownership of their lives from safe spaces. We are really passionate about this work and our relationship with the team at Resonance, because we believe it is the start of a powerful journey for our community. ”

**Mike Milen, Community Ventures (Middlesborough)**



# THE FUND'S INTENDED IMPACT

The fund was designed to work with community-led organisations to deliver significant social impact in the areas of:

- 1 COMMUNITY EMPOWERMENT**
- 2 MEETING LOCAL NEEDS**
- 3 CONTRIBUTING TO PLACE-MAKING**
- 4 BUILDING ECONOMIC RESILIENCE**
- 5 TACKLING INEQUALITY**
- 6 STRENGTHENING COMMUNITY COHESION**

It will achieve this by scaling up delivery of community enterprise models that have demonstrated successful track records. The fund has been designed to reach into underserved communities which may need additional support to achieve their ambitions.

The fund aims to encourage community groups to go on and initiate further development projects and greater impact, even after the fund has exited. Where these ambitions align with the fund's Investment Policy, the fund may invest in these same communities again.

## THE FUND'S IMPACT STATEMENT & INDICATORS

CLF and the fund, working together in collaboration with partners, provide practical knowledge and finance to bring much needed housing, community, recreational or energy assets into local ownership.

Creating a strong local eco-system, CLF and the fund act as catalysts to bring local partners together, keeping the energy high and the momentum going, whilst ensuring the skills, knowledge and experience is transferred to the community.

**"...the Community does. CLF and the fund support"**

Over time the force of community change is anticipated to lead to financially sustainable facilities used for generations to come, providing resources and know-how for communities to tackle further change, but also promote models that can be replicated elsewhere.

Throughout this journey, CLF and the fund are the initial catalysts, and communities are empowered to own and deliver the change they want both now and going forward.

## PATHWAY TO IMPACT





# SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDG) are a collection of seventeen goals set by the United Nations General Assembly. Each goal has a list of targets, which are measured with indicators to help understand how progress is being made towards the goals.

Resonance Community Developers supports multiple SDG targets through its investments and the organisations in which we invest.

However, there are three specific SDGs that our investments directly support in a meaningful and measurable way.



**'Ensure healthy lives and promote well-being for all at all ages.'** RCD has a specific focus on supporting communities to take ownership and develop local leisure facilities. Often these projects have much wider health and wellbeing outcomes than purely active lifestyles. A number of our CLF investments have been in this sector, and we continue to work with communities looking to improve the health and wellbeing of their residents.



**'Ensure access to affordable, reliable, sustainable and modern energy for all.'** RCD has invested in a number of renewable energy projects at a community level, and continues to develop partnerships to support community renewables and is actively involved at a national level in supporting the community energy eco-system.



**'Make cities and human settlements inclusive, safe, resilient and sustainable.'** RCD was designed and inspired by the need to support communities to take ownership of their local assets, such as developing affordable housing and preventing the loss of community services. All RCD investments must demonstrate how they contribute to sustainability and local resilience through community engagement and governance structures that place local people at the heart of decision making. We invest in some of the most deprived neighbourhoods and partner with local organisations trying to put people and planet before profit.



Photo: Bristol CLT developed community-led housing schemes for people struggling to access the local housing market.

# MEET SOME OF THE INSPIRATIONAL COMMUNITY GROUPS WE ARE SUPPORTING

Resonance Community Developers has invested in or made investment offers to 28 community groups. In the following pages we share some of their stories and why we have invested in them.





## BLACKBRIDGE CHARITABLE COMMUNITY BENEFIT SOCIETY

### THE INVESTMENT



<b>AMOUNT</b>	£100K	<b>PURPOSE</b>	Pre-development
<b>DATE</b>	2022	<b>LOCATION</b>	Gloucester

### ABOUT BLACKBRIDGE CBS

Blackbridge incorporated to deliver the Blackbridge sports and community development, and identify further community development opportunities in the future across the Podsmead and Matson areas of Gloucester.

#### The society objectives are:

- To maintain or improve the physical, social and economic infrastructure within Matson and Podsmead
- Advance education (particularly concerning asset based community development and enterprises with a community or environmental focus)
- Hold land in trust for its community

An underused area of grassland in the ward of Podsmead, known as Blackbridge, is being developed as a new community hub offering sports, leisure and other community uses.



Podsmead was awarded £1M from the Big Lottery Fund in 2013 to support the ward to become a thriving and sustainable community. It is ranked as the most deprived area in Gloucester<sup>9</sup>. There is a strong sense of community spirit and engagement, and abundance of open space, and strong public transport links to the city centre.

Despite the open space, there is no formal leisure provision. Over 20% of adults in Gloucestershire are inactive, and there are significant inequalities in activity levels amongst different groups:

- 27% of people over 55 are inactive; and
- 26% of people living in the 20% most deprived areas in the country are inactive<sup>10</sup>

### THE DIFFERENCE THE INVESTMENT AIMS TO MAKE

The investment enabled the CBS to fund pre-development work for a community hub and sports facilities that aims to increase activity levels and participation in sports and exercise within the local community.

“ I’ve lived almost my entire life in the Podsmead area, and I am excited to be part of the team helping to bring positive change to the area.

The development of the new community hub, with all the facilities attached to it will make such a significant difference to our community, helping to give individuals access to sport and leisure facilities that are badly needed. ”

**Mark Gale, Blackbridge CBS**





## NUDGE COMMUNITY BUILDERS

### THE INVESTMENT



<b>AMOUNT</b>	£69K	<b>PURPOSE</b>	Pre-development
<b>DATE</b>	2023	<b>LOCATION</b>	Plymouth

### ABOUT NUDGE COMMUNITY BUILDERS

Nudge was set up in 2017 by local people living in Stonehouse, Plymouth. Their mission is to “nudge” lasting change in surprising and enterprising ways to build a strong local community and economy.

Their vision is to make Union Street in Plymouth a street the whole world loves again. They recognised that empty buildings in private ownership have caused long-term problems along the street for decades. An important part of changing the street is making sure some buildings are owned by the community. They can use these buildings to create a street that meets the needs of local people and more of the economic impact from the changes they make, stays in the community. Their ambition is to bring 4000sqm of empty buildings back into use and they have already created space for 25 small businesses.

### THE DIFFERENCE THE INVESTMENT AIMS TO MAKE

Nudge acquired the C103 building on Union Street in October 2022 with the aim of demolishing the vast majority of the the site, building commercial units on the ground floor and providing 30 accommodation units on the upper floors.

This investment will support with the pre-development costs to enable the project to submit a planning application. It will cover costs such as a feasibility study, professional fees, site surveys, design costs and community engagement.

“ Our ambition is to make Union Street a street the whole world loves. The team at Resonance has supported us at every twist and turn in helping us on our way to achieve this ambition. ”

**Hannah Sloggett, Co Director, Nudge Community Builders**

**£69K INVESTMENT**

**AREAS OF STONEHOUSE ARE IN THE MOST DEPRIVED AREA OF DEVON <sup>11</sup>**





## BRIGHTON & HOVE ENERGY SERVICES CO-OPERATIVE LTD (BHESCO)

### THE INVESTMENT



<b>AMOUNT</b>	£200K	<b>PURPOSE</b>	Development
<b>DATE</b>	2024	<b>LOCATION</b>	Brighton

### ABOUT BHESCO

BHESCO is a social enterprise dedicated to accelerating the transition to efficient buildings and local sustainable energy. BHESCO believes long-term affordable energy security requires local clean energy systems, owned by, and run in the interest of the communities they serve. To date, BHESCO has developed 59 community focused carbon reduction projects achieving 7,655 tonnes of CO<sub>2</sub> savings and £2M in energy costs savings across the projects' lifetimes.

### THE DIFFERENCE THE INVESTMENT AIMS TO MAKE

This investment is to support the installation of solar systems on 5 schools in the Brighton & Hove area with a combined capacity of 260Kwp. It is estimated that these projects will save the schools £3.1M on energy bills and mitigating 2,700 tonnes of CO<sub>2</sub> over the lifetime of the solar arrays.

The arrangement was structured as a bridging loan to ensure that the projects wouldn't encounter prolonged delays while BHESCO raised funds through an open community bond offer. RCD's involvement included co-investment alongside other philanthropic investors who have a history of supporting organisations like BHESCO, facilitating the initiation of renewable energy projects through short-term lending.

“ We are extremely grateful to Resonance Community Developers for its support of these projects. This allowed the solar panels to be installed without delaying the projects by five months, which is how long it took to raise the funds through our bond offer. ”

**Kayla Ente, Founder and CEO of BHESCO**

**£200K INVESTMENT**

**ESTIMATED THE PROJECTS WILL SAVE 5 SCHOOLS £3.1M IN ENERGY BILLS**







## MUSTARD SEED PROPERTY COMMUNITY BENEFIT SOCIETY

### THE INVESTMENT

<b>AMOUNT</b>	£1M	<b>PURPOSE</b>	Development
<b>DATE</b>	2023	<b>LOCATION</b>	Cornwall

### ABOUT MUSTARD SEED PROPERTY CBS

There is an acute lack of housing in Cornwall for vulnerable adults who are at risk of homelessness. Mustard Seed Property (MSP) offers an answer by purchasing homes in which vulnerable tenants can be supported into stable lifestyles.

As a community benefit society and charity, MSP leases properties to trusted organisations in Cornwall, which are skilled in helping otherwise homeless adults find their feet.

These trusted organisations become 'lease-partners' and they include highly respected groups such as the **St Petrocs Society** and **Karrek Community CIC**, their roles being to place tenants into the houses and give them the support they need.

Since Resonance started working with MSP in 2007, it has had a number of successful share offers raising around £1.5M.

Currently, MSP has 3 properties: A six-bedroomed house in Helston, with support provided by partner organisation **St Petrocs**; an eleven-bedroom house in Newquay, with support provided by **Newquay Lighthouse Project**; and a six-bedroom house in Redruth, which is aiming to be ready in Autumn 2024 for **United Response**, with support provided by **Karrek Community**.

### THE DIFFERENCE THE INVESTMENT AIMS TO MAKE

The investment will enable MSP to pay off existing finance and complete the renovation of their third property, a six-bedroom house in Redruth, Cornwall, which will create homes for 5 autistic adults with learning disabilities. In addition, the investment will help support the purchase and development of another 2 properties urgently needed to provide secure homes for vulnerable adults at risk of homelessness in the county.

“ Cornwall has an acute shortage of suitable housing for vulnerable adults who are at risk of homelessness. The investment from Resonance Community Developers is an important and timely one for us, as it will allow us to complete the refurbishment of our third property in Redruth, providing a home for five vulnerable adults. We can then start the process of identifying and purchasing additional properties to help more and more vulnerable adults across the county.

The team at Resonance really get what we are trying to achieve at Mustard Seed Property, in addition to the investment they have provided us with much needed support and expertise. ”

**Suzie Ackford, Director, Mustard Seed Property**







## YORSPACE COMMUNITY LAND TRUST

### THE INVESTMENT

<b>AMOUNT</b>	£2.5M	<b>PURPOSE</b>	Development
<b>DATE</b>	2024	<b>LOCATION</b>	York

### ABOUT YORSPACE CLT LTD

YorSpace is a Community Benefit Society and Community Land Trust working with City of York Council, York residents and a team of excellent local professionals to bring forward community-led housing developments across the city. The first project is Lowfield Green, Westfield, York.

Their vision is to create an alternative route to housing that empowers the people of York to create and fund their own low cost, environmentally sustainable and resilient communities.

There is a proven market failure to deliver enough affordable, low-carbon housing in York, noted in the draft Local Plan 2023.

### THE DIFFERENCE THE INVESTMENT AIMS TO MAKE

To enable YorSpace to develop 14 affordable low-carbon homes at Lowfield Green, York.

YorSpace and Lowfield Green Housing Co-op have been working with People Powered Homes Ltd (a community coordinator for RCD) to bring forward development of a former school site in York. The scheme forms a section of a larger site which has been developed by City of York Council for private, affordable, and self-build housing.

YorSpace has planning permission approved to build 19 homes to Passivhaus Standard, and with sale costs to the residents being no more than 80% of the comparable open market rate. They have secured the site via a land sale contract with City of York Council that was completed in January 2023.

“ In a city that has left many people behind, YorSpace CLT is on a mission to create lower cost, low-carbon communities in York, that are designed by and for the people that live here. As a Community Land Trust we're here to lock land and buildings away into community ownership and use those assets to help the people of York in building community wealth for its citizens.

The challenges faced with getting our first project at Lowfield Green off the ground have been complex and varied. At times it has felt like this project might never happen as both grant funding and investment have been hard to access since 2020. Resonance's commitment to invest in our community enterprise has helped to unlock grant funding and made our project viable.

We are delighted to be working in partnership with the team from Resonance Community Developers, whose shared social aims and values align perfectly with our own.

Through our ongoing relationship with RCD we hope to share our learning with other like-minded organisations, to pave the way and make it easier for them to deliver upon their own visions for a fairer and more equitable society. ”

**Laurie Smith, CEO, YorSpace CLT**



**£2.5M**  
INVESTMENT



**INVESTMENT**  
**WILL HELP BUILD**  
**19**  
**AFFORDABLE**  
**HOMES**



## COMMUNITY VENTURES (MIDDLESBOROUGH) LTD

### THE INVESTMENT



<b>AMOUNT</b>	£500K	<b>PURPOSE</b>	Acquisition
<b>DATE</b>	2024	<b>LOCATION</b>	Middlesborough

### ABOUT COMMUNITY VENTURES (CVL) & SHELTON COURT

CVL was established in 1989. It is a community organisation, that is focused on assisting communities in the East Middlesborough areas of Thorntree and North Ormesby, which are both in the 10% most deprived neighbourhoods in England. Middlesborough as a whole is the 5th most deprived Local Authority in England.<sup>12</sup>

CVL's mission is to create safe spaces and more connected communities, by providing wrap-around individualised support for people to learn, do and grow. It achieves this by working with funders and partners to run childcare programmes, engagement activities, food banks, affordable housing, jobs and volunteering. In addition, it provides a base for other voluntary and support organisations to offer specialist training and outreach activities.



The organisation currently has 11 employees, all of whom live locally, with several having been associated with CVL through the programmes that the organisation has operated over the years.

CVL developed a well-considered plan for the locality around Shelton Court, converting the buildings into fourteen one-bedroom affordable apartments, 2 two-bedroom apartments and 6 commercial units.

The aim is for some of the local residents who are on the social housing waiting list to be able to have an affordable home (rent set below Housing Allowance level), enabling them to move on with their lives, within the community they call home.

### THE DIFFERENCE THE INVESTMENT AIMS TO MAKE

One of the major issues in the region, in addition to high levels of unemployment, is the lack of affordable rental housing, in particular one-bedroom properties, where there is a significant social housing waiting list, currently standing in the immediate area at over 250 people.

CVL approached Resonance in June 2023 to request our assistance with the acquisition and redevelopment of Shelton Court Buildings 1 and 2. These buildings are in the middle of the community which CVL serves.



**INVESTMENT WILL PROVIDE AFFORDABLE HOMES FOR 16 FAMILIES**

**IN ADDITION TO SHELTON COURT, RCD HAS COMMITTED A FURTHER £1.3M TO PURCHASE EMPTY HOMES IN THE AREA**

“ The past twelve months has seen the housing market locally changing rapidly to meet the demand for contractor accommodation to feed the huge TeesWorks development. This new demand has seen those least able to move or pay more left with few options. Resonance funding has allowed us to move rapidly to deliver on our plans for an expanded property portfolio. We are now moving forward with purchases that will bring back into use 50 void properties.

We have spoken with a number of funders as we sought to expand our housing activities, none have bought in to our vision as rapidly as Charles (Resonance Senior Investment Manager), nor moved as quickly to allow us to seize opportunities. We are used to lenders telling us they want to develop long-term relationships, but with Resonance it was more than a marketing statement, we now view Charles and his colleagues at Resonance as part of the team at Community Ventures.”

**Mike Milen, CEO, Community Ventures**

**MIDDLESBOROUGH IS THE 5TH MOST DEPRIVED LOCAL AUTHORITY IN ENGLAND<sup>12</sup>**





## GREATER MANCHESTER COMMUNITY LED HOMES (GMCLH)

### THE INVESTMENT

<b>AMOUNT</b>	£50K	<b>PURPOSE</b>	Pre-development
<b>DATE</b>	2023	<b>LOCATION</b>	Greater Manchester

### ABOUT GREATER MANCHESTER COMMUNITY LED HOMES

GMCLH is a member-led Hub for community-led housing support within Greater Manchester. Its purpose is to both accelerate the number of community-led homes that are to be delivered in its city region and to support community-led housing groups to remain sustainable for the long term.

It has a mission to collaboratively build and manage community-led homes with and for communities throughout Greater Manchester.

GMCLH is an independent, not-for-profit Community Benefit Society and is part of a national movement to help communities take action on housing.

- Community-led housing means homes which are built or brought back into use by local people
- Projects are genuinely understood and supported by the community
- Homes are owned or managed by people in the community
- Benefits to the local community are legally protected in perpetuity

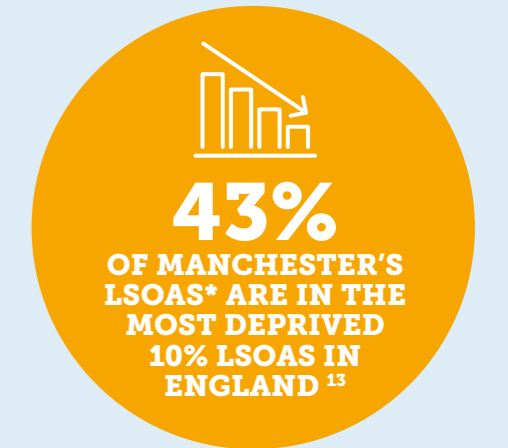
The CBS has over 24 active projects, including 12 new projects started since the beginning of 2023. It has over 60 Community Shareholders, a volunteer board of 10 members and over 50 volunteers.

### THE DIFFERENCE THE INVESTMENT AIMS TO MAKE

Investment from Resonance has been critical to GMCLH's strategic activity and specific projects. A key aim has been to establish working partnerships with boroughs that are interested in the community-led housing agenda. This has made significant progress in Oldham, where it is working on a range of sites and projects as a new partnership agreement with the council. This provides long-term potential for increasing the supply of community owned homes in areas where such opportunities are otherwise limited.

“ Working with Resonance has been excellent and effective, ranging from specialist financial planning input to detailed work on specific projects. The nature of the work, especially where we are focused on engaging with communities where resources and capacity are limited and stretched, requires patience, resilience and creativity as well as commitment to long-term outcomes. Resonance has consistently delivered on those qualities and values. ”

**Bill Lovat, CEO, GMCLH**




\* Lower Layer Super Output Areas.





## DREWSTEIGNTON COMMUNITY SOCIETY LIMITED (DCS)

THE INVESTMENT 			
AMOUNT	£100K	PURPOSE	Acquisition
DATE	2024	LOCATION	Devon

### ABOUT DREWSTEIGNTON COMMUNITY SOCIETY

Following the closure of the Drewe Arms Pub in Drewsteignton, Dartmoor, Devon, local people came together and made the decision that this pub was such an important asset to the community that they should preserve it by bringing it into community ownership. Following several meetings, it was clear the Drewe Arms was the true social hub of the community, so the decision was made to form a Community Benefit Society and purchase it.

### THE DIFFERENCE THE INVESTMENT AIMS TO MAKE

Supporting projects like this one aligns seamlessly with the fund's overarching impact objectives of empowering community groups to take on assets that are important to their community. Our investment helped provide confidence as part of a blended funding approach. DCS were looking to raise funds through grants and donations as well as a community share offer. Our investment was to support any matching requirements for certain grant sources and to bridge any gap if there were a funding shortfall from their community share raise. This enabled them to begin negotiations with the owners to purchase the property knowing their funding needs would be met.

It's hard to keep a good community down! DSC were looking to raise £440K in community shares but significantly exceeded their target and ended up raising £547K. This meant the need for investment from RCD was greatly reduced but because we had built a strong relationship, DSC wanted to drawdown the funds to support with the initial refurbishment works and to have a "friendly investor" alongside them, as they also have plans to expand in the future.

“ Reopening a 400-year-old pub that had been comprehensively neglected by its previous owner and then closed for 18 months involved significant and often unforeseen expenditure. The Resonance loan gave us extra flexibility and peace of mind throughout the re-opening process. ”

**Ian Pickford, Secretary/Finance Director, DCS**



**£100K INVESTMENT**



# KEY FINDINGS

The RCD team continues to learn from each investment as we build our evergreen fund and support more and more communities. The fund was developed to fix a market failure and this is borne out by the increasing demand we are seeing. We continue to evolve our systems and processes to be as effective and responsive as we can in the face of increasing economic challenges for both communities and the social impact sector. Below are some of our learnings and challenges we will be taking up over the next year to further improve the fund's ability to create impact:

## THE FUND

- **It takes time to back and support communities.** Pre-development funding is a vital piece in the jigsaw, but it still may take years for a development to materialise. Patience and support is key, as well as understanding why barriers form and how they can be overcome.
- **Every project is different,** and understanding the gaps and challenges is vital in unlocking progress. A one size fits all approach doesn't work.
- **Housing projects are often more complex and expensive** than other community asset projects and RCD needs to grow significantly to enable the economies of scale required to fulfil the community demand we are seeing.
- **Development projects take time and can hit significant obstacles.** Working with groups to acquire existing assets can potentially be a really effective use of local resources and supports run down areas, without the need for major development.
- **Existing assets potentially generate income more quickly,** which helps create financial resources, to hire staff/pay people to work on longer-term developments.
- **A balanced approach is therefore required** to ensure RCD is effective.

## IMPACT

- **We plan to review our Theory of Change** to take account of the changes that have taken place since we launched the fund. Changes include those to the community landscape as well as political and economic factors.
- **Impact in development projects takes time to flow through,** which is why this report is more about investments made and case studies. As the projects develop and complete their construction, we will be able to report on the impact to beneficiaries.
- **Community organisations do not always find impact reporting easy** and we can't expect communities to have social impact frameworks which collect the data we need from the start. They need support and we have to find ways to make this easier for them, so they can continue to focus on the real change they are making.
- **Deprivation or disadvantage is not always obvious.** We invest in communities where disadvantage is complex and often hidden, i.e. rural isolation, rural housing need in areas of affluence.
- **We invest in pre-development projects, which by their nature are more risky.** Sometimes these projects hit barriers and don't go through to development. However, impact has still been created and communities have been supported to be more cohesive and ready for future opportunities. We need to find ways to understand this impact better.

## COMMUNITY

- **The community must be in the driving seat,** but they may have skills gaps. However, we can't do it for them, and we need to find ways to accelerate their learning and capacity.
- **Agency is key** and we will continue to collaborate with local and national partners to find innovative solutions to support local people to develop their communities.

## ECOSYSTEM

- **Geography is important.** Where we have strong networks and links, projects are more likely to get off the ground. Where we don't, they often take longer. This can be seen in Manchester and Sussex where the pipeline of viable projects is growing due to our links with local housing hubs and other partners.
- **Housing projects with an identified and strong relationship with a local registered provider are more likely to succeed.** Where this doesn't exist, we need to find solutions to help the community drive their projects forward. We can utilise our national reach and reputation to foster new collaborations that can support local projects.

## COMMUNICATION

- **Despite a growing pipeline and enquiries, myths persist about the fund.** We need to get better at communicating our different approach and demystify the fund so that communities can confidently engage with us.
- **Not all projects progress, but some may still do so eventually.** Since the fund began, a good proportion of projects have not managed to develop their ideas, but with the right support, some could still happen. We need ensure we have a good system to keep track of and reach out to the communities that have shown an interest, signposting to other resources and partners where appropriate.





# A TRACK RECORD OF DELIVERING FOR COMMUNITIES

In 2012, Resonance evolved from being a social impact intermediary to become an impact fund manager, with the launch of its first two community asset funds – the **Community Share Underwriting Fund (CSUF)** and the **Affordable Homes Rental Fund (AHRF)**. These two ground-breaking funds worked directly with local community groups to address specific needs in their towns and villages.

In total, our investors entrusted Resonance with £8.25M to invest in communities across the UK and these two funds helped community groups achieve their ambitions to deliver social impact through sustainable, local community asset projects.

“**RESONANCE HELPED US THINK MUCH WIDER THAN JUST THE CAPITAL ELEMENT OF THE PROJECT...**”  
**TIMPERLEY SPORTS CLUB**





Photo: YorSpace is bringing forward community-led housing developments across York.

## COMMUNITY SHARE UNDERWRITING FUND (CSUF)

GROWING LOCAL SOLUTIONS

<b>LAUNCHED</b>	2012
<b>TOTAL INVESTMENT</b>	£3M
<b>FUND EXIT DATE</b>	2020

### WHY THE FUND WAS NEEDED

Community shares are a great way for a community to work together to raise the capital needed to resolve a specific local need. Whether that is saving a local pub or community shop, village hall or even a farm, or investing in a community renewables project such as wind turbines or solar panels, using a community share offer protects the local asset for the community in perpetuity.

Whatever the asset, sometimes community share offers are slow to get started, and so helping to build confidence in the offer before it starts is one stage where the CSUF was able to help. It was also used to add momentum to an offer which was already underway, but which may have stalled, and it was able to bridge a gap which may have emerged at the end of an offer, which failed to quite reach its target. Sometimes, CSUF enabled projects to proceed, without the completion of an investment. Just the commitment to invest was sometimes enough to give the push that was needed.

The key aim of the fund was to generate positive impact in communities by making it more possible for local people to make local projects happen, and to keep more of the ownership of assets within the communities.

### FUND EXIT

The fund was fully deployed in 2017. All the CSUF investees repaid their loans enabling the fund to achieve a full exit in 2020, and fulfill target returns and return capital to investors in a way that demonstrates real social impact.

### WHAT THE FUND ACHIEVED

CSUF was a pioneering fund with a focus on making community share offers succeed.

### TYPES OF PROJECTS THAT RECEIVED INVESTMENT FROM THE COMMUNITY SHARE UNDERWRITING FUND



1

COMMUNITY OWNED FARM



2

HYDRO ELECTRICITY



7

SOLAR ARRAY



1

WOOD FUELLED BIOMASS BOILER



2

WIND TURBINE

Investment from the fund often acted as a catalyst for further investment as well as giving confidence to community groups to tackle other projects.



£30.1M

TOTAL VALUE OF UNDERWRITTEN PROJECTS



£16.2M

TOTAL VALUE OF SHARE OFFERS UNDERWRITTEN



£5.1M

TOTAL UNDERWRITING OFFERED BY RESONANCE



£12.8M

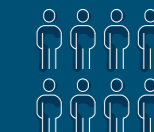
VALUE OF ADDITIONAL PROJECTS

This is the value of new projects the community groups have created since the projects we backed with underwriting. It is a marker of the growth of community solutions and the confidence gained from completing previous successful projects.



32% (Average)

PROJECT SURPLUS ALLOCATED TO COMMUNITY BENEFIT



8

INVESTEEES LAUNCHED FURTHER COMMUNITY SHARE OFFERS



## AFFORDABLE HOMES RENTAL FUND (AHRF)

### BUILDING RESILIENT COMMUNITIES

<b>LAUNCHED</b>	2012
<b>TOTAL INVESTMENT</b>	£5.25M
<b>FUND EXIT DATE</b>	2024

### WHY THE FUND WAS NEEDED

AHRF was designed and launched to address the housing crisis at a local level, a problem which is still a major issue today. Community groups that wanted to deliver smaller, local solutions were often not able to borrow money from banks because they were too new or needed more flexible funding. AHRF provided support to safeguard homes for affordable rents, at key project stages:

- early stage support;
- up to 100% finance for construction phases or purchases; and
- flexible loans for homes already built.

The fund engaged and supported community groups with a solution that helped them deliver the homes their communities needed, ensuring families were able to find homes affordable now and for future generations.

### FUND EXIT

The fund is scheduled to exit this year. There is one outstanding loan remaining, and that organisation is engaged in refinancing now.

**“ WE HAVE HUGELY APPRECIATED THE SUPPORTIVE RELATIONSHIP WITH RESONANCE, AND WE’VE BEEN PROUD TO WORK WITH AN AMBITIOUS AND INNOVATIVE PROVIDER OF FINANCE TO THE SOCIAL ECONOMY. ”**

**ALEX LAWRIE,  
SOMERSET CLT**

### WHAT THE FUND ACHIEVED

AHRF was a pioneering fund focused on supporting Community Land Trusts to access development finance before this market developed.

### TYPES OF PROJECTS THAT RECEIVED INVESTMENT FROM THE AFFORDABLE HOMES RENTAL FUND



The AHRF worked mostly with Community Land Trusts (CLTs), a particular kind of organisation that are specially designed to make it easier for local people to own, control and steward local affordable housing projects. In many cases, the outcome of a project was socially impactful, whether or not the scheme was eventually funded by AHRF. Like CSUF, the involvement of the fund often helped projects progress.

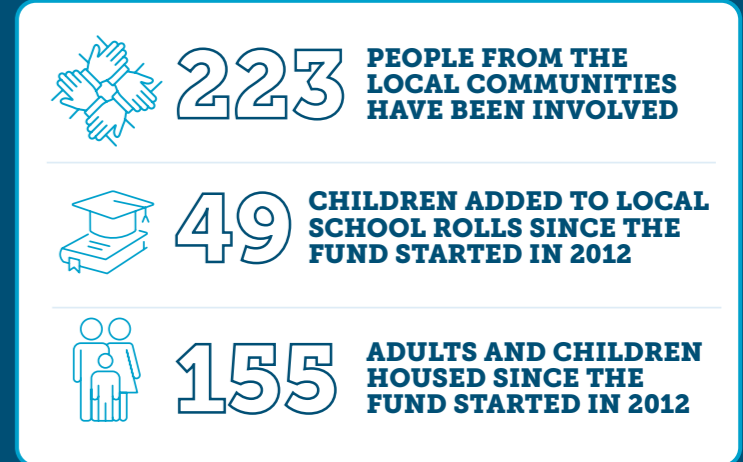


Photo: Broadhempston enabled local people to develop affordable eco-homes.





Photo: Community Venture's mission is to create safe spaces and more connected communities by providing wrap-around individualised support for people to learn, do and grow.

# ENDNOTES

1. Accredited official statistics from Department for Levelling Up, Housing & Communities: Social Housing Lettings In England, tenants: April 2022 to March 2023
2. Community Land Trust Network: New Research Shows Potential For 278,000 More Community Led Homes
3. National Housing Federation, Building New Homes
4. The Big Issue May 2024: How many people are homeless in the UK? And what can you do about it?
5. Office for National Statistics: Housing Affordability in England and Wales: 2023
6. The Guardian 2021, England's poorest areas left far behind with lack of social infrastructure.
7. Community Land Trust Network: What Is A Community Land Trust (CLT)?
8. Accredited official statistics: English indices of deprivation 2019
9. Gloucestershire County Council: Indices of Deprivation 2019 Gloucestershire
10. Active Gloucestershire, Research Behind We Can Move
11. Local Government: Plymouth Council: Community-led Action To Reduce Crime And ASB In North Stonehouse
12. Middlesbrough Local Statistic And Data
13. Manchester City Council, Indices of Deprivation 2019

# ABOUT RESONANCE

**Resonance is a social impact property fund manager.**

It was launched in 2002 with the mission of connecting capital to social enterprise.

We are proud to be a B Corp and of our twenty-plus year track record of impact investing.

We provide life changing homes and solutions for people and communities facing crisis.

Through our pioneering social impact property funds, we work with institutional investors and expert housing partners to provide safe, affordable homes with wrap-around support. Since our first property fund launched in 2013, we have helped to provide homes for over 3,500 individuals and families in over 1,100 properties, in local communities across the UK.

With peoples' homes at the heart of what we do, our Impact Labs Team develops the eco-system, around and ahead of our impact property funds, so that we innovate new solutions, pilot systemic change, increase supply and scale opportunity.

## AWARDS, ACCREDITATIONS & ASSOCIATIONS





## TO LEARN MORE ABOUT OUR COMMUNITY ASSET FUNDS, CONTACT US:



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Photo: Community Ventures runs childcare programmes, engagement activities, food banks, affordable housing, jobs and volunteering in areas which are in the 10% most deprived neighbourhoods in England.





PROFIT THROUGH PURPOSE

Photo: RCD invests in community-led, low-carbon and renewable energy generation projects.



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