

DISMANTLING

POVERTY THROUGH INVESTMENT
IN SOCIAL ENTERPRISE

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

Cover photo: BF Adventure provides a range of supportive activities for young people in Cornwall.

ABOUT THE FUND

The Resonance South West SITR Fund (the "Fund") is a pioneering social impact investment fund aimed at helping to dismantle poverty across the South West region of England, by investing in local social enterprises. It takes advantage of Social Investment Tax Relief (SITR), which simultaneously lowers the cost of loans for enterprises and enables the potential for competitive returns to investors. After its tenth close in February 2020, the Fund has so far reached a total fund size of £3.1m from 119 investors.

The heroes of the Fund are the enterprises and the people they work with. The Fund made its first investment in April 2016 and in total has committed funds to 16 social enterprises in the South West, and still continues to deploy. As at 1 April 2020 the Fund had deployed £2.5m.

The Fund continues to support social enterprises through more than just investment; offering advice, support and connections that enterprises say are crucial to their ability to make a difference to the communities they serve.

At Resonance we produce an annual Social Impact Report for each of our funds, describing and measuring the positive difference 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 fourth year of the Fund.

Photo: Somerset Wood Recycling helps young people facing multiple barriers, to gain work-based volunteering, skills and employment.



SUSTAINABLE DEVELOPMENT GOALS

Sustainable Development Goals (SDGs) are a collection of 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.

The Resonance South West SITR Fund and the social enterprises within it, currently contribute to the following SDGs.

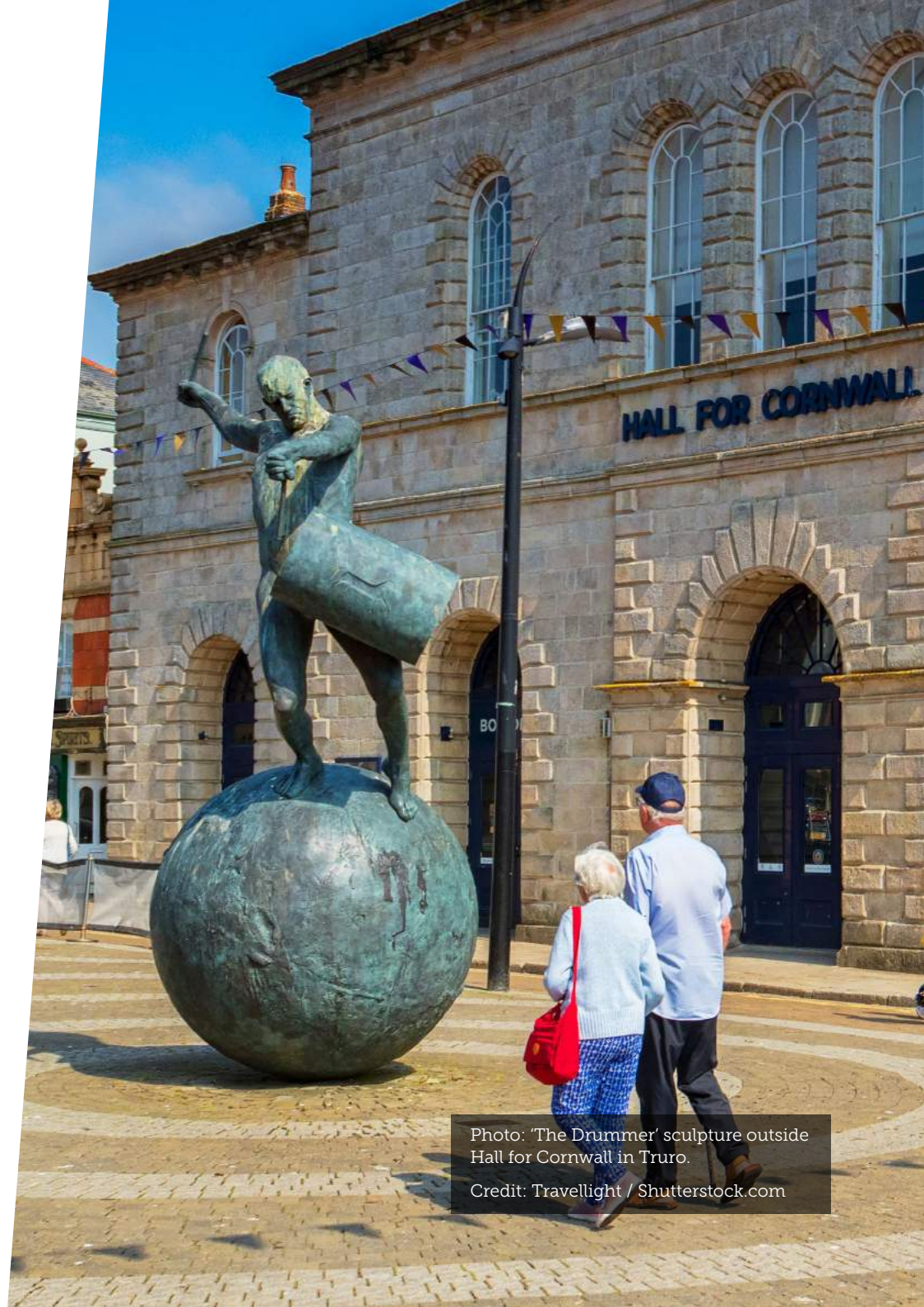
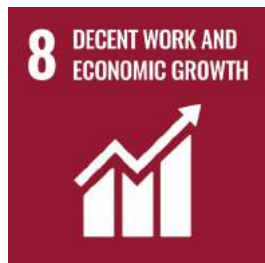


Photo: 'The Drummer' sculpture outside Hall for Cornwall in Truro.

Credit: Travellight / Shutterstock.com

WHY A SOUTH WEST SITR FUND

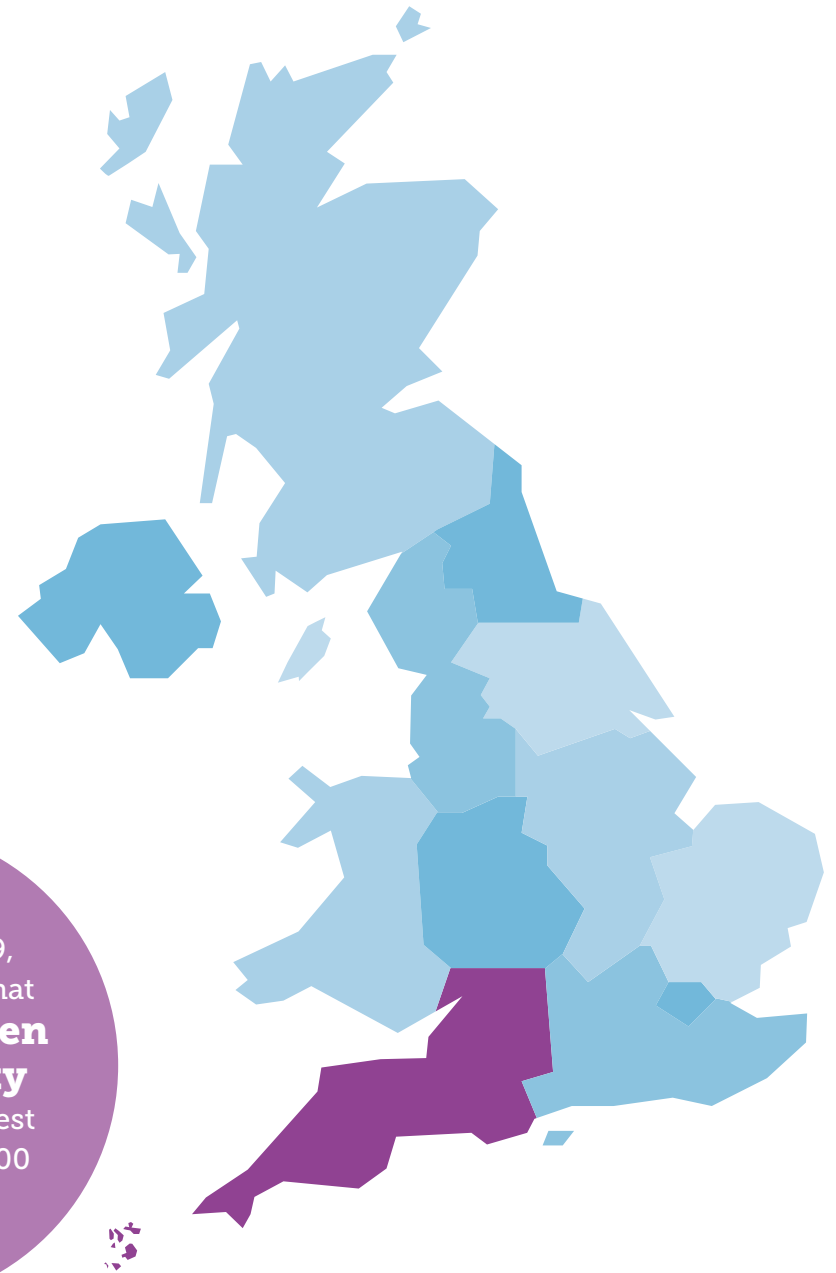
In September 2019 the original Resonance Bristol SITR Fund was renamed as the Resonance South West SITR Fund. This meant that it could invest into social enterprises in the following wider geographical regions: Bristol, Gloucestershire, Somerset, Wiltshire, Dorset, Devon and Cornwall.

This change allowed the Fund to benefit more social enterprises whilst also giving investors a more diverse portfolio and more efficient deployment of their investment. This also mirrors the approach taken in the second Resonance SITR Fund launched in the West Midlands, which has a strong base in an urban centre, but also serves wider regional needs.

As the Fund was historically based purely on serving the needs of enterprises in Bristol, the majority of investments are still based in the city, however more recent investments have taken advantage of this increase in geographical reach with investments made in Gloucestershire and Cornwall, and a pipeline that covers the whole region.

Investment Per Region	
Bristol	£1,577,500 = 72%
Gloucestershire	£350,000 = 16%
Somerset	£109,000 = 5%
Cornwall	£150,000 = 7%

In November 2019, the TUC reported that **215,000 children live in Poverty** across the South West an increase of 35,000 since 2010¹



WHO'S INVESTED



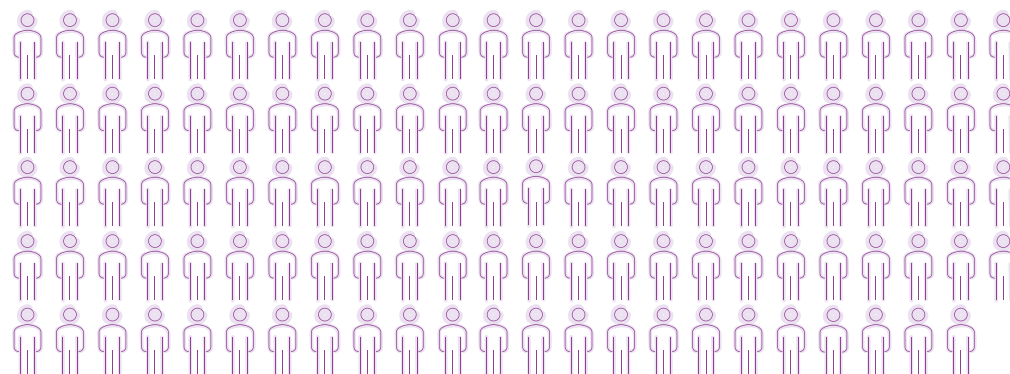
43% OF
INVESTORS
LIVE IN THE
SOUTH WEST



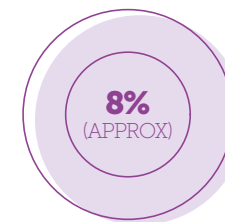
43% OF
INVESTORS
ARE FEMALE



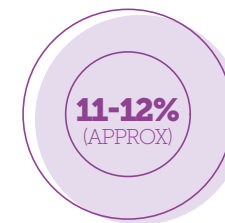
57% OF
INVESTORS
ARE MALE



119 INVESTORS INCLUDING **5** NEW INVESTORS



POST-TAX RELIEF
RETURN TARGET



GROSS PRE-TAX
EQUIVALENT
RETURN TARGET

FINANCIAL ADVISORS/WEALTH MANAGERS WITH CLIENTS INVESTED



Rathbone Greenbank Investments
Dedicated to ethical and sustainable investment

IFAMAX
WEALTH MANAGEMENT



Cazenove
Capital

Grierson Dickens Limited
Chartered Financial Planners

Paradigm
Norton | for life

prydis

Chamberlyns
Managing wealth sensibly. Making life simple.

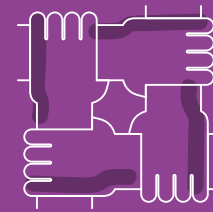


BpH
Wealth Management

WHAT THE ENTERPRISES ARE ACHIEVING

Numbers of Investees Operating Across the Region	
Bristol	9
Gloucestershire	6
Somerset	6
Wilshire	4
Dorset	3
Devon	4
Cornwall	3

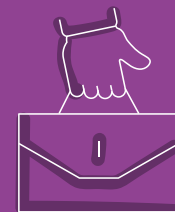
Some investees operate across more than one county in the region



55% INCREASE IN THE NUMBER OF PEOPLE SUPPORTED BY THE ENTERPRISES

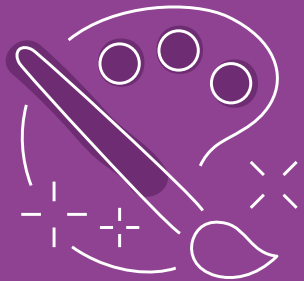


70% OF THE ENTERPRISES SAW AN INCREASE IN TURNOVER



58% OF THE ENTERPRISES INCREASED THE NUMBER OF PEOPLE THEY EMPLOY

WHAT THE NEW SOCIAL ENTERPRISES ARE ACHIEVING



41,695 members of the public enjoyed exhibitions

Spike Island

Providing a community where artists and the public can meet



30,000 young people and children attended daily or weekly music activities

**Bristol
Music
Trust**

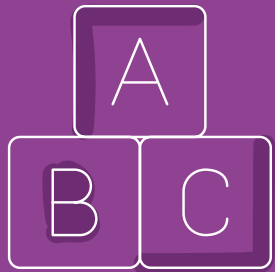
Developing Bristol Beacon's artistic programme and promoting music in the city



100 people who cannot access mainstream sport joined weekly football training sessions

**sufab
SPORTS**

Provides employment and football training sessions for young adults with physical and learning disabilities



81 children from local communities enjoyed daily early years' education/childcare



280 young people and volunteers supported



3,000 people had a weekly appointment with a holistic doctor looking at whole person healthcare



4,000 disadvantaged children and young people supported annually

RAISED  BRISTOL

Provides Ofsted regulated early years education and childcare services at the heart of community owned spaces


LEADING LIGHTS
EDUCATION & WELLBEING

Provides tuition and mental health and physical wellbeing services to young people with social, emotional and mental health challenges

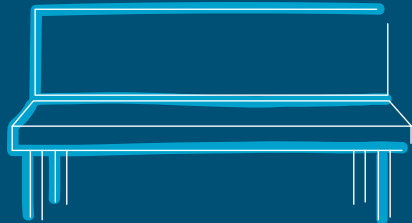
 **National Centre for Integrative Medicine**
Inspiring health and wellbeing

Provides an integrative and holistic approach to healthcare services via workshops, courses and practitioner training

 **BF Adventure**

Education and outdoor activities for disadvantaged young people in Cornwall

WHAT THE EXISTING SOCIAL ENTERPRISES ARE ACHIEVING



125 rough sleepers met
and engaged with



First investee to pay back its loan
(totalling **£240,000**)



Team of **125** volunteers ran
football training sessions for
560 young people



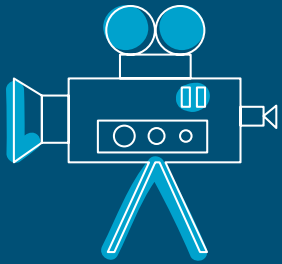
Linking up and delivering services to
address complex homelessness as part of
a social impact bond



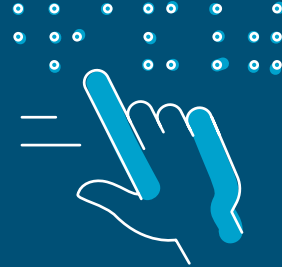
Helping creative young people
develop their potential



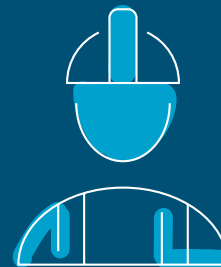
Engaging young, disadvantaged people
through sport and training opportunities,
increasing their confidence and resilience



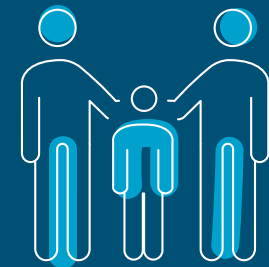
104 young people took part in a film making course



100 people currently trialling the Canute 360



27 volunteers and community paybackers provided with daily work and training



Mentoring and education for **62** young people

B24/7

Online newsletter and magazine celebrating Bristol, covering local news and social issues

BB
BRISTOL BRAILLE TECHNOLOGY

Designs and manufactures the Canute 360 Braille reader for blind people

somerset wood RECYCLING
Weston-super-Mare

Helping young people who are facing multiple barriers to gain work-based volunteering, skills and employment through wood recycling

mas
community mentoring & support

Educating, mentoring and supporting children and young people who have additional needs

THE IMPACT OF COVID-19

The coronavirus had some influence on the social enterprises that have been invested by the Fund, at the end of the period that this report covers, March 2020.

In the commentary for each social enterprise we have included how the pandemic has affected them.

During this challenging time we have worked closely with both our investees and pipeline social enterprises, to help them access both financial and non financial support.

Resonance took a broad view of the crisis and our responsibility to the social enterprise sector and led and partnered in the design and deployment of several COVID-19 sector responses. Primarily this has involved the support of the Resilience and Recovery Loan Fund from Social Investment Business, the design and deployment of the £18.7m Social Enterprise Support Fund as part of a consortium, and by establishing the addition of Access crisis response grants to match SITR deployments.

In combination with providing our initial financial help (interest and capital holidays) and the non-financial support, this has culminated in the Fund so far seeing no defaults and many enterprises being in a fairly resilient place. Obviously there remain significant uncertainties and challenges ahead, but combined with the heroic efforts of the social entrepreneurs many have a chance to keep their increasingly important work going as we begin to emerge from the crisis.

The enterprises say that the finance offers them not only stability, but the **opportunity to grow** and increase their revenue.





Photo: Mirrored planetarium sphere in Millennium Square in Bristol.
Credit: A G Baxter / Shutterstock.com

HOW THE FUND CONTRIBUTES

What the Money Achieves

The enterprises use the investment in many ways, from renovating property, developing or opening new facilities, buying equipment through to recruiting and employing new staff members. Our enterprises tell us that the finance offers them not only stability, but the opportunity to grow and increase their revenue.

The funding also enables a platform for collaboration, for instance bringing together groups across the region to use facilities or share ideas. Finally, it enables them to re-focus on their social impact and the difference they make to the region.

This report is full of stories about what this looks like.

The Fund Provides Much More than Money

The Resonance team continues to act as a critical friend for the enterprises; helping them to build networks as well as their understanding of the difference they can make in their area. This means the enterprises can broaden and deepen the work they do and become more sustainable.

The role of critical friend was even more crucial during the pandemic where the team at Resonance worked closely with each individual enterprise to understand the issues they faced and how we could:

- Be flexible with the investment terms with us, i.e. interest suspension
- Introduce them to other enterprises and organisations to find mutually beneficial solutions
- Support them and make them aware of emergency grant funding to help them to continue their services during the pandemic
- Encourage them to pivot and adapt their business models where needed, for example thinking about online provision.

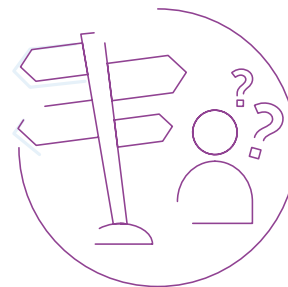
The Fund's Primary Aim is to Dismantle Poverty in the South West

It does this through investing in social enterprises that think about the bigger picture in the region: addressing the root causes of poverty as well as working with hard to reach groups.

Resonance understands poverty has many dimensions and that it cannot be solved through any one intervention. It goes beyond income, to include factors such as health, education and the environment.

Three Themes Have Emerged

After four years in operation three core themes have emerged across the Fund's investment to date:



OPPORTUNITIES
FOR YOUNG PEOPLE



ADDICTION AND
HOMELESSNESS



DIVERSITY AND
INCLUSION

As this period only includes early stages of the impact of the pandemic it is likely that these themes have become even more relevant.

1. OPPORTUNITIES FOR YOUNG PEOPLE

The Facts

- In November 2019, the Trades Union Congress (TUC) reported that 215,000 children live in poverty across the South West, an increase in 35,000 since 2010.¹
- In Weston Super Mare, where **Somerset Wood Recycling (SWR)** is based, youth unemployment is three times the national average.²
- There are seven Bristol areas where more than one third of children are living in poverty. Across the city as a whole, one in four children live in poverty; that's over 18,900 children.³
- In Cornwall, the number of children in low income families rose by almost 2,000, from 26,873 in 2014/2015, to 28,715 in 2019.⁷

How the Enterprises Help

- **Leading Lights** provide education and tutoring services to children and young people at both primary and secondary school age, and support to their families who are disadvantaged because of social, emotional, and mental health (SEMH) difficulties.
- **South Bristol Sports Centre (SBSC)**, which is based in one of the most deprived areas of the city, has created a significant number of inclusion courses for children with difficult backgrounds to participate in where they wouldn't have the opportunity before. It has created a clear pathway for those children, from taking them off the streets where they caused trouble, into organised activity, education, training and job opportunities. Since the investment, it has provided opportunities for over 700 children to participate in inclusion projects from a broad spectrum of backgrounds.

- **Community Mentoring & Support (CMAS)** works with children, young people and their families who have previously been excluded from education and, in many cases, their communities and who often represent specific disadvantaged groups in society. It provides education to empower individuals to succeed in learning by creating curriculum based learning and packages of social and emotional support and development that enables them to belong. This leads to breaking patterns of school and community exclusion and increases opportunities for young people to successfully access training, education and employment.
- Bristol based **Spike Island** encourages young and often disadvantaged artists by providing subsidised studio space for them to pursue their artistic ambitions.
- **Bristol 24/7** has continued its long running and successful Young Chefs programme in collaboration with Square Food Foundation. This has developed into "How To Be A Chef" – a free twelve week course aimed at young people who are not in education, employment or training (NEET). Since its launch seven graduates have gone on to get work in professional kitchens.
- **Bristol Music Trust (BMC)** managed to deliver over 200 concerts and lessons/music activities for 30,000 children and young people during the year.

There are seven
Bristol areas where
**more than
one third
of children
are living
in poverty.**

2. ADDICTION AND HOMELESSNESS

The Facts

- Homelessness charity Shelter reported that over 7,000 people in the South West were classified as homeless in 2019, with over 10% of these rough sleeping.⁵
- The number of households living in temporary accommodation in Bristol in March 2012 was 160. On the 31 December 2018 this figure was 491. This is a 206% increase.⁶
- 10 children in the South West become homeless every day.⁵
- At the annual rough sleeping count in November 2018 Bristol reported 82 people sleeping rough, which is the fifth highest return nationally. It is accepted that the annual count may underestimate the true scale of rough sleeping in the city.⁶
- 190 families with children in the Somerset region currently living in emergency bed & breakfasts and hostels – widely considered the worst type of accommodation.⁵
- In Cornwall more than 1,500 people are waiting for social housing and stuck in unhygienic, cramped or inadequate accommodation.^{5,11}
- One in five adults has direct or indirect experience with drug addiction. That equates to around 65,000 people in Bristol.¹²
- The South West has the highest levels of drug use in England and Wales with approximately 11.7% of people in the region aged 15–64 having reported using illegal drugs in the last year (2018/2019).¹³

How the Enterprises Help

- **Street Impact Bristol** is supporting 125 individuals identified by Bristol City Council as rough sleepers, who are by definition difficult to help. The support is for a period of three and half years, aiming to provide them with accommodation and other vital support services, which are tailored to each individual. They have complex needs including substance misuse, a history of offending and/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 on outcomes. This means they can link support services in a way that far too often doesn't happen.
- **Somerset Wood Recycling** has many volunteers who have a history of addiction and substance misuse. It helps them through training and mentoring, and often volunteering results in employment with the organisation.
- Over the course of the year **SoFab Sports** has helped two of their employees find homes and has helped them out of a potential homelessness situation.
- **Bristol 24/7** recruited community reporters from some of Bristol's more disadvantaged wards to tell stories from their communities. Some of these have experienced homelessness and addiction. In addition Bristol 24/7 supported homelessness charity Cardboard Camps to find performance space, create a short film and raise their profile.

Photo: Lemon Quay, the bustling heart of Truro city centre in Cornwall.

Credit: Travellight / Shutterstock.com

3. DIVERSITY AND INCLUSION

The Facts

- The number of racially -motivated hate crimes reported to Avon and Somerset Police between January and August 2020 increased by 20% compared to the same period in 2019 (from 1,554 to 1,863). In total, there were 7,074 hate crimes recorded across the South West in 2019/20.⁹
- The South West is in the top five regions with the highest proportion of people identifying as LGBTQ+ outside London.⁸
- There are 91 languages spoken in Bristol, and 16% of the population of Bristol (over 70,000 individuals) belongs to a black or minority ethnic group.¹⁰
- **Somerset Wood Recycling** is based in the Bournville area of Weston Super Mare which nationally, is ranked 156 out of 32,844 areas of the country in the Index of Multiple Deprivation.⁴
- 48% (nearly half) of the people living in poverty in the West of England (South Gloucestershire, Bristol, Bath and North East Somerset, North Somerset) are in families where one family member has a disability.²
- In every region in England, Wales and Scotland, unemployment rates were lower for white people than for all other ethnic groups combined.¹⁴

How the Enterprises Help

- **Bristol Braille Technology** has developed an innovative braille e-reader. The social enterprise aims to increase braille literacy, which will help blind people access education. Only 27% of blind people are employed in the UK and access to braille increases the likelihood of being employed.¹⁵ Therefore, they have focused on increasing people's access to braille and increasing the uses it can be put to, in education and employment. They have over forty blind people using the e-reader regularly.
- **SoFab Sports**, based in Gloucestershire prides themselves in employing individuals from disadvantaged backgrounds, including those with physical and learning disabilities, such as cerebral palsy. Many of their employees are currently living in care.
- **South Bristol Sports Centre** runs many community based inclusion schemes, such as off the street campaigns, LGBT football, walking football for over 50s and women & girls' football. It also includes schools that don't have their own facilities, but need them for their physical education classes.
- **National Centre for Integrative Medicine (NCIM)** offers no-cost and low-cost services to a wide range of deprived communities in Bristol, giving free talks, about Women's Health, as well as offering other free courses around different areas of Bristol including Knowle West, Lawrence Weston, Southmead and Barton Hill.
- Since **Bristol 24/7** launched the Better Business initiative, it has been able to grow and diversify its work experience programme. It has been recognised as winner at both the Bristol Diversity Awards and the Employment, Skills and Learning Awards for its work in this field. Bristol 24/7 has given placements to over 500 young people, many of whom have gone on to pursue successful careers in media.



PROFIT THROUGH **PURPOSE**

IMPACT IN DEPTH

Photo: Royal Parade on Armada Way
in Plymouth City Centre, Devon

Credit: Peter Titmuss / Shutterstock.com



IMPACT MODEL

The Impact Model of the Fund is 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 the South West.



This report is based on a range of sources. We issue questionnaires to each of the social enterprises into which the Fund has invested. For consistency we try and ask the same questions annually, however we sometimes include additional questions. For example, for this report we were also keen to know the impact that coronavirus may be having on their business. In addition to the questionnaire we also conduct interviews with representatives of enterprises. To identify the key social themes in the South West we use quantitative and qualitative data from a range of sources, each of which is referenced.

A BUILDING CONNECTIONS: PEOPLE AND INVESTMENT

INTENTION: Resonance builds relationships that connect social enterprise 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 social enterprises in the South West that require investment, although that is part of the intention and impact. 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 the South West – both individually and as a network.

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. An example of this is introducing **NCIM** to an external financial consultant, giving their Finance Manager additional support enabling him to look at the big picture and put it into context of their seven year financial plan, which he then fed back to their Board.

- By investing in organisations and people that bring others together, such as **Bristol 24/7** and **Street Impact Bristol**, where making connections are an explicit part of their work. For example **Bristol 24/7** has supported many other social enterprises in the Fund through support and media coverage.
- By investing in resources, facilities or property that become the basis for collaboration or bringing communities together, such as **PAPER Arts**, **South Bristol Sports Centre**, **Spike Island**, **Bristol Music Trust** and **Raised in Bristol**.
- By bringing together different social enterprises to form one enterprise, such as **Street Impact Bristol**, which could then receive investment from the Fund.

"We have had excellent ongoing support with regular opportunities to consult and useful introductions made through the Resonance team."

Fund Investee

Developing relationships with organisations requiring investment from the Fund

We usually work with our investees over a significant period of time. This enables us not only to gain a thorough understanding of their business but to grow a strong relationship. An example of this is **Raised in Bristol**; we first started discussions with them during their scoping and piloting stage. Keeping in contact and building the relationship throughout these stages, meant that when it was the right time to invest for their growth stage, we already had a strong relationship and a detailed understanding of their impact and business model.

Resonance has also provided investment readiness support for a number of social enterprises over the period covered by this report. This has primarily been via the Reach Fund, for which Resonance is an Access Point. Support has been given to **SoFab Sports** and **Raised in Bristol**, whilst a further three in progress during the year, will complete in the next financial year.

Connecting through Finance

Due to the uncertainty surrounding Sitr tax relief, and whether the government will extend the relief, the flows of money into the Fund have been slower than originally planned and during early 2020 the Fund stopped raising capital. After the tenth close in February 2020, the Fund has reached a total of just over £3.1m, up from £2.9m last year. There are now a total of 119 investors in the Fund. 43% of investors into the Fund are based in the South West region, mostly based in Bristol.

"It was a very positive experience, which supported us to be investment ready, and the rigorous due diligence enabled us to put in place measures to improve our practice right from our introduction to Resonance."

Fund Investee

Photo: St Nicholas Market established in 1743, Bristol's oldest and best love market.

Credit: Marco Fine / Shutterstock.com



B FULFILLING ITS INTENT: EXPERIENCES AND PERCEPTIONS

INTENTION: Stakeholders see the Fund as true to its intentions, aligning social and financial outcomes in the South West.

Social enterprise Fund investees appreciate their relationship with Resonance, which is a mix of hands-on and hands-off support, depending on need. Many of the enterprises use Resonance as a critical friend to discuss ideas with, both in good times and more challenging times. This strength of relationship has been particularly relevant during the pandemic where the Resonance team has been in constant contact with all the enterprises, supporting them with their business needs, listening to their concerns around income and repayments, and reacting where necessary.

There is evidence that by working through the Fund's processes, social enterprises change the way they think about their businesses and the communities they support. The following are examples of this:

- Creating useful incentives through the application process. The investment decision making process is designed to be robust for both social and financial outcomes. **CMAS** commented "It was a very positive experience, which supported us to be investment ready and the rigorous due diligence enabled us to put in place measures to improve our practice right from our introduction to Resonance". For **SO FAB Sports** the process was quick compared to their previous experience, but the level of due diligence was more intense, about which they commented "this undoubtedly left us better placed". **Raised in Bristol** commented that "the process for us meant a big investment readiness project, which took up a lot of time and energy, was also invaluable to help us to clarify and define a number of elements about our business model".

- Made them think about their wider business model. **Spike Island** commented that "the investment is not just about the money. It was about focusing our team on this investment project in order to provide a complete structure to develop the business". Without this structure, they commented that "ideas have the risk of remaining theoretical and time goes on".
- Improving processes and understanding finances. **CMAS** mentioned how the business advice and support they received allowed them to develop more accurate and comprehensive financial forecasting.

This strength of relationship has been particularly relevant during the pandemic where the Resonance team has been in constant contact with all the enterprises, **supporting them** with their business needs, **listening to their concerns** around income and repayments, and reacting where necessary.

C INDIVIDUAL SOCIAL ENTERPRISES DO MORE TO RESTORE PEOPLE IN NEED IN THE SOUTH WEST

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

This section looks at the difference each enterprise is making and how the Fund contributes to this.


A photograph showing a group of people at an art exhibition. In the foreground, a woman with dark hair tied back is looking at a smartphone held by another woman wearing a tan beanie. Other people are visible in the background, some looking at the phone and others looking away. The setting appears to be an art gallery or exhibition space with colorful artwork on the walls.

Photo: Spike Island - Pacita Abad
exhibition 'Life in the Margins'.
Photo by Lisa Whiting

PAPER ARTS

Investment Size: £200k & £40k

Deal Closing Date: April & November 2016

Legal Structure: Community Interest Company

Location: Bristol

What They Do

Helping creative young people develop their potential. Revenue comes from offering membership and workspace to creative and social entrepreneurs.

SITR Investment Purpose

To take PAPER Arts from the early stages of having a small studio, to fulfilling bigger ideas, allowing them to purchase and renovate a building to provide a workshop and co-working space, promoting social inclusion and revitalising the area.

Achievements and Challenges

- PAPER Arts have had a busy year, which included the commencement of their Creative Enterprise Course, the start of the YO Arts Fest Internship for six young people and the Mentoring Club sessions.
- In January PAPER Arts sold their building Redbrick House Coworking Space in order to pay back investment and reduce the debt burden on the organisation and to secure its future for the young people of St Pauls.
- February saw the start of a new exciting programme funded by Bristol City Council as part of their Bristol Works for Employment programme. The Creative Employment Programme focuses on supporting six people with learning disabilities in learning all things employment alongside their creative practise.
- In January 2020 PAPER Arts fully repaid their investment back into the Fund. PAPER Arts were one of the first investments made from the Fund and during the period of investment have made a significant difference to the lives of many in the Bristol area. They've helped individuals gain skills and more confidence through developing creative talents. PAPER Arts are looking at how they evolve their services in the future.

Impact of COVID-19

PAPER Arts repaid their £240,000 loan in full in January, so we did not ask for follow up information regarding the pandemic.



Repaid their
£240,000
loan in full
in January
2020

SOUTH BRISTOL SPORTS CENTRE

Investment Size: £250k

Deal Closing Date: April 2016

Legal Structure: Charity

Location: Bristol

What They Do

Reach young people in particularly deprived areas of Bristol through sport: engaging them in something productive, increasing skills and confidence with opportunities to become coaches.

SITR Investment Purpose

To finance the construction of six new five-a-side football pitches suitable for year-round use, helping to increase engagement with young people, and providing a revenue stream from evening hire to adults. Enabling social inclusion activities to grow and SBSC to target the most deprived areas.

Achievements and Challenges

- A large fire in 2018 meant the main pavilion has been closed for two years. During the two year rebuild project SBSC managed to continue community and social inclusion programmes making a considerable impact on the local community, achieving an occupancy level of 75% of pre-fire usage.
- Approximately 125 volunteers have helped run football courses during 2018-2020, providing pitches for community-based inclusion schemes including: off the street campaigns, LGBT football, walking football for over 50s, women & girls' football and much more. It also includes schools that don't have their own facilities, but need them for their physical education classes.
- Provided school holiday camps for 300 children and young people. Weekly sessions for over 50s football with around 100 participants, adult mental health football for 25 participants and free community football for 560 children and young people.
- These engagement schemes have resulted in employment for a number of young people who were living in poverty with no sense of direction prior to intervention.

- SBSC also works with around 500 vulnerable young people and adults each week, but since the coronavirus this has switched from face to face sessions to weekly phone calls with every participant.
- With the help of Bristol City FC, SBSC's coaches are delivering 650+ lunches and food parcels twice weekly directly to the homes of participants.
- SBSC is planning further growth and engagement opportunities for vulnerable people in South Bristol along with an expansion of the programmes they were operating pre-coronavirus.

Impact of COVID-19

The initial impact of the coronavirus has meant that insurance cover paying for ongoing operational costs had to be cancelled, putting the charity at financial risk, however with support the hope is that the SBSC has a positive future ahead.

Since the award, we have provided opportunities for over **700 children** to participate in our inclusion projects from a broad spectrum of backgrounds.



BRISTOL 24/7

Investment Size: £150k

Deal Closing Date: June 2016

Legal Structure: Community Interest Company

Location: Bristol

What They Do

An online newsletter and printed magazine celebrating Bristol, covering local news and social issues. Providing new skills and opportunities in media for underserved groups and giving marginalised communities more of a voice in Bristol.

SITR Investment Purpose

This investment allowed B24/7 to employ a partnerships manager, to help establish its role in the community. This position has now been split in two with a community manager and a business development manager.

This investment has also enabled Bristol 24/7 to shift its business strategy from a traditional media organisation with social impact on the side, to having social purpose at the heart of the business.

Achievements and Challenges

- Developing a membership model has been both a challenge and a huge achievement for Bristol 24/7. Market disruption due to Brexit and austerity has also been a challenge.
- Delivering life changing projects including How To Be A Chef (food course) for ten young NEET young people and Stories from our City (film making course) supported 104 young people who are under-represented in film and media industries.
- Bristol 24/7 is also working hard to adapt its recruitment policy, to create opportunities through work experience placements and other initiatives to try and diversify its future workforce.
- Many previous employees and those who have taken part in Bristol 24/7's work experience programme have gone on to careers in media including BBC and national newspapers.
- Delivering the work experience programme in house and working in collaboration with other organisations to deliver other training courses. Bristol 24/7's role here includes designing the initiative, recruiting participants, raising funds, finding partner

organisations and individuals to support through placements and mentoring, organising events and media partnership support.

- Going forward Bristol 24/7 plans to develop the next phase of its membership to make the organisation resilient, less reliant on funding or further investment. To create a platform and resource for the whole city, including its most deprived and disconnected communities.

Impact of COVID-19

As a result of the coronavirus almost all advertising revenues (over 75% of income) disappeared as well as much of Bristol 24/7's business membership and key partnership revenue. Bristol 24/7 was initially forced to stop printing the monthly magazine and all annual publications. Several staff had to be furloughed and employment of all freelance writers ceased. However, there has been a significant increase in public membership.

During the year, they employed **13%** more people from underserved groups and supported **9%** more young people

STREET IMPACT BRISTOL

Investment Size: £112.5k

Deal Closing Date: April 2018

Legal Structure: Limited Company (Social Impact Contractor)

Location: Bristol

What They Do

Three charities (St Mungo's, Second Step and Bristol Drug Project) formed a consortium to deliver an innovative social enterprise initiative 'Street Impact Bristol'. They were commissioned by Bristol City Council to help rough sleepers.

They support individuals who the Council identified, providing accommodation and vital support services tailored to each individual's needs.

SITR Investment Purpose

Street Impact Bristol works with a cohort of 125 people with experience of entrenched rough sleeping and complex needs, through personalised engagement and support to access and sustain accommodation, address mental health and substance misuse needs and improve education and employability.

Achievements and Challenges

- The work Street Impact Bristol does in coordinating a multi-agency approach to put packages of support in place for clients, comes with huge rewards for employees when clients succeed in achieving their goals and making progress.
- The project is a challenging one to work on due to the complex nature of the client cohort and the overstretched services they use, with the housing pathway presenting particular challenges in terms of accommodation sustainment.
- As Street Impact Bristol is due to come to an end in March 2021 the organisation is in conversations with commissioners to consider and shape follow-on support for some clients.

Impact of COVID-19

Coronavirus saw the team move very swiftly to working from home and supporting clients remotely to minimise contact: Most clients have many underlying health conditions and are considered high risk. Street Impact Bristol advocated for clients to be placed in suitable accommodation according to their risk. Some rough sleeping clients benefited from new hotel provisions and food delivery. Many faced challenges due to lack of services and resources, however some clients responded to enforced changes to their lifestyles as an opportunity to reflect and begin to address entrenched behaviours as a result.



BRISTOL BRAILLE TECHNOLOGY

Investment Size: £200k

Deal Closing Date: November 2018

Legal Structure: Community Interest Company

Location: Bristol

What They Do

Designs and manufactures braille equipment to promote literacy for blind people, at a time when braille literacy is falling into decline.

Aims to help reverse this trend and in doing so, increase blind people's educational and employment opportunities.

SITR Investment Purpose

The investment provided working capital, which has enabled Bristol Braille to finalise product testing, support early manufacturing and distribution of the Canute 360, and will help with future product development.

Achievements and Challenges

- Going into production with Canute 360 wasn't without its challenges and complications for Bristol Braille, however a combination of resilience and determination meant that the Canute 360 became available to buy in Autumn 2019.
- Around 100 people a year are trialling Canute in their homes.
- This year Bristol Braille has focused on increasing people's access to Braille and its usage in education and employment.

Impact of COVID-19

The coronavirus meant that Bristol Braille were not able to do a proper assessment of their social impact during lockdown, as many of its distributors were uncontactable and the schools and libraries that are using Canutes have been closed. In April they threw themselves head-long into supporting the Braille Foundation to support the community of 700 Braille users, during the pandemic.



SOMERSET WOOD RECYCLING

Investment Size: £109k

Deal Closing Date: February 2019

Legal Structure: Community Interest Company

Location: Somerset

What They Do

SWR helps disadvantaged young people facing multiple barriers to work including long-term unemployment, to gain work-based employment, volunteering and skills to re-position their lives in a positive way. At the same time, SWR challenges perceptions of 'waste' via its paid-for waste/wood collections, green space maintenance service and wood re-use through the manufacture of individually designed, well-made wooden items and bespoke furniture made from recycled wood.

SITR Investment Purpose

The investment enabled SWR to expand its manufacturing and retail space, upgrade new tools and machinery, redesign and redecorate its retail space, work on its marketing channels and to significantly increase income generated by its wood recycling activities, in particular, products, timber retail, wood collections and training. It also helped them to create more sustainable employment and provide more training opportunities for marginalised people from local communities.

Achievements and Challenges

- In February Somerset Wood Recycling had its best month ever for wood sales alone that saw it expand into new areas including the development of a recycled wooden coffin - the Bristol Coffin.
- Major improvements have been made to the shop showroom and the rearrangement of the warehouse to create more workshop and storage space ahead of planning of the upgrading of machinery in 2020/2021, which will help SWR increase production.
- In the local area Somerset Wood Recycling has been working with community groups that help support their volunteers – including community payback* workers who are given the opportunity of individual placements. In 2019 27 volunteers and community paybackers were provided with this daily work experience, encouraging the development of valuable skills such as practical problem solving and team working.
- Somerset Wood Recycling has also established a successful relationship with Weston College, providing students experiencing mental health issues with work experience opportunities.

Impact of COVID-19

Initially Somerset Wood Recycling closed and furloughed the majority of staff so income from direct sales ceased. With an important income source coming from service contracts, which continued to remain open even at the beginning of the pandemic, SWR was able to retain that income.

29%
more
disadvantaged
young people
supported



COMMUNITY MENTORING AND SUPPORT

Investment Size: £250k

Deal Closing Date: April 2019

Legal Structure: Community Interest Company

Location: Gloucestershire as well as sites in Devon and Wiltshire

What They Do

Provides services to youth clubs and youth projects, including professional mentoring for young people who have additional needs, and alternative education for young people who, for a variety of reasons, are not accessing mainstream schools.

SITR Investment Purpose

The investment was used to support key new hires to strengthen the management team and governance, reflecting the growing needs and complexity of the business. This has also enabled CMAS to set up two further independent and alternative schools, complementing and building on their mentoring service.

Achievements and Challenges

- A challenging parting of company from the founder and previous managing director was overcome by the successful appointment of a new managing director and strengthened management team, who are leading and managing a positive change in culture. This also led to the development of a collaborative, effective and efficient board with company-wide devolved leadership.
- Cash flow challenges due to legacy positions and loss-making departments have now been closed and rectified through clear and decisive leadership and the introduction of financial systems.
- A good OFSTED in all areas of the new school in Gloucestershire was backed up by the great news stories from across their work that children, young people and their families and commissioners have shared. The work CMAS is doing is having a hugely positive and transformative impact - making a visible difference to the lives of children, young people and their families and enabling patterns of educational and social exclusion to be challenged and disrupted.

- CMAS now offers ten paid positions with clarity of roles and expectations and huge opportunity for job satisfaction as well as volunteering opportunities for four youth workers.
- Daily mentoring for 30 young people in school years 8-11.
- Daily education/schooling for 32 young people in school years 9-11.
- Daily youth work with 156 young people aged 8-18.
- CMAS has also successfully established a local community café open Mondays to Saturdays.
- Future plans include continuing to improve CMAS's existing offer and developing its provision more widely across the UK, to become the specialist learning provider of choice in the South West.

Impact of COVID-19

The coronavirus had a critical impact on the community café and youth work provision and resulted in the closure of the café and a review of the sustainability of CMAS's youth service. Education and outreach was reduced but access to the government's Job Retention Scheme to furlough some non-school based colleagues, enabled the organisation to continue to operate and grow.

72%
increase in
employees and
150% increase
in turnover

SPIKE ISLAND ARTSPACE

Investment Size: £100k

Deal Closing Date: August 2019

Legal Structure: Charity

Location: Bristol

What They Do

Spike Island is an international centre for the development of contemporary art, offering a place where artists and the public can meet; using art to promote mental wellbeing, community cohesion and allowing voices to be heard that otherwise may remain silent.

SITR Investment Purpose

To support more artists and increase the reach of art to broader communities, whilst also seeing Spike Island Exhibition Services become a sustainable income source to support the charity.

Achievements and Challenges


- 41,695 members of the public enjoyed exhibitions and events via the creative spaces and online through a diverse public programme of talks, workshops, screenings and performances.
- Spike Island has faced a number of challenges across the organisation including staff restructuring, which involved some staff redundancies.
- Increased costs of delivering activity and ambition for investment in assets has required a commercial approach, which was met with some resistance in the

creative community. £90,000 fundraising efforts had to be redirected to building works and when the café provider went into administration, Spike Island quickly worked to replace the service with a new provider, Emmeline.

- Record visitors to the exhibition programme, including critically acclaimed shows by a diverse range of outstanding artists; May 2019's annual Open Studios event attract record numbers exceeding 10,000 visitors over the weekend.
- Partnering and working with many peers on projects with mutual benefit, including Arnolfini, Hauser & Wirth, Nottingham Contemporary, Gasworks, Chisenhale Gallery, Baltic Centre for Contemporary Art and Whitworth Art Gallery.
- Investment in equipment allowing Spike Island to provide equipment and services that would have otherwise been very expensive through sub-hires.
- Provided over seventy subsidised artists' studios. Also provided access to equipment and resources and networking opportunities. It saw 162 professional artists take part in the Associates Network Membership Programme (monthly talks, workshops, 1:1s).

Impact of COVID-19

In late March 2020, Spike Island's galleries closed due to the ongoing coronavirus public health crisis and subsequent national lockdown. From April onwards, some of the team were placed on furlough leaving only a skeleton staff to continue essential work. During this period Spike Island switched its public programme offer to digital and online, presenting screenings, newly commissioned essays, in conversations, and online chat Q&As to support both artists and our audiences.



Increased
their turnover
by **8%**

BRISTOL MUSIC TRUST

Investment Size: £100k

Deal Closing Date: September 2019

Legal Structure: Charity

Location: Bristol & South West

What They Do

BMT is an independent organisation created to develop Bristol Beacon's artistic programme and to promote music and music making in the city through Bristol Plays Music. Developing numerous projects, programmes, events, workshops and festivals to engage with local communities – especially school children and young people.

SITR Investment Purpose

Working capital to support BMT's music education hub programme. Its music education hub programme forms part of their wider programme of 'Creative Learning & Engagement' (CLE), which also encompasses their artist development programme, National Centre for Inclusive Excellence and community engagement programme.

Achievements and Challenges

- 30,000 young people and children attended daily or weekly music activities.
- Bristol Music Trust's building refurbishment project has impacted its earned income, but it has still been able to deliver 200 concerts and lessons/music activities for 30,000 children and young people in the Bristol area.

Impact of COVID-19

The coronavirus led to a complete close down of Bristol Music Trust, which left the organisation needing to spend reserves to survive. It is hopeful for the future if sector recovery is seen quite quickly in 2021.

67%
more young
people enjoyed
music based
activities and
events



SOFAB SPORTS

Investment Size: £100k

Deal Closing Date: October 2019

Legal Structure: Community Interest Company

Location: Gloucestershire

What They Do

Through the development of its sports related employment opportunities in retail, via its online sports shop and warehouse, SoFab builds the skills, confidence and self-esteem of young adults with physical and learning disabilities.

SITR Investment Purpose

To enable its online retail outlet to increase and diversify its sportswear and sports equipment lines, and to provide more sustainable and inclusive employment opportunities for young, local adults with physical and learning disabilities.

Achievements and Challenges

- The challenges that Sofab Sports has overcome, are also achievements, and include: business growth, the introduction of new employees and a new eBay site for American sportswear.
- This year Sofab has created two new employment opportunities - and found safe housing - for two people with physical and learning disabilities.
- Employees with physical or learning disabilities are given first time employment opportunities and provided with income (as opposed to volunteering roles).
- Sofab also runs a successful football team, Abbeymead Rovers FC, and last year saw 100 people – primarily those who cannot access mainstream sport - join its weekly training sessions.
- Once the current crisis settles, Sofab has plans for additional warehouse space and to increase its number of employees to deal with continued increase in sales.

Impact of COVID-19

Since the start of the pandemic vulnerable employees have been shielding on full pay rather than being furloughed and remain at home until they can be brought back to work safely.

The number of employees has increased by **29%** and turnover by **91%**



RAISED IN BRISTOL

Investment Size: £250k

Deal Closing Date: November 2019

Legal Structure: Community Interest Company

Location: Bristol

100%
more
employees
with turnover
increasing by
232%

What They Do

Provides Ofsted regulated early years education and childcare services at the heart of community owned spaces. It pays rent and invests profit to sustain these community spaces for the benefit of the whole community.

SITR Investment Purpose

To scale up the business, enabling Raised in Bristol to open two new nurseries in St Pauls and Felix Road and employ new, local staff. The investment is also being used to support rent, staff costs, insurance, legal fees, professional services, fittings (nursery furniture, toys, equipment), and other running costs for one year. The expansion of its nursery provision in the city will create a sustainable way to address the issue of disappearing community assets.

Achievements and Challenges

- A longer than expected process with community partners to agree legal terms ahead of opening new nurseries, meant additional costs and delays to the business. Ofsted registration for St Pauls was also delayed without notice and meant that the opening date had to be pushed back. Children who had already registered at St Pauls were transferred to the Easton nursery on a temporary basis, all of which had a significant financial impact on the business, however the community was incredibly accommodating and Raised in Bristol continued to grow the team and recruit highly qualified educators, who are now contributing to the success of the organisation.
- Securing grant finance for an investment readiness project helped the business significantly and as a

result Raised in Bristol was able to move the business forward with community partners as a core part of the communications and business development plan.

- An Ofsted rating of 'Good' for Raised in Easton - the first nursery (its first rating) after only two years of operation - is a real mark of success and recognises the dedication of the Raised in Easton team in creating a different kind of nursery environment for children, families and the team.
- Supporting local community landlords through stable rent, Raised in Bristol aims to share its profits with them once it achieves an accumulated profit.
- The organisation also supports the parents of children at the nurseries to make new local, social and support networks through the provision of free parent workshops, and to enable them to return to work.
- It also supports the wider community by sustaining community centres, preserving public space in community ownership for everyone to use and enjoy.
- In total 81 children aged six months to five years enjoyed daily early years' education and childcare.
- Going forward Raised in Bristol has a vision to open a cluster of six nurseries in Bristol. The Bristol cluster will become the proof of concept that can be replicated in other communities.

Impact of COVID-19

Raised in Bristol had to partially close its business for the majority of customers but remained open for key worker families. Two thirds of the team went on furlough and two nursery sites were merged into one leading to significant lost income. The pandemic has however, given the business some reflection time to review some of its processes.

LEADING LIGHTS EDUCATION AND WELLBEING

Investment Size: £75k

Deal Closing Date: December 2019

Legal Structure: Community Interest Company

Location: Bristol & South West

What They Do

Provides tuition and mental health and physical wellbeing services to help children and young people with social, emotional and mental health difficulties

SITR Investment Purpose

To develop its city centre hub space to create a specialist children's centre for children and young people with mental health needs; create a brand new community café; deliver a new range of much needed projects; and expand and develop its existing outreach services and team.

Achievements and Challenges

- The departure of Leading Lights managing director caused the organisation disruption putting considerable strain on core staff. To support the organisation at this challenging time, Leading Lights was able to mobilise its volunteer community to support them, recruited some exceptional staff and additionally learnt a huge amount leading to it evaluating strategic plans to take the organisation forward in a really positive direction.
- Leading Lights Outreach Programme has successfully grown so that it is now able to provide more complex case work referrals from social services and Local Authorities.
- The successful renovation of Leading Lights' Hub Space enabled it to provide more young people with specialist mental health support. Additionally, this new space attracted a café partner that is helping to make the space more financially self-sufficient.
- Around 36 community volunteers participated in every element of organisation development. Six volunteers work as mentors on a 1:1 basis with young people. Following the success of the volunteering

programme, Leading Lights has started to recruit a number of new volunteers to facilitate the schedule of specialist tailored activities from the Hub.

- 234 children and young people were directly supported across programme streams in Bristol, and some initial support in Gloucestershire, South Gloucestershire, North Somerset, and Bath and North East Somerset as well as some London boroughs.
- When the total number of 270 young people and volunteers supported is added to the indirect support given to parents and carers, this figure rises to around 350.

Impact of COVID-19

Since the start of the pandemic the impact has been felt by all the young people supported by Leading Lights. Every single outreach placement - which can involve multiple professionals, multiple risk assessments, new safeguarding incidents and risks with young people who were already incredibly vulnerable - had to be quickly redeveloped with most support activities moved online. Leading Lights also had to delay recruitment and the launch of the Hub and café, which had an impact financially.

39%
increase in
the number of
disadvantaged
young people
supported

NATIONAL CENTRE FOR INTEGRATIVE MEDICINE

Investment Size: £100k

Deal Closing Date: January 2020

Legal Structure: Community Interest Company

Location: Bristol & South West

What They Do

Works with over 2,000 people on their healthcare journey, providing a diverse and comprehensive range of opportunities, such as a Diploma in Integrative Medicine, nourishment and nutrition courses, and mindfulness courses for those tackling a cancer diagnosis.

SITR Investment Purpose

The investment will enable NCIM to scale its business, increase its team and reach, expand its services and impact by bringing a broader vision of healthcare to the South West. Helping to minimise health inequalities in disadvantaged communities by offering low-cost options, minimising financial pressure, so patients can focus on self-care.

The investment will also enable NCIM to work collaboratively with other organisations, including Heart Research UK and Subway, to help people make sustainable changes in the way they shop, cook and eat to improve health and wellbeing.

Achievements and Challenges

- Initially NCIM did not have enough team members to support all the areas of growth and its plans to find its own building to work from didn't progress as hoped. However, it did launch its new Holistic Doctor service.
- NCIM's Diploma in Integrative Medicine moved into its third year with eight students and saw its first cohort of six Diploma students graduate. NCIM also launched its Faculty accredited Homeopathy Training online.
- NCIM received a grant for the homeopathic clinic from the British Homeopathic Association which enabled it to offer this new service to patients at no cost in Bristol, Bath, Street and Monmouth.
- NCIM continued to support patients living in low income areas in Bristol and the South West by offering no-cost and low-cost clinical services and workshops.

- A free food for mood programme was introduced for Bristol University students and Mindfulness for Cancer courses across the South West for cancer patients.
- A number of healthcare professionals have been trained to take NCIM's model of wellness forward, hopefully growing a larger community of professionals.
- 3,000 people had a weekly appointment with a holistic doctor looking at whole person healthcare, 1,000 people used the medical homeopathy service to support their wellbeing and 75 people either living with cancer or with a recent cancer diagnosis took part in a Mindfulness for Cancer eight week course.

Impact of COVID-19

The coronavirus saw NCIM work quickly to move both clinical and education services online, with patients receiving support throughout lockdown via telephone, Skype or Zoom. The low-cost Medical Homeopathy clinic also moved to be fully online. Members of the office team moved to work from home and an online Holistic Doctor webinar was launched with over sixty participants and with very positive feedback.

57%
more patients
with health
and wellbeing
issues
supported



BF ADVENTURE

Investment Size: £150k

Deal Closing Date: February 2020

Legal Structure: Charity

Location: Cornwall

What They Do

An education and activities charity in Cornwall running challenging and creative programmes focusing on improving self-esteem, building life skills and coping strategies in young people, empowering them through a wide range of outdoor activities from archery and abseiling to coasteering and canoeing.

These outdoor activities help disadvantaged young people to overcome social and educational barriers in their everyday lives supporting them on journeys of positive change.

SITR Investment Purpose

The investment has enabled BF Adventure to develop its tourism and leisure sector income stream by installing a new adventure activity that works alongside other activities on the site. The installation of the South West's first Via Ferrata - an 'Iron Stairway' - a protected climbing route, is now operating as a social enterprise trading arm of BF Adventure, with a primary focus on generating funding to enable the expansion of its specialist provision for disadvantaged young people.

It is also operating a café which is run in partnership with The Cornish Barista, offering work experience and training opportunities for the young people that BF Adventure supports through its charity work.

BF Adventure received investment towards the end of this reporting period. The achievements of, and challenges faced by, BF Adventure will be reported in the next social impact report.

Impact of COVID-19

Since the start of coronavirus BF Adventure continued to work tirelessly to offer critical support to disadvantaged children and young people, whose challenges have often been compounded by the knock-on effects of the pandemic. It was able to adapt its services in line with WHO guidelines, implementing increased risk management across delivery.



D THE FUND'S CONTRIBUTION TO DISMANTLING POVERTY IN THE SOUTH WEST

INTENTION: The Fund makes a contribution to dismantling poverty in the South West.

How the enterprises contribute to dismantling poverty

The Fund's aim is to contribute to the dismantling of poverty in the region. This is an ambitious goal that involves engaging with issues - including marginalisation, lack of education, barriers to employment, housing, physical or mental health problems - that contribute to poverty, by supporting the work of the individual enterprises the Fund has invested in.

The enterprises in the Fund engage in activities that might contribute to more systemic change:

- **Addressing root causes rather than symptoms**

This could include creating transformation in individuals. **South Bristol Sports Centre** engages with hundreds of young people from particularly deprived areas of the city through sport, increasing skills and confidence helping to break what might be a generational cycle of poverty and lack of aspiration. **Somerset Wood Recycling** creates opportunities for disadvantaged young people facing multiple barriers to work helping them to gain training and employment, so they can earn an income and the skills and confidence to re-position their lives in a positive way. **Community Mentoring and Support** works with local authorities and commissioners to challenge the impact of bias that society has against people who are educationally and socially deprived, whilst **Leading Lights** provides much needed tuition and mental health and physical wellbeing services to help children and young people who are disadvantaged due to social, emotional and mental health difficulties and who otherwise might fall through 'cracks in the system'.

- **Reaching out to people who are harder to help**

Street Impact Bristol supports rough-sleeping individuals who have been identified by Bristol City Council as being amongst the most difficult to help. Both **Community Mentoring and Support** and **Leading Lights** work with young people that other agencies have been unable to help, and **Sofab Sports** provides training and employment opportunities for young people with learning disabilities. In Cornwall, **BF Adventure** provides a wide range of specialist outdoor activities to help disadvantaged young people in the region to overcome social and educational barriers in their lives, supporting them on journeys of positive change.

- **Cutting across different dimensions of poverty**

The enterprises Resonance works with contribute to multiple Sustainable Development Goals. Both **Community Mentoring and Support** and **Leading Lights** provide alternative educational opportunities for disadvantaged young people who are unable to access mainstream education, ensuring they have quality education with aspirations for their futures. By providing enrichment through purposeful work, **Somerset Wood Recycling** supports marginalised individuals by developing skills, resilience and confidence, whilst also helping them improve their mental and physical health. And **South Bristol Sports Centre** specifically reaches out to young people from communities in Bristol who may not normally engage in sport, tackling poor health in the process.

- **The Fund demonstrated additionality by investing where others wouldn't**

The terms of the Fund mean that we can often be a natural fit for an investee to increase their impact. The three year interest only period means that investees who have slower growth profiles can take investment and not feel as though they have to overstretch themselves when they are trying to establish, for example, a new service or new geography. We believe that this patient approach, differentiates us from other investors and enables enterprises to achieve greater longer term impact.

- **Connections**

Social enterprises naturally work well in collaboration with other like-minded social enterprises, bringing additional support and strength to their ambitions in tackling poverty. These networks of social enterprises provide each other with inspiration, insights, new opportunities and best practice across a range of issues so that solutions, beneficial to the enterprises themselves and the communities and individuals they support, can be developed. As a media outlet, **Bristol 24/7** is able to support other social enterprises that have benefitted from the Fund by using its social impact channel to share their impact stories and updates with its audience, and in doing so provide them with an opportunity to create greater awareness and raise their profiles in the region. This also helps strengthen the network of organisations working towards social impact in different parts of the South West.

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

Enterprises cannot tackle problems of poverty in isolation. Without conversation and collaboration 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. Collaborative and effective engagement between social enterprises is key to creating true impact at scale.


A woman with long brown hair, wearing a black and white checkered dress, is standing on a stage and speaking into a microphone. She is smiling and looking towards the audience. The background features a large whiteboard with blue lines and circular diagrams. The setting appears to be a modern, well-lit room with large windows in the background.

Photo: Resonance Senior Investment Manager Katalin Juhász speaking at the 2019 South West SITR Marketplace Event at Bristol Beacon.

APPENDIX

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 run with three main legal structures: Community Interest Companies, Community Benefit Societies and Charities.

SITR offers similar tax reliefs to those available through the long-standing 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 South West 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

1. Source: Landman Economics Analysis and modelling for the TUC <https://www.tuc.org.uk/news/215000-children-live-poverty-south-west-20-2010>. Includes Dorset, which is not in the fund geography
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Photo: Raised in Bristol - providing early years education and childcare services at the heart of community owned spaces.

TO LEARN MORE ABOUT THE FUND, CONTACT US:



Donna Thomas
Senior Investment Manager

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Donna is co-leading the development of the Resonance South West SITR Fund and works with social enterprises and investors to ensure the Fund reaches its targets and helps social enterprises to receive investment. She has particular responsibility for origination and portfolio monitoring.



Katalin Juhász
Senior Investment Manager

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Katalin specialises in engaging with social enterprises in the area with a focus on tackling poverty. She co-leads the development of the Resonance South West SITR Fund, with particular responsibility for originating, developing and completing deals for the Fund.



Oliver Pollard
Head of Enterprise Growth

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Ollie has overall responsibility for the Enterprise Growth Funds Team and its strategy at Resonance, with primary responsibility for the expansion strategy for funds across the country and investor relationships.



Leila Sharland
Senior Investment Manager

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Leila joined the South West SITR Fund after successfully managing Resonance's Health & Wellbeing Challenge Fund (South West) since early 2018. As a Senior Investment Manager for the Resonance South West SITR Fund, Leila is continuing to work one to one with social enterprises, from developing deals to post-investment monitoring, with a focus on enterprises based in Devon and Cornwall.



Tom Crook
Investment Manager

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Tom joined the South West SITR Fund following three years working on Resonance's innovative Health and Wellbeing Challenge Fund (South West). Working alongside Leila Sharland, Tom has helped deploy over £3 million of unsecured loans to social enterprises across the South West.



Simon Chisholm
Chief Investment Officer

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Simon leads Resonance's activities in creating and managing social impact investment funds. He has twenty-five years of investment experience, including eight years of social impact investment experience at Resonance and sixteen years in a number of roles with N M Rothschild & Sons in the UK and internationally.



Photo: Policing St Paul's Carnival in Bristol

Credit: Paul D Smith / Shutterstock.com

CHAPTER ST. BS2

PROFIT THROUGH **PURPOSE**

Photo: Wheal Owles Engine House at Botallack near Land's End in Cornwall



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We also have dedicated
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Birmingham and
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Report prepared
by the Resonance
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