

UNLOCKING SOCIAL VALUE INVESTMENT INTO OUR COMMUNITIES

HAYLEY HAND INVESTMENT MANAGER, BIG SOCIETY CAPITAL

ED ROWBERRY BRISTOL & BATH REGIONAL CAPITAL CIC

REBECCA PRITCHARD TRIODOS

CHRIS BROWN IGLOO - REGENERATION

DENISE MURRAY BRISTOL CITY COUNCIL

SIMON CHISHOLM RESONANCE

STEPHEN WAUD BUSINESS & ENTERPRISE FIANANCE LTD



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#NSVC20

BIG SOCIETY CAPITAL

The logo for Big Society Capital is centered on a dark blue background. It consists of the words 'BIG', 'SOCIETY', and 'CAPITAL' stacked vertically. The word 'BIG' is in a light blue-grey color. 'SOCIETY' is in a vibrant teal color. 'CAPITAL' is in a light blue-grey color. Three small, square inset photographs are placed within the letters: a man with glasses and a beard is inside the 'B' of 'BIG'; a woman with long brown hair is inside the 'P' of 'CAPITAL'; and a young child in a yellow coat and grey scarf is inside the 'Y' of 'SOCIETY'.

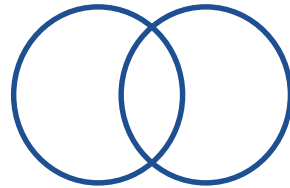
Unlocking social value investment into our communities



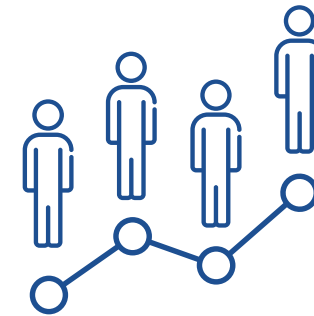
An independent financial institution, with a mission to improve people's lives in the UK



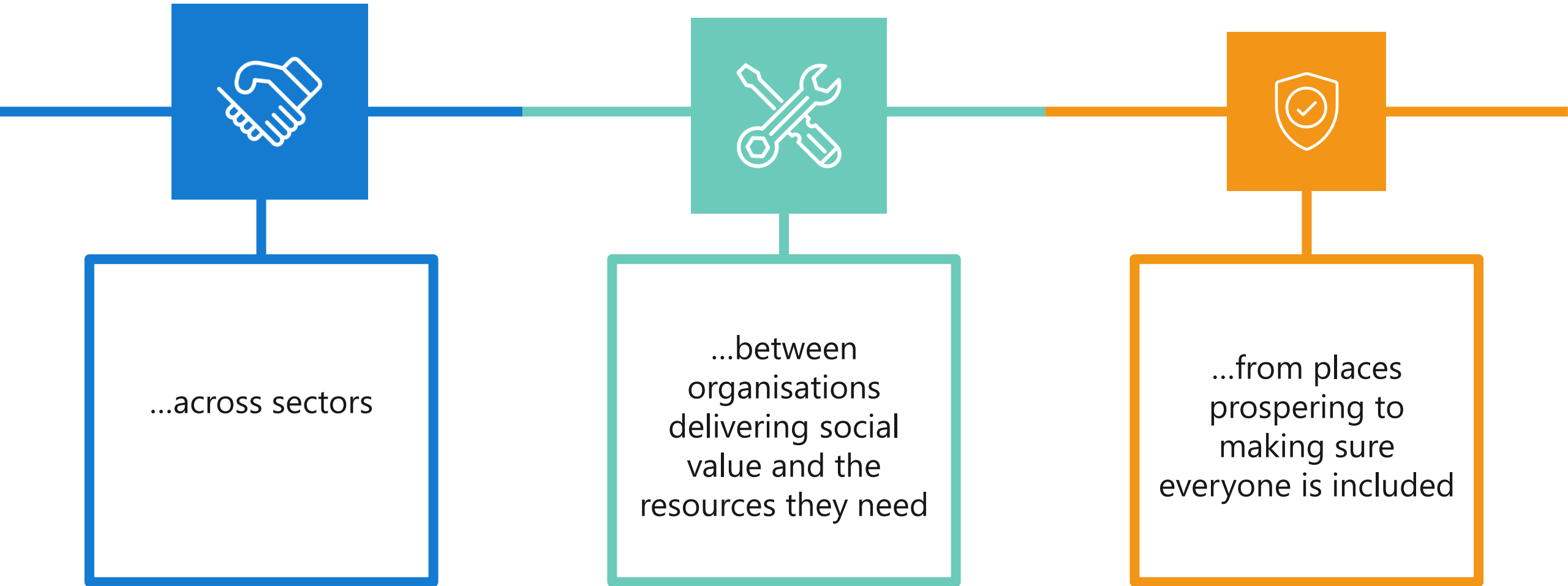
Founded in 2012 by Sir Ronald Cohen, capitalised with ~£600m from four Shareholder Banks and UK dormant bank accounts.¹



We play a dual role in growing the social impact investment market:
by making investments and through engagement with investors and recipients of capital.



Our investments must achieve a positive financial return and deliver lasting and meaningful impact.



Bristol City Funds



Community Development
Financial Institutions



Triodos  Bank

Sustainable Regeneration



Resonance Real Lettings



Bristol City Funds



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EUROPEAN CAPITAL
OF INNOVATION AWARDS

#iCapitalAwards



European
Commission



**BRISTOL
ONE CITY**

**2050: Fair, healthy,
sustainable**

<http://www.wearebristol.co.uk>



54,000 students
at the 2 main universities



57,000

Walk or cycle to work - highest in England & Wales



"day visitors" to Bristol

Bristol GVA contributes

£14.2bn

to the UK economy (2017)



54.2% **38.6%**



Bristol residents qualified to degree level

National average

"The Best Places to Live in the UK"

Accessibility, Jobs - creative, hi-tech, Exam Results, Broadband Speed, Culture, Community Spirit and Local Shops

Bus Passenger journeys (per head of population)

63.7 68.2 73.8 79.5 87.8 92.1



2012 /13 2013 /14 2014 /15 2015 /16 2016 /17 2017 /18



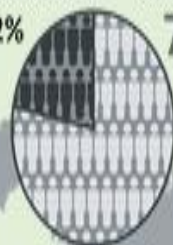
A Tale of Two Cities



• % in employment
• % unemployed
• % economically inactive

Diversity

Non-'White British' 22% White British 78%



>180 countries of birth
>45 religions
>91 languages

BRISTOL ONE CITY

Deprivation

16% (73,700 people) live in areas among the **most deprived 10%** nationally



Over **12,500** people received support from Trussel trust foodbanks in 2016/17

55.2% adults overweight or obese
21.7% young children (4/5 yrs) overweight or obese



40,400 patients with depression

Source: QOF 2016-17

'Housing affordability ratio'

of **9.11** for average house prices to average earnings - only English Core City higher than **7.91%** England average

"Social and economic inequality"

Homelessness, Congestion, Education Disparity, Affordable Housing and Life Expectancy

721

homeless households in 2017/18 (324 in 2012/13)



80%

feel traffic congestion is a problem in their area



300 deaths each year in Bristol estimated as attributed to air pollution. **8.5%** of all deaths



Rise in **HATE crime**



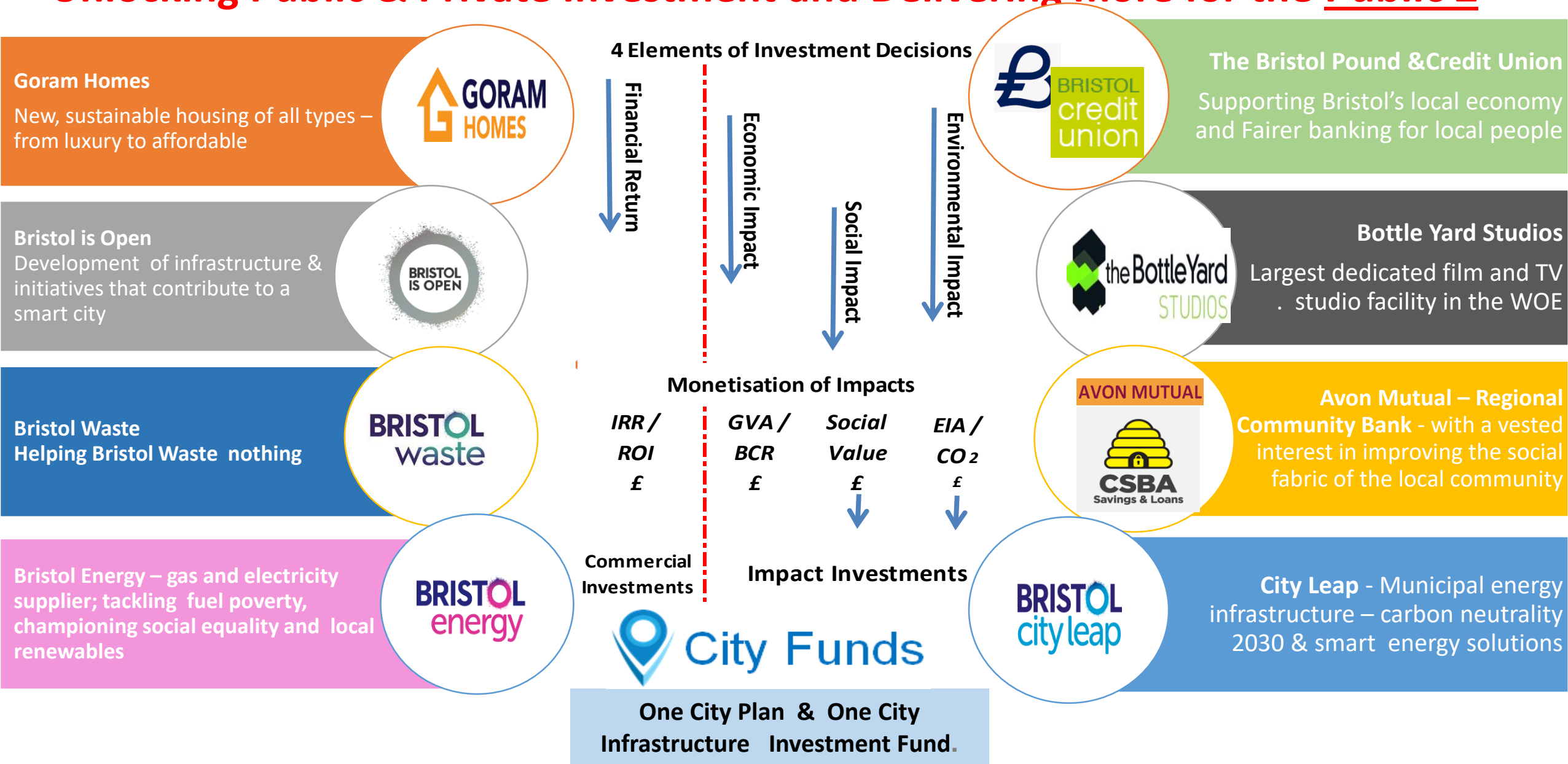
BRISTOL ONE CITY

Policy Framework



Catalyst for Change - No Silver Bullet

Unlocking Public & Private Investment and Delivering more for the Public £



- Local catalytic blended investment fund, linked to **city priorities**
- **One point of contact** with supportive infrastructure to bring together:



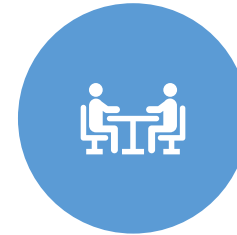
COMMUNITIES



COUNCIL



INVESTORS



BUSINESS



FOUNDATIONS

- **Collaborative support** for organisations creating social or environmental impact

Funding themes



Community Initiatives



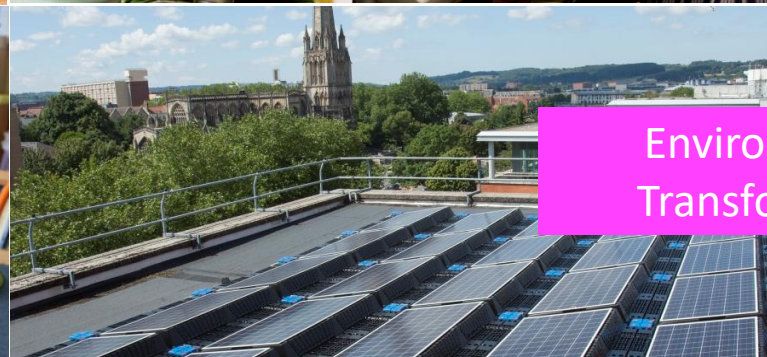
Economic Inclusion



No Child Goes Hungry



Environmental Transformation



BRISTOL
ONE CITY

Bristol City Funds



Community Development
Financial Institutions



Triodos  Bank

Sustainable Regeneration



Resonance Real Lettings



1 Supporting Inclusive Growth



2 Delivering Social & Environmental Impact



3 Removing Barriers to Finance/Access



4 Being Fair, Open and Transparent



5 Operating to the Highest Standards



6 Using profits for purpose




Brief Headlines

- Started in 2004 – 15 years
- Loaned £70m
- Created 7000 jobs
- Nearly 5000 new businesses
- £280m of economic growth for our regions
- 24 staff
- 5 locations
- Lend up to £250k
- Currently manage £38m of funds

SETTLE IN

“”

Our experience with BEF was phenomenal, the turnaround was so quick and they all shared my vision. Our investment manager Lee Vickers was superb, he really got under the skin of the business and completely understood what made us tick. We wouldn't be where we are now without his hard work.



Settle In, based in Stockton-on-Tees, was the brainchild of Ray Abbas and offers help to international students in universities across the North East. The website displays information on local attractions, maps, 'what's on' guides and student essentials such as money and visa advice.


After working closely with international pupils while undergoing his final year at university, Ray understood the enormity of this issue and wanted to make moving to a new country less daunting. As he was unable to find a similar service, Ray saw the real difference he could make to students' wellbeing and contacted BEF for funding to expand and develop the business.

LOAN
£30,000 NPfF

PURPOSE
Premises expansion and website development

IMPACT
Two new jobs created and one safeguarded

UNSDGs



Social Impact – UN SDGs

Filamentive



We take a messy idea...

Founder and director of Filamentive, Ravi Toor, recognised a need for change in the 3D printing market. After studying an environment-based degree and having run a 3D printing business previously, Ravi realised that the high quality filament in the market was not sustainable, and sought to create a new brand of improved recycled filaments.

Ravi approached our partners at AD:Venture, the Leeds City Region business support programme, to help him get his idea off the ground, he received support with writing a business plan and cash flow forecast, as well as steering him to digital marketing advice.

BEF then followed, by providing start-up funding to boost Filamentive's stock capacity, and fund research and development. As an ethical brand, committed to social and environmental sustainability, Filamentive are a business aligned with our own values and one which we are proud to support.



“The business support from AD:Venture and BEF has been invaluable; not only are we growing, but we're also improving the sustainability of 3D printing at the same time.”

LOAN
£20,000
Start Up Loan

PURPOSE
Stock purchase and
research and development

IMPACT
Filamentive have so far recycled more than five tonnes of plastic into high quality 3D printer filament which has been sold to customers worldwide

UNSDGs



All Loans are assessed to see which SDGs would apply and then data collected post loan to ensure that they still meet the original demands for social impact

This loan met 6 SDGs

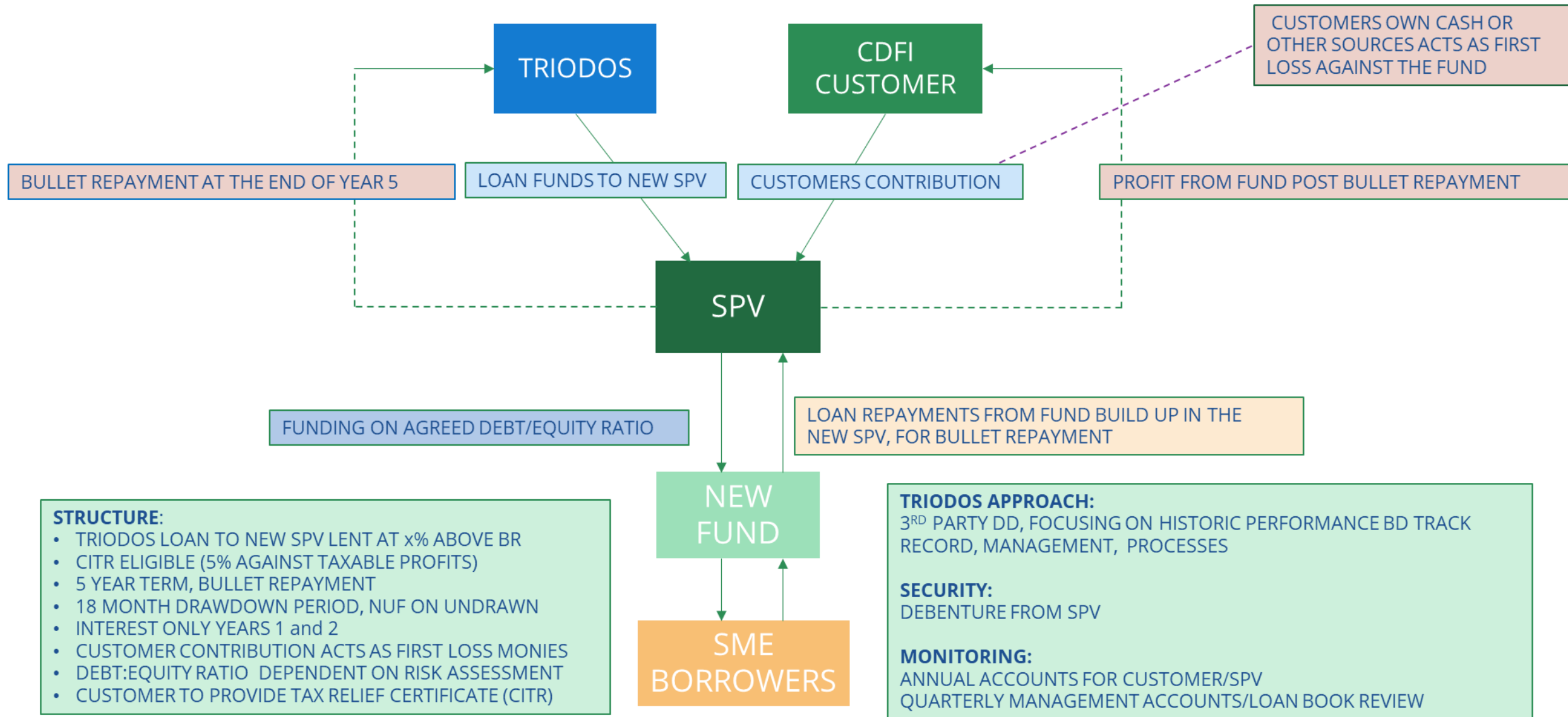
UNSDGs



BEF has set goals for the fund to achieve set targets for SDGs and they will be reported on annually



Triodos Wholesale Funding Structure



Bristol City Funds



Community Development
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Sustainable Regeneration



Resonance Real Lettings



The challenge

There are deprivation, place quality, climate, pollution and housing affordability challenges in the UK.

People in deprived neighbourhoods are often exposed to the negative health impacts of contaminated land in addition to poor place quality that negatively impacts wellbeing and community.

New development can remediate contaminated sites, enhance neighbourhoods, wellbeing and community and provide affordable homes. But these challenges are not attractive to mainstream speculative housebuilders because this land tends to be previously developed which can make it more complicated and costly to develop - in the UK the proportion of new homes built on brownfield land is falling.

Our approach

BSC are partnering with **Ginkgo**, a Swiss Real Estate Fund Manager specialising in the remediation of contaminated land, and **igloo** a UK BCorp developer to find, remediate and develop brownfield land for housing, 30% of which will be affordable homes.

The Fund

Will operate across the UK, in and around the top 20 conurbations, bringing forward new land for housing. The housing will be developed by igloo using their award winning responsible development methodology Footprint.

Fund size

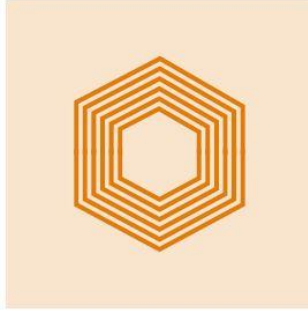
£100 million

Six Dimensions



WELLBEING

Delivering
Quality of Life



COMMUNITY

Building
Social Capital



PLACE

Healthy, Happy
Neighbourhoods



NATURE

Rewilding
the City



CLIMATE

Planet Positive
Places



CIRCULAR

Preserving Finite
Resources

People

Place

Planet



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SOCIAL VALUE CONFERENCE JAN 2020

RESONANCE IMPACT INVESTMENT

IMPACT

THROUGH HOUSING INVESTMENT



resonance 

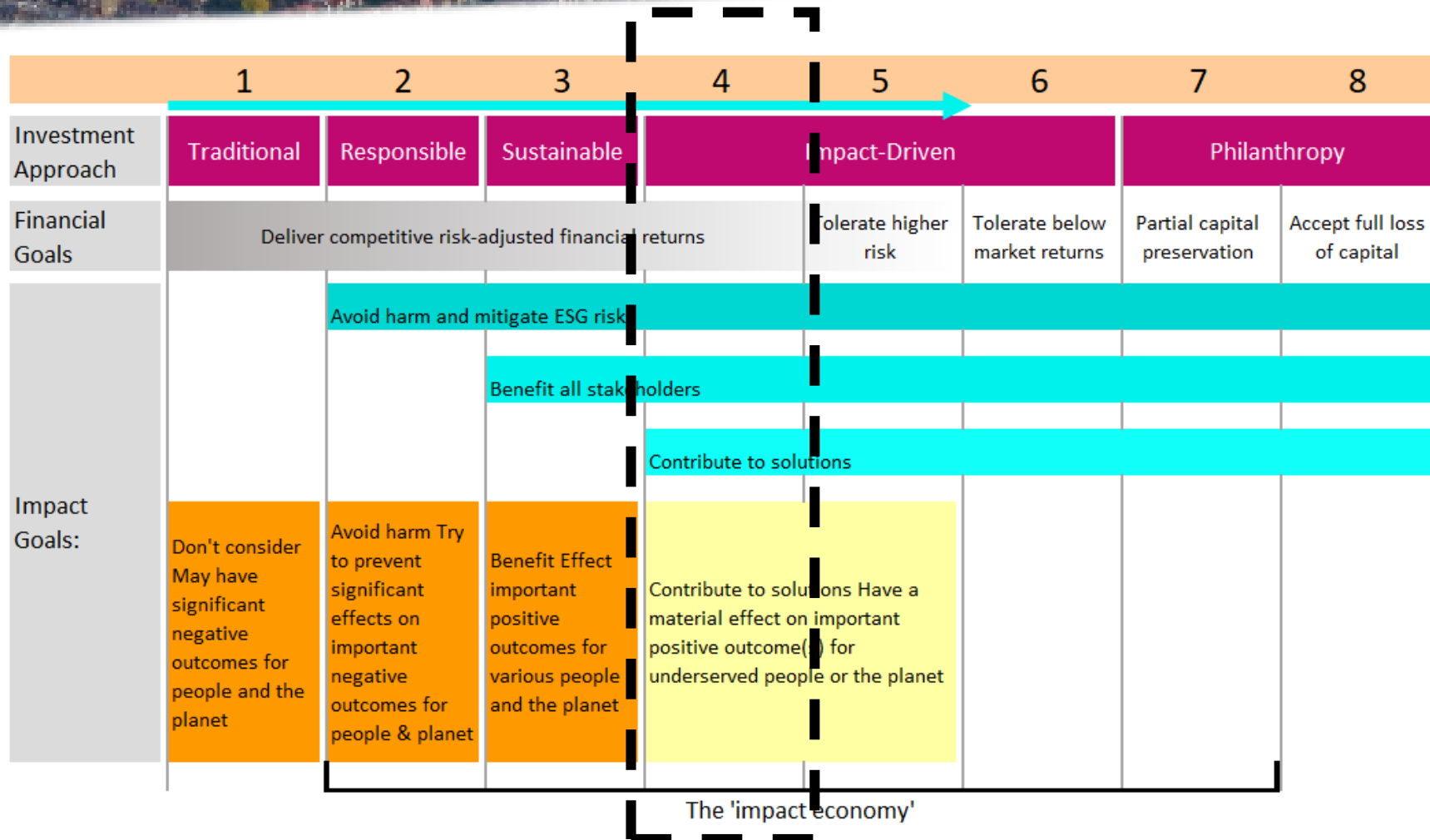
ABOUT RESONANCE

Connecting Capital with Social Enterprise

- Eighteen years track record (est. 2002)
- FCA authorized fund manager
- Eight operational impact investment funds
- Property fund track record (£200m)
- Team of over forty with finance, property and social enterprise experience
- Accredited Social Enterprise and B Corporation
- Offices in London, Manchester, Bristol, Birmingham and Cornwall



OUR POSITION ON SPECTRUM OF CAPITAL



Source: *The rise of Impact: Five steps towards an inclusive and sustainable economy.*
 UK National Advisory Board on impact investing 2017 & Impact Management Project 2017

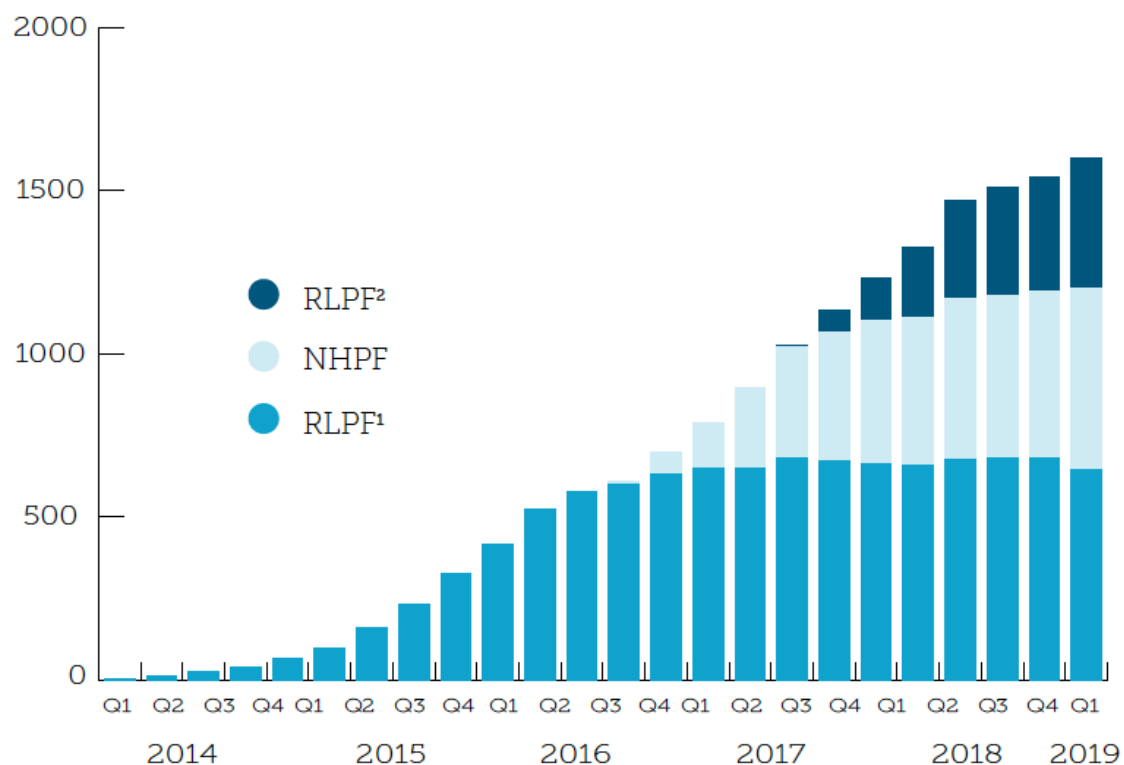
IMPACT INVESTMENT FUNDS



	PROPERTY	COMMUNITY ASSETS	ENTERPRISE GROWTH
			
Impact	Scaling social enterprise through access to property	Empowering local communities	Scaling social enterprise through access to affordable growth capital
Focus Areas	Homelessness, Learning Disability, Vulnerable Women	Affordable Housing, Renewables, Sport	Dismantling Poverty – Diverse Initiatives
Invest In	Acquiring property portfolios	Development capital for community groups	Unsecured loans to social enterprises

HOMELESSNESS PROPERTY FUNDS

Total people housed



- Scale and track record
- Commercial risk-adjusted return
- Low risk / good diversifier



OTHER IMPACT PROPERTY FUNDS

RESONANCE SUPPORTED HOMES FUND

Housing for people with **learning disability and/or mental health issues**

Launch / target size: £15 - 100m

Target IRR 6% (ungeared)

USP: Tailored leases for sector needs

Launching Early 2020
Open for investment

WOMEN IN SAFE HOMES FUND

Housing for **women experiencing homelessness, domestic violent or leaving prison**

Launch / target size: £15 - 100m

Target IRR 5% (ungeared)

USP: Strengthening smaller scale Womens Sector Organisations

Launching Mid 2020
Open for investment

RESONANCE COMMUNITY DEVELOPERS

Community-led affordable housing development

Launch / target size: £8 - 40m

Target IRR 4% (senior tranche)

USP: Supporting community-led projects through development

Launching Mid 2020
Open for investment

MEASURING SOCIAL IMPACT



What We Measure Example: Homelessness Property Funds

1. Improving housing opportunities
2. Progressing towards work
3. More resilience against homelessness

Sixth Annual Impact Report



Sustainable Development Goals (SDG)



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PANEL DISCUSSION: UNLOCKING SOCIAL VALUE INVESTMENT INTO OUR COMMUNITIES

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