

Where are we now?

The Original Plan

The Community Impact Partnership is a joint venture between four UK Housing Associations – Clarion, L&Q, Orbit and Peabody.

Launched in 2018 the partnership was formed as a vehicle enabling the HA's to enter the social investment market. Its first fund (the 'Fund') was a £3m Growth Fund offering blended finance of up to £150k with unsecured loans and grants. The fund was part of the Access Foundation Growth Fund programme with capital provided from Big Society Capital and the National Lottery Community Fund.

The four HA partners collectively invest over £30m each year through their community investment programmes, offering a mix of grant-funding programmes and tenant wellbeing services, free at the point of access. CIP was established to expand and diversify the range of support available through the HA's and allow the partners to gain an understanding of the social investment space to inform future work.

Through this first fund, CIP has been seeking to support social enterprises and charities working within the communities served by the four HA's. It has a particular interest in supporting enterprises with the potential to enter the supply chains of the partners.

The Fund had just under £3m of capital to invest through simple unsecured loans with the potential for a grant alongside. The original Fund commitment period was 3 years, subsequently extended to 4 years with the intention the Fund would be fully invested by November 2022 with the final loans repaid by no later than 2027.

Our Successes

- CIP has committed just under £1m of loan and grant funds to support 9 enterprises
- The Fund has catalysed skills development across the four HA partners to further understanding of enterprise and investment
- This is the first partnership of its kind in the UK and has led to other joint working initiatives and partnership approaches
- As a new entrant CIP has had strong engagement from the enterprise and social investment sector
- Housing and the Housing Association sector have created a strong USP for CIP, attracting a broad range of enterprises and creating opportunities for the HA's beyond a potential investment

Our Challenges

- CIP was created with a lean staff structure. This has led to high dependency on a small number of key people and at times has contributed towards a 'bottle-neck' within core workflows
- CIP has relied on the existing infrastructure across the partnership for supplementary resource and staff time. Competing priorities have been a challenge.
- Building a pipeline from scratch takes time and the speed of conversion from application to investment has been much slower than originally anticipated, in part due to the level of additional support required to move some applications forward
- Having a single investment 'product' available to use within set parameters has limited the scope of investment opportunities and the ability to structure investments to meet the needs of enterprises at different stages of development
- The onset of Covid-19 rapidly altered the landscape for social sector organisations. CIP is unable to pivot within its existing structure to meet changing needs.

The Result

With the onset of Covid-19 the landscape within communities changed rapidly and the support needs of social organisations and enterprises shifted just as quickly. For many organisations the ability to take on a loan became much more challenging due to the level of uncertainty around future revenue streams and the loss of staff resource in many cases. The CIP Board recognised the need for increased levels of grant funding during such a disruptive period together with the limited ability of CIP to pivot its own model within its current Fund structure. For these reasons the Board decided to close the Fund early and work with the funding partners to dissolve the Fund structures and transfer the portfolio to another Fund Manager. This process will be completed in June 2021.

The Future

Work has started on a potential future strategy for CIP but there remains a lot of unexplored avenues and unanswered questions. The future direction of CIP is not certain, but we are confident there is opportunity. It is likely CIP will need to take a next 'first-step' potentially with a proof of concept phase.

A focus on opportunities within and around supply chains has emerged from early discussions. The specific needs underpinning a supply chain focus need to be properly investigated to consider if, and what role CIP can play.

We are seeking consultancy support to help identify these opportunities, work with us to produce a viable strategic plan and consider what governance structure and make-up the partnership should take to achieve its future ambitions.

This is potentially a big piece of work. To manage the process, we have structured the work into three phases, with a 'stop-go' decision to be built-in at agreed milestones. We are open to ideas and suggestions to help develop the brief and would especially welcome consortium bids or plans involving partnership working drawing on a diverse range of expertise.

Full details of the brief and how to submit a proposal are included in the accompanying documents.