



THE SOCIAL INVESTMENT FUND

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Financing your Future – 12th February 2015

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Purpose of Presentation

- Financing your Future – Social Finance.
- How does Social Finance work?
- Putting Theory into practice: x2Case Studies.
Financing Challenge | Solutions | Results
- Top Tips.

What is Social Finance?

“The provision of finance by organisations, which seek a social return or social dividend, as well as a financial return”



Why Social Finance?

- Grants cannot fully meet all funding needs of Community Enterprises.
- Need to develop their own capital.
- Loan funding, in particular Social Finance, is now a tool in satisfying these needs.

Clann Credo recycles any profits generated for reinvestment into the community and social enterprise sector.



Overview -



- Established in 2008 It works with former prisoners aged over 24 years.
- Initial funding from Waterford Area Partnership, FÁS and the Probation Service an outreach worker (Stephen Plunkett is CEO, a former prison warden).
- Housed in various outbuildings to the rear of the Brothers of Charity premises, Co. Kilkenny

Overview -



SUPPORT SERVICES:

- Provides rehabilitation, training, development and work experience (those referred through the Probation Service or the Substance Misuse services).
- Provides classes on health, life skills, behaviour management and other supports relevant to their needs (CE Scheme - people who have spent time in prison).



SOCIAL ENTERPRISE:

- Availability of occupation and gainful employment for participants is critical for their progression and success.
- Social enterprise element of U-Casadh plans to generate more income from production and to expand the workshop.

Financing Challenges - UCasadh

- Needed finance to **adapt one of the bungalow buildings into a workshop:**
Support learning and production of various hand crafts, cookery, arts.
- Involved refurbishment of a single-storey existing building costing €200,000 in total.
- The group secured a Grant of €150,000 to part fund the development. They had a shortfall in matching funding of €15,000.
- They also had to spend the €200,000 before they could draw down the grant of €150,000.
- Participants in workshops take a desk on a limited term at an affordable, flexible price.
- U-CASADH CRAFTS create direct employment, while also encouraging start-ups within its process.

Solutions: Grant, Term Loan, Bridging

- Meet Clann Credo Executive: Clann Credo Loan Process.

- **Term Loan:**

Applied for a term loan over 2 years from CCL to fund deficit.

- **LEADER Grant:**

Requested a bridging loan of up to €150,000 to facilitate drawdown of the Leader grant.

- To secure a loan they provided Information – History/ Background/Capacity of Board & Executives/Project details / Financials/ Details of Grant.

Application Process

- Project details.
- Capital Costs.
- Quotations.
- Loan Requirement / Other sources.
- Realistic? Processes and Procedures worked through.
- How will the product or service be produced?

Income Diversification – Repayment Capacity

Clann Credo Criteria: Social Return + Capacity to Repay a loan.

U-Casadh demonstrated capacity to repay a loan through different income sources.

➤ Grant:

Majority of income has come from the Probation Service 'Community based organisation' grant (Up until 2013). The probation service has committed to a grant for the next 5 years.

➤ Funders:

Good relations with Funders. The Trustees of a UK funder had reviewed the allocation of the fund and increased the annual contribution.

➤ Fundraising:

Donations and Fundraising from the local boxing club boxathon, donations, bag collections, and other general fundraising.

Income Diversification – Repayment Capacity

Social Enterprise:

- Projecting a growth in Income from sale of plaques, pens, decorations, craftwork as the group secured additional contracts and the new workshop commences.
- just commenced a CE scheme for 25 CE workers in January 2014 which makes contributions towards tutor costs, equipment and other core costs.
- projected income from rental of 7-8 bays (a third outdoor building annexed to the hospital) from which other CE schemes will run painting, plumbing and electrical courses. The VEC also rent space from the group.
- Income from a number of Religious Solidarity Funds.



Table of results/ Social Dividend

- **Training and education:** attainment of skills in a range of workmanship crafts, horticulture, Woodwork, metal work, plumbing, electrics etc. which are all Fetac accredited.
- **Social Enterprise:** Produce includes natural organic species timber products, indoor and outdoor slate, timber signage, wood-turned pens, boards, award plaques, decorations and metalwork medals. It has secured small crafts contracts, including Fund Award Plaques etc.

Social Dividend Type	Number / Other
Temporary Construction Jobs	4+
No of people employed	31
No of people using the facility	25+
Community Regeneration or Morale	<p>To help prevent re-offending behaviour</p> <p>To empower ex-prisoners and encourage their full participation in society</p> <p>To co-ordinate supports to enhance services to the client</p> <p>To ensure target group is catered for through relevant initiatives by recognising specific needs and supports required</p>
General Comments	Exemplary social enterprise project

Top Tips from this project

➤ Innovation.

➤ Income Diversification.

➤ Lots of buy in / Partners

➤ **Partner Agencies/Services**

The Brothers of Charity
The Society of Saint Vincent de Paul
The Irish Prison Service
The Simon Community
The Lub Project
The HSE
The South-East Regional Drugs Task Force
Waterford and South-Tipperary Community
Youth Service
Food Cloud
The Peter McVerry Trust
Focus Ireland
Waterford Area Partnership
Waterford & Wexford Educational Training
Board
Kilkenny & Carlow Educational Training
Board
St. Paul's Boxing Club
The Irish Penal Reform Trust
SOLAS
iDonate

➤ **List of Funders**

The Probation Service of Ireland
The Department of Social Protection
Saint Stephen's Green Trust
The Solidarity Trust Fund
Kilkenny Leader Partnership
The Regional Development Fund



Overview -

- Established in the 1990's due to the lack of accessible transport & the efforts made by the Center for Independent Living Dublin.
- Today it provides a group travel service and individual door-to-door transport, as well as specialist routes for shopping, health care and leisure.
- Employs 45 staff, has a fleet of 36 adapted vehicles, number of passenger trips exceeds 90,000 per year.

Financing Challenges - Vantastic

- 90% of its funding came from government grants, today only half does.
- Loan finance was needed to fund retrofit of Vehicles, train staff in order to get new National Transport Operators License.
- Loan finance to provide capital to construct the interior of a new office and control centre, purchase of vehicles.

Vantastic – Income Diversification

➤ Trading activities:

Makes up half of its income. Approx 200 organisational & 7,000 individual members pay subsidised fares.

➤ Open Market:

Won various contracts for the delivery of specialised transport for people with mobility problems.

Vantastic – Income Diversification

➤ Partnerships:

Joint partnerships with local Government, to deliver discounted local services for older people.

➤ Sponsorship.

Advertisements on vehicles.

➤ Loan Finance:

Drawn down almost €0.5 million since 2002, mainly for the purchase of vehicles.

Clann Credo loan finance

➤ Provided a term loan:

Steps taken to secure the loan finance:

Step 1: Application.

SFE Guide through process



Step 2: Evaluation.

Applicants reviewed by Evaluation Committee



Step 3: Disbursal.

Letter of Offer + Terms & Conditions.

Vantastic - Results

- Improved opportunities for people with disabilities to participate in employment, education and training.
- Enabling their integration into mainstream social and cultural activities.
- Affording greater inclusion of people with disability into Irish Society.
- Removing this group of people from total dependency on family and friends.
- Tackling poverty amongst these people with special needs.

Vantastic – Top Tips

- Do not be too risk-averse: pursue new ideas and paths to income generation.
- Be flexible with your funding mix, don't presume grants will always be available.
- Think commercially and look to the open market for opportunities.
- Network with others in the social enterprise and charity sector.
- Look for Social Finance for capital investments.

Clann Credo – Supported Projects

- Social Enterprise.
- Social Housing.
- Community & Enterprise Centres.
- Sports Facilities (including GAA/soccer clubs).
- Elder and Youth Care.
- Tourism & Arts Projects.
- Accessible / Rural Transport.

Purpose of Loans

- Property purchase / Construction.
- Working Capital Loans.
- Short Term Bridging loans against delayed grant or future Fundraising Income.
- Matching Funding.
- Loans to purchase equipment and vehicles.

Why Clann Credo?

- Mission / Ethos
- Track Record (Social Enterprise Network)
- No personal guarantees
- No early redemption fees
- Lend to incorporated and unincorporated entities
- Formal and Informal partnerships developed with statutory and non statutory support agencies.



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