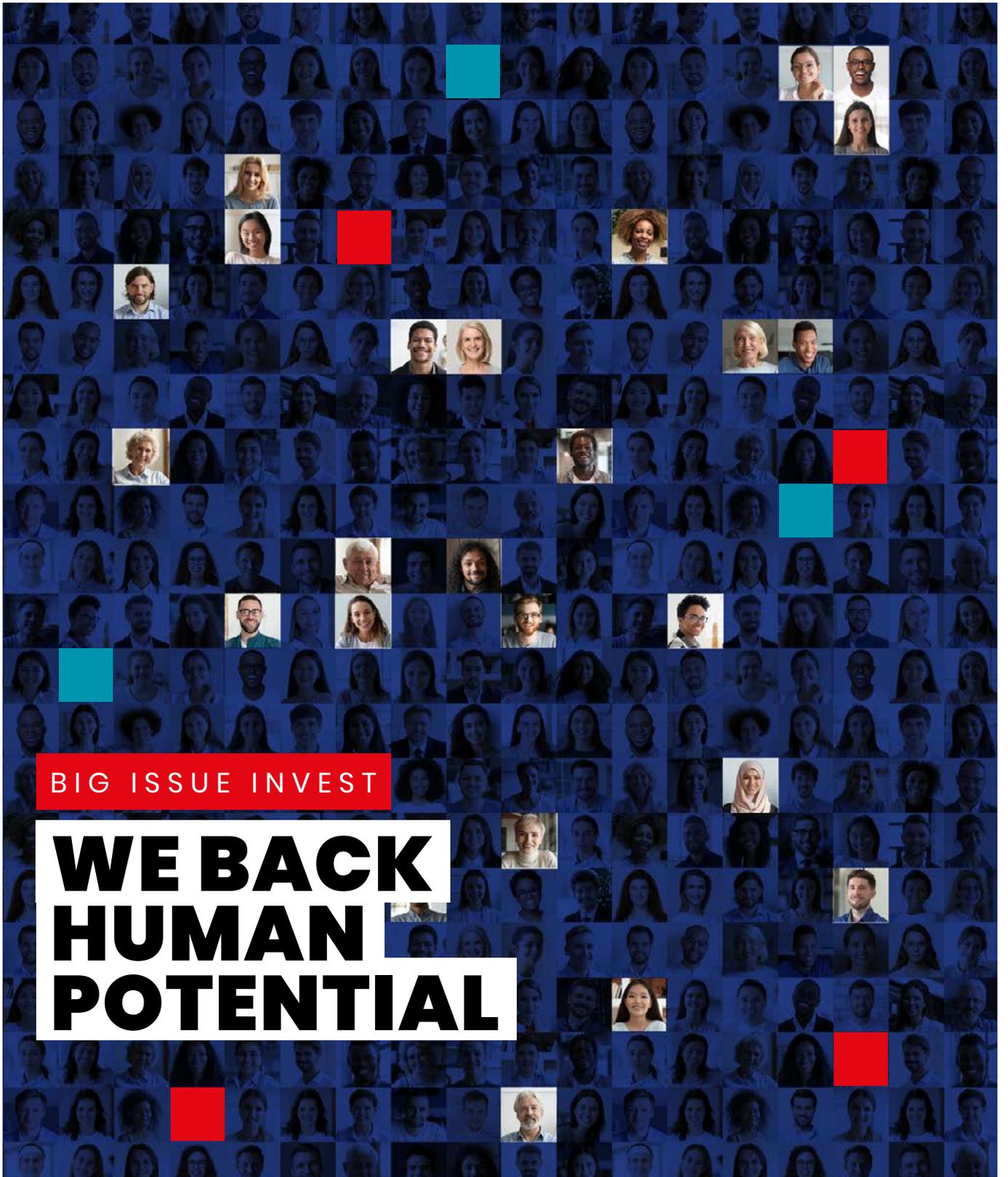




IMPACT REPORT  
**20/21**

Financial Support for Social Enterprises



BIG ISSUE INVEST

**WE BACK  
HUMAN  
POTENTIAL**



**THE BIG  
ISSUE**  
INVEST

# MISSION

“ **Building a world that works for everyone.** ”

We challenge, innovate and create self-help and sustainable business solutions, that dismantle poverty now and for future generations. ”

## WE BACK HUMAN POTENTIAL

**Championing  
impact- first investing**



**Supporting with  
more than money**



**Pushing for  
social equality**



## FCA disclaimer

This document has been prepared by Big Issue Invest Ltd (BII) with Big Issue Invest Fund Management Ltd (“BIIFM”) relating to the social investment funds managed by BIIFM – Big Issue Invest Social Enterprise Investment Fund L.P., Big Issue Invest Social Enterprise Investment Fund II L.P. and Big Issue Invest Outcomes Investment Fund L.P. (the “Funds”) or proposed social investment funds to be managed by BIIFM.

The Funds are alternative investment funds (“AIFs”) for the purposes of the European Alternative Investment Fund Managers Directive (2011/61/EU) (“AIFMD”). BIIFM is the alternative investment fund manager (“AIFM”) of the Funds and is authorised and regulated by the Financial Conduct Authority as a “small authorised UK AIFM” (in accordance with article 3(2) of the AIFMD) to manage unregulated AIFs. This document has been prepared with a view to providing the existing stakeholders of BIIFM and the Funds, investee companies, co-investors and potential collaborators and others for reporting, accountability and information purposes and as otherwise required by law. This document in and of itself is not prepared, produced or issued as a financial promotion.

In certain circumstances this document may be provided accompanied by one or more attachments, by way of email, oral presentation or other communication of this document by BIIFM as manager of the Funds. This document together with any such attachments and/or communications, any question-and-answer session that follows any presentation of this document and any hard copies of this document distributed at, or in connection with, such presentation (collectively the “Document”) may constitute a financial promotion. Where used to so promote a Fund, the Document will be provided in compliance with the financial promotion rules applicable to such communication and is supplied for information purposes only and as such does not constitute or form part of, and are not intended to be construed as constituting or forming part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares or other securities or interests in the Funds or securities in any other entity.

The information and opinions provided in the Document are provided as of the date of the Document and are subject to updating, completion, revision, verification and amendment and

such information may change materially. In furnishing the Document neither BIIFM as manager of the Funds undertakes any obligation to provide any additional information or to update the Document or to correct any inaccuracies in, or omissions from, the Document which may become apparent. The Document may also contain words or phrases such as “will”, “believe”, “expect” “intend”, that are forward-looking statements. Actual results may differ materially from those suggested by the forward-looking statements. No reliance may be placed on the information contained in the Document or on its completeness, accuracy or fairness by any prospective investor or by any person sharing the document for the purpose of making a financial promotion.

BIIFM takes reasonable care in producing the information contained in the Document. However where information is obtained from third party sources, BIIFM cannot accept responsibility for the completeness or accuracy of that information. Any statements of opinion and/or belief, views expressed and projections, forecasts or statements relating to expectations as regarding future events or the possible future performance represents BIIFM’s own assessment and interpretation of the information available at the time. No representation or warranty, express or implied, is given by or on behalf of the Funds or BIIFM or any of such person’s directors, officers, advisers, agents or employees or any other person as to the accuracy or completeness of the information or opinions contained in the Document and, to the extent permitted by law, no liability whatsoever (in negligence or otherwise) is accepted by each Fund managed by BII FM or BIIFM or any of such person’s directors, officers, advisers, agents or employees or any other person for any loss, howsoever arising, directly or indirectly, from any use of such information or opinions or otherwise arising in connection with the use of the Document for the purpose of making a financial promotion.

**Where the Document is used in the making of a financial promotion please note that:**

- Past performance cannot be relied on as a guide to future performance.
- The capital of Investors in the Funds is at risk. Any target is not a predictor, projection or guarantee of future performance.
- Any target is not a predictor, projection or guarantee of future performance.

# CONTENTS:

A joint statement from our CEO and Chair ..... page 06

Launching the Big Issue Invest Strategy ..... page 08

Our work in 2020 to 2021 ..... page 10

**Championing Impact First–Investing..... page 16**

Homes For Good ..... page 18

Wolverton Community Energy ..... page 20

**Pushing for Social Equality..... page 22**

Eat Sleep Ride ..... page 24

The Respite Association ..... page 26

Diversity, Equality, and Inclusion at Big Issue Invest ..... page 28

**Supporting with more than money..... page 32**

Chances – Substance ..... page 34

Our Research Project – Beyond The Cheque Initiative ..... page 36

Appendix 1: Additional impact methodology details..... page 42

## Contributors:

This report has been designed with **Bold Studios**.  
 The report was developed by the Impact Team at Big Issue Invest.  
 If you’d like to learn more, please contact:  
[impact@bigissueinvest.com](mailto:impact@bigissueinvest.com)



## A JOINT STATEMENT FROM OUR CEO AND CHAIR

Welcome to the Big Issue Invest 2020/2021 Impact Report.

**This report showcases the work of Big Issue Invest between April 2020 and March 2021 during an unprecedented year for everyone.**

At Big Issue Invest our mission is to 'Build a world that works for everyone. We challenge, innovate and create self-help and sustainable business solutions, that dismantle poverty now and for future generations'. This mission is now more important than ever before given the effects of the Covid-19 Pandemic and the increasing risks of climate-related disasters that will affect us all but especially the poorest and most vulnerable in society.

We have been inspired by the way that social enterprises and charities across the UK have responded to the unprecedented challenges faced by their communities whilst also overcoming challenges within their organisations. We are proud of the Big Issue Invest team who have worked tirelessly in supporting our investees to keep the lights on, adapt to new operating environments and to continue to deliver and grow the impact to their customers.

Big Issue Invest was proud to be part of two major sector responses to the Pandemic; Social Enterprise Support Fund (SESF) and the Resilience and Recovery Loan Fund. We issued 118 grants worth £3.2 million as part of the SESF thanks to the support of the National Lottery Community

Fund. We successfully partnered with Social Investment Business to contribute to £25 million of lending as part of their CBILS backed RRLF. On top of this, we continued to support over 180 organisations with £39.7 million of investment.

During this period, we have also worked to develop our strategy as one of the UK's leading impact investors. As part of our push towards our mission, we are launching, through this report, three strategic commitments. Driving everything we do, we will champion impact-first investing; we will push for social equality and we will provide a broader range of support that is 'more than money'. In managing our impact and investments we have made significant strides in understanding how we can more effectively support our investees to grow. As we set off on our next phase of strategy, we invite our friends, supporters and peers to tell us how Big Issue Invest can continue to support the growth of the social investment market and the wider social sector.

**Danyal Sattar,**  
CEO, Big Issue Invest  
*September 2021*

**Warren Taylor,**  
Chair

## A STATEMENT FROM OUR INVESTEE:

**THECLA FELLAS**

at Asperger East Anglia



**Over the past year at Asperger East Anglia, we have had to steer our way through unprecedented lockdowns and adapted or completely changed almost everything we would normally do to help the people we support.**

During this challenging period, I was offered the opportunity to work closely with the Big Issue Invest as an external panel member on the emergency Social Enterprise Support Fund.

As the head of a social enterprise, to witness firsthand the highly professional way in which the BII team carried out due diligence, fair assessment, and ensure diversity was a very positive reaffirming experience. Being part of the grant-awarding process during a time of great anxiety for the sector was extremely rewarding and it was reassuring to know that an emergency response was being rolled out by a team who really understood social enterprise and the positive impact it can make on society. As external panel members, we found that the insights we were able to offer from our experience of leadership at the ground level were considered and respected by the BII team.

Learning of the challenges other enterprises and charities were facing and how they were adapting to respond and survive was inspiring and it gave me real hope that many enterprises would survive the Pandemic and that the new ways of working they had been forced to discover might help make them to become more resilient in their recovery.

We have all learnt lessons over the past year; adapting and listening intensely to what the people we support and provide services to really need from us. The commitment throughout this year's BII report to ensuring that new initiatives will deliver more than financial support reflects the valuable insights we have gained. We have a strong voice as individual investees and as we go forward and enter this period of recovery, we need to be using our experience to support, challenge and influence Big Issue Invest in its building of future strategies, investments and grants.



# LAUNCHING THE BIG ISSUE INVEST STRATEGY



## Big Issue Group Mission:

**We build a world that works for everyone.**

We challenge, innovate and create self-help and sustainable business solutions, that dismantle poverty now and for future generations.

## WE BACK HUMAN POTENTIAL

### Strategic Themes



**Championing impact-first investing**



**Supporting with more than money**



**Pushing for social equality**

## HOW WILL WE ACHIEVE THIS

We will support organisations that generate core solutions to poverty and those who create an enabling environment to supporting people and communities out of poverty

### Core solutions to poverty

*Addressing basic needs and essentials of life*

<b>1 NO POVERTY</b> 	<b>2 ZERO HUNGER</b> 	<b>3 GOOD HEALTH AND WELL-BEING</b> 
<b>4 QUALITY EDUCATION</b> 	<b>5 GENDER EQUALITY</b> 	<b>7 AFFORDABLE AND CLEAN ENERGY</b> 
<b>8 DECENT WORK AND ECONOMIC GROWTH</b> 	<b>10 REDUCED INEQUALITIES</b> 	<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> 

### Enabling solutions to poverty

*Addressing needs that enable broader fulfilment*

<b>6 CLEAN WATER AND SANITATION</b> 	<b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b> 	<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> 	<b>13 CLIMATE ACTION</b> 
<b>14 LIFE BELOW WATER</b> 	<b>15 LIFE ON LAND</b> 	<b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b> 	<b>17 PARTNERSHIPS FOR THE GOALS</b> 

## WHAT WILL SUCCESS LOOK LIKE IN FIVE YEARS



Our investees will reach over **10 million customers** across the UK contributing to a *world that works for everyone*.



We aim to deliver **70% of our investments** in the areas of highest need and we will ensure equitable access to our investments across the UK.



We will have more equal investment across all core solutions to poverty and maintain over **90% of the portfolio aligning to core solutions**.



We will have launched **five new investment funds** and programmes with direct targets against our core.



We will be working towards growing a portfolio of **£500 million AUM** and Advisory by 2030.



We will **promote the impact investing sector in the UK** through sharing our lessons, best practice and promoting the achievements of our investees.

# OUR WORK

IN 2020 TO 2021

Last year Big Issue Invest supported 184 social enterprises across the UK with £39.7 million Assets Under Management (AUM) at March 2021.

This contributes to our overall mission as part of The Big Issue Group:

*We build a world that works for everyone.  
We challenge, innovate and create self-help and sustainable business solutions that dismantle poverty now and for future generations.*

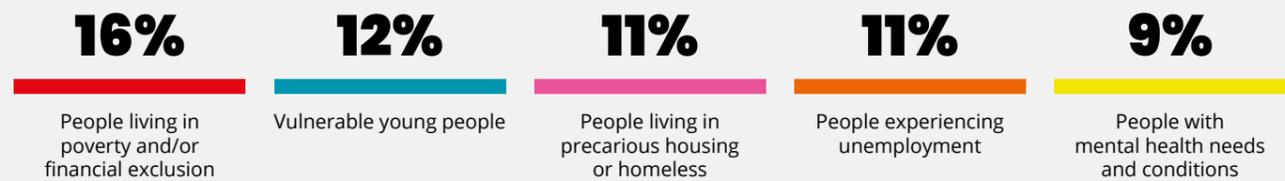
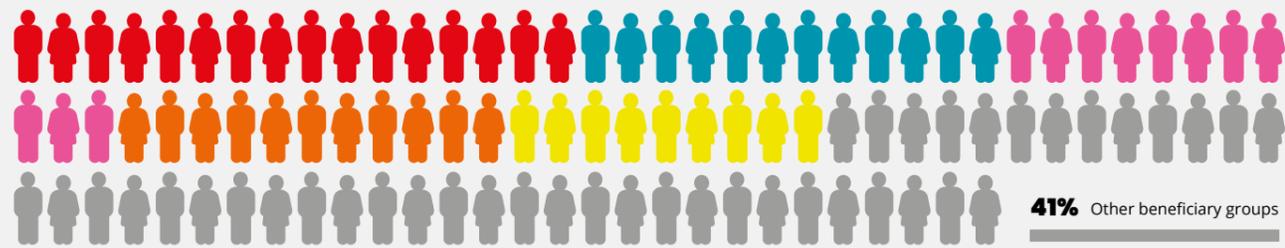
To deliver this mission, Big Issue Invest supports social businesses and charities to deliver social, economic and environmental impact across the UK and abroad.

In this report, we look to understand how our investments supported our customers and the impact our customers create in the lives of the people they support.



## THE IMPACT OF OUR INVESTEEES

Our investees supported over 1.16 million people across the UK<sup>1</sup> in the period. The 5 primary 'beneficiary groups' support by our investees are:<sup>2</sup>



\* Refer to annex 1 for additional impact details

The top 5 UN Sustainable Development Goals contributed to by our investees were:

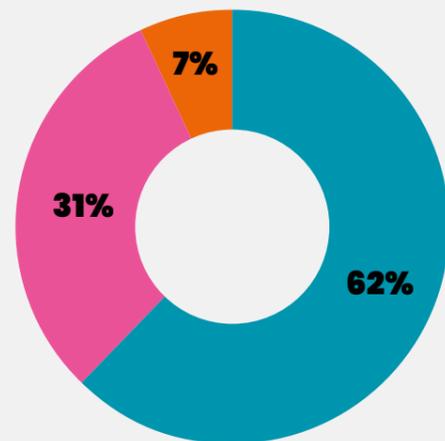


Our investees deliver this work where it is most needed.

Over 62% of investees are based in the areas of highest deprivation according to the UK Index of Multiple Deprivation:<sup>3</sup>

Support delivered where its needed

- Highest deprivation deciles
- Middle deciles
- Lowest deprivation deciles



## HOW OUR INVESTEEES DELIVER IMPACT

Our investees deliver impact in a number of different ways. Using a taxonomy developed by UnLtd,<sup>4</sup> Big Issue Invest investees deliver impact in the following ways:



Our investees also generate broader impact in their supply chain and employment practices, with some key achievements over the last year being:

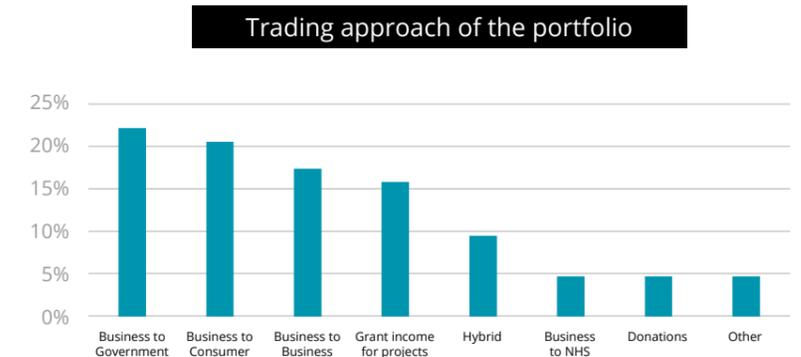
- An average turnover of **£520,000**; a **35% increase on last year**.
- 9,490 people are employed** by investees across the UK. This is a 14% decrease on last years' average per investee.
- 6,900 volunteer opportunities** for people in the community.
- 40%** of investees purchase goods and services from within their local area.
- 30%** of investees have environmental impact policies in place for their procurement and **45%** consider their carbon and environmental footprint in decision making.



The scale of impact delivered by our investees range from the local to the national and international, with:

- 76% of investees focussing their impact at a local level** (within their local community, local authority or multiple local authorities);
- 12% operating regionally covering one or more regions** across the UK; and
- 12% operating across the whole of the UK** and/or generate impact internationally.

Providing constant and effective support to people who are marginalised from mainstream society means our investees need to operate as sustainable enterprises. The graph opposite shows the percentage of our portfolio by primary trading model:



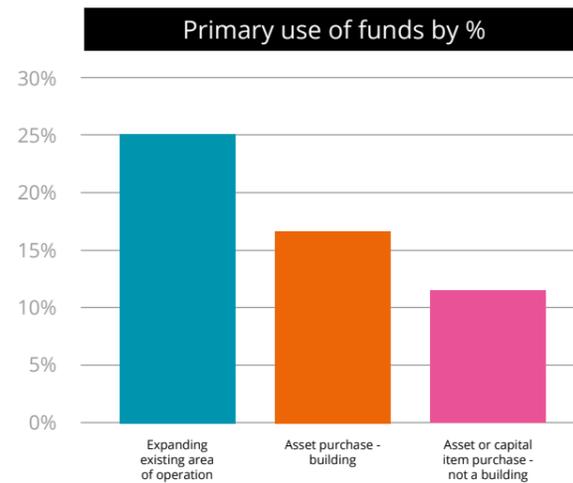
## HOW WE SUPPORT OUR INVESTEEES

Big Issue Invest is committed to supporting investees to deliver impact throughout the UK in areas of greatest need as shown previously. Although our investments reflect a higher concentration in Greater London, investments in Scotland, North East, East Midlands and the East of England have significantly increased during the period.

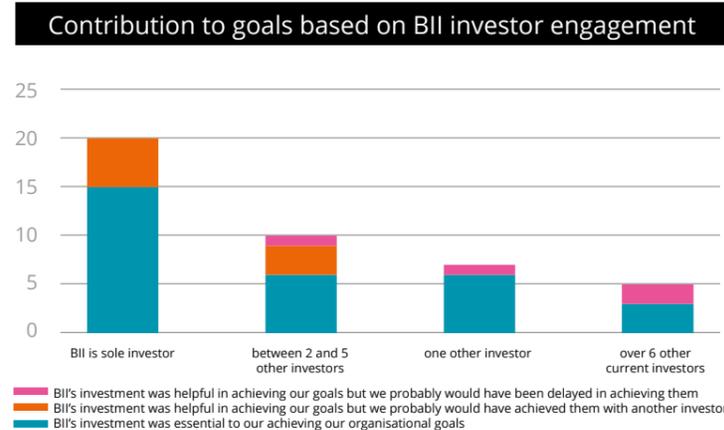
Head office - region	Total committed	% of portfolio	Change in value %	Total number of investments
Greater London	£18.2 million	42%	0%	56
West Midlands	£5.3 million	12%	-9%	11
North East	£2.5 million	6%	4%	18
Yorkshire and the Humber	£2.5 million	6%	-7%	10
South East	£1.3 million	3%	-56%	12
South West	£2.5 million	6%	-11%	12
Scotland	£5 million	12%	183%	25
North West	£3.6 million	8%	-22%	23
East Midlands	£0.4 million	1%	7%	6
East of England	£1.7 million	4%	667%	9

**Our overall Net Promoter Score was 90 (an increase of 7% from last year) while 71% stated that we were 'essential in achieving their organisational goals', a 17% decrease from last year.**

In doing so, the primary use of funds for our investees remained similar to 2019 – 2020:



In 50% of our investments we are the sole investor supporting organisations to deliver impact. The additionality we bring is greatest when we are the sole investor and when we are a co-investor with one other and our research shows this is the case in the majority of our investments. In these instances over 70% and 85% of investees respectively say we were essential to achieving their goals.



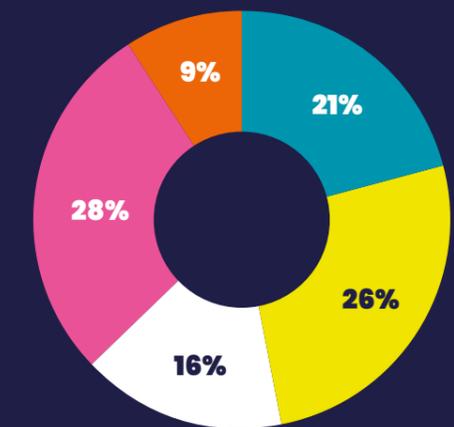
## Supporting investees and the sector through the Pandemic.

**In 2020 – 2021, we continue to support our investees and the social sector with a combination of investment, grants and wider support.**

Last year, we provided 61% of our investees with repayment holidays during the Pandemic. We also provided £3.2 million of grants to 118 grantees across England as part of the National Lottery Community Fund's 'Social Enterprise Support Fund' and supported the Resilience and Recovery Loan Fund to disburse £5.5 million through the Coronavirus Business Interruption Loan Scheme.

Over 50% of our investees managed to grow or maintain their work during the Pandemic. However, even more support will be required to help investees fully recover in the near future.

### Impact of the Pandemic on our investees



- Improved our performance through increased activity
- Improved our performance through cost savings and government support
- No significant change
- Negative impact on performance due to the Pandemic
- Significant negative impact on performance due to the Pandemic

# CHAMPIONING IMPACT FIRST-INVESTING



**We are at the leading edge of impact investing. We invest to enable everyone to participate fully in society and we demonstrate this through innovative impact measurement and reporting.**

At Big Issue Invest, we work with our investees to grow their impact. In 2020 – 2021, we invested in 12 new enterprises across the UK across a range of sectors. Our investment funds and projects enable social purpose organisations to engage with Big Issue Invest throughout their start up, growth and development.



**In 2020 – 2021, Big Issue Invest supported 184 social enterprises and charities across the UK with over 90% of investments contributing to our Core Solutions to Poverty.**



# 90%

## OUR EXISTING FUNDS AND PROJECTS

### Early Stage Venturing

Accelerator projects supporting early stage social enterprises to access expert mentoring and training alongside £50,000 patient debt to support start-ups to innovate, test and launch their ventures.

### Social Impact Loans

£10,000 to £150,000 of patient loans supporting organisations across the UK to grow their impact and strengthen their organisations.

### Outcomes Investment Fund

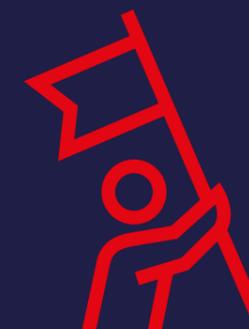
Social Outcomes Contracts and Social Impact Bonds from £125,000 up to £1.25 million to support innovative projects tackling poverty and complex challenges with partners across the UK.

### Social Enterprise Investment Fund

Loans and equity investments from £250,000 to £3.5 millions supporting the growth, innovation and development of social purpose organisations across the UK.

### The London Affordable Housing Project

A £10 million facility from the Greater London Authority offering loans from £50,000 to £3.5 million to community organisations, social enterprises, charities and small housing associations to build, purchase and/or renovate empty homes to create quality affordable housing in London.



## NEW FUNDS AND PROJECTS LAUNCHING IN 2021

### The Growth Impact Fund

Equity, equity-like and patient debt investments combined with technical assistance and grant funding from £50,000 up to £1.5 million to support diverse-led organisations tackle inequality across the UK.

### Fund IV

A unitranche debt fund providing tailored investment support to social enterprises and charities aiming to purchase housing, premises or similar assets to grow their social impact.

### The Impact Champions Project

Patient debt funding building on the success of Social Impact Loans to provide between £10,000 and £150,000 of flexible debt funding to social enterprises providing core solutions to poverty.

## HOMES FOR GOOD

Homes For Good (“HFG”) is a social private landlord and lettings agency in the private rental sector (PRS) who currently provide 90% of their tenancies for social tenancy.

In September 2020 SEIF II invested £1m equity and over £2m in debt financing for HFG. In March 21, this was followed up with an additional £500k debt facility to support their growth in impact by growing the property portfolio.

HFG provides a solution to the lack of affordable, high quality housing to those on low incomes in Glasgow and Ayrshire by providing secure, supportive and sustainable housing to vulnerable people. HFG manages over 194 rental properties and many tenants have faced a range of challenges and disadvantages including financial instability and long term unemployment, low income and homelessness or risk of homelessness or escaping domestic abuse.

Partners include Y-People and TARA who support people experiencing homelessness and women who are victims of trafficking. Of the 191 social tenants, 69 are beneficiaries of charity partners supporting victims of domestic abuse, asylum seekers, those who are disabled and those experiencing substance abuse.



### ABOUT HOMES FOR GOOD

HFG demonstrates the model of an exceptional social housing provider who puts the needs of their tenants first, prioritising quality housing and the health and wellbeing of everyone within their properties. The organisation deploys a specialist team to develop properties to the highest standard.

HFG has an in-house tenancy support team that goes beyond sector-standard responsibility taking a befriending approach to tenants, and helping with management of benefits, assistance with form applications and general well-being support.

11 SUSTAINABLE CITIES AND COMMUNITIES

IMP Rating:  
**C- Contributing to solutions**

**THE IMPACT OF HFG**

The HFG Tenancy Support team help tenants with management of benefits, assistance with applications or direct well-being support.

**HFG operates in areas where there are high levels of need, and a lack of access to quality affordable housing, 88% of HFG properties are in the poorest deciles of deprivation in Scotland<sup>5</sup>, with the remainder in the middle deciles.**



#### WHAT

HFG provides increased access to affordable housing in Glasgow, while supporting tenants to improve their wellbeing through wrap-around in-house tenancy support.



#### WHO

The primary beneficiary group are:  
**People living in precarious housing or homelessness**



#### HOW MUCH

As of Mar-21 HFG was providing housing for **191 'social tenants'**, and 90% of properties were below or in range of the Local Housing Allowance rate and available for people on low incomes or benefits.



#### CONTRIBUTION

SEIF II has invested **£1 million** equity alongside **£2.5 million** debt financing.



#### RISK

**Execution Risk:** Potential reduction in proportion of social tenants' post-investment, HFG are currently **15% above their minimum social tenancy proportions** as agreed with BII which is 75%.



### PROFILE OF ONE OF HFG'S TENANTS:

Margaret (not real name) was already a HFG tenant, however, she needed to find a new home for her and her two year old son when her relationship with her partner broke down.

Margaret had experienced domestic abuse in her relationship that had knocked her confidence, and was keen to find a property that she and her son could build back up their lives in. This property was close to her family network whilst being in a different area to her ex partner.

Knowing Margaret's personal circumstances meant that HFG were able to help her secure the tenancy quickly and with minimal stress. HFG also supported her to access funds for clothing, furnishings and toys.



Image of a Homes For Good property after renovations.

## WOLVERTON COMMUNITY ENERGY

**Wolverton Community Energy is a registered community benefit society whose vision is to enable Wolverton to generate and control its own energy resources.**

Wolverton Community Energy has successfully implemented projects to support the provision of sustainable energy in Wolverton and Milton Keynes. This includes investigating the opportunity for initiatives such as solar power, air source heating, biomass and hydro power as well as leading local insulation and energy efficiency projects.



Wolverton Community Energy has already generated over 1.5m kwh of solar energy from 350kWp, equivalent to saving over 600 tonnes of carbon emissions. This is equal to the total CO<sub>2</sub> emissions for 150 homes in England every year.<sup>6</sup>

Big Issue Invest provided £240,000 investment to Wolverton Community Energy and helped them kick off their first community fundraiser.



### ABOUT WOLVERTON COMMUNITY ENERGY

Wolverton Community Energy generates and provides affordable and clean energy to businesses and the community in Wolverton and Milton Keynes.

The organisation has multiple solar sites located on social enterprise buildings and provides low cost energy to social sector organisations. The organisation leverages this income to deliver additional community energy programmes that increase access to affordable and clean energy.

50% of profits go to...



Supporting local businesses to increase energy efficiency, cut carbon and contribute to the local economy

50% of profits go to...



Local community projects to alleviate fuel poverty, including improving energy efficiency in local homes



IMP Rating:  
**B - Benefit Stakeholders**



### THE IMPACT OF WOLVERTON COMMUNITY ENERGY

Wolverton Community Energy primarily acts as a B2B (business to business) energy provider working with over 100 customers (many of whom are social enterprises).



WHAT

Generating and creating local ownership of affordable clean energy for the Wolverton and Milton Keynes area.



WHO

The primary customers are:

**those living in communities directly impacted by climate change or environmental degradation**



HOW MUCH

Over **100 customers supported** to access energy that avoids 600 MTs of carbon by using local and green energy sources. Wolverton Community Energy supported Wyvern School to install LED lights **reducing energy bills by 50%** and contributing to pupil wellbeing.



CONTRIBUTION

Big Issue Invest provided **£240,000** to Wolverton Community Energy to support them to supply local businesses directly with cheaper, greener solar generated on their rooftops.



RISK

**External Risk:**  
Wolverton Community Energy operates in a competitive and growing market



# PUSHING FOR SOCIAL EQUALITY



**We believe social equity and justice are necessary to achieve social equality. We do not see anyone as 'hard to reach', and back the extraordinary organisations who can be overlooked by the mainstream.**

20% of our portfolio is invested into organisations directly tackling inequality in the UK and many of our clients tackle inequality through their work to improve health, education and job outcomes in deprived areas.



**In the coming years, we aim to grow our investments into high deprivation areas and into founders with lived experience of social challenges.**

**BELONGING**

**INCLUSION**

**DIVERSITY**

**EQUITY**

**IDENTITY**

## EAT SLEEP RIDE

**Eat, Sleep, Ride (ESR) is a social enterprise with a mission to provide tailored therapeutic horse-riding activities to people with a range of social needs.**

Dani, the founder of Eat Sleep Ride tells us why horse-riding therapy works.

“Horses are majestic, confident and powerful. They are intuitive and their willingness to relate to people is amazing. Our journey illustrates the healing value of a deep relationship with horses. ESR has evolved as a conduit to help people achieve their dreams. We believe that horses should be an inclusive, welcoming activity, not only accessible to those who can afford it!”



### ABOUT EAT SLEEP RIDE

Eat Sleep Ride (ESR) is a Community Interest Company (CIC) supporting children, young people and adults with complex needs with therapeutic services and employment opportunities. They provide activities such as horse riding lessons, recreational hacks, horse care and welfare training as well as employment and volunteering opportunities for people in need.



ESR is a Disability Confident Employer and a recognised Employability Fund Stage 2 provider of job opportunities for young people. To deliver the horse riding, therapeutic services and employment opportunities, Eat Sleep Ride provides corporate event opportunities, commercial horse riding, hacking trekking and horse care activities.

10 REDUCED INEQUALITIES

IMP Rating:  
**C - Contributing to solutions**

**THE IMPACT OF EAT SLEEP RIDE**

Over 70% of the beneficiaries of Eat Sleep Ride are children and young people with complex needs. Supported by the horses? the following impact is delivered by ESR. →



**WHAT**

Providing equine therapeutic services and employment opportunities for people with complex needs with a variety of horse care, riding and educational activities.



**WHO**

The primary beneficiary group are:

**those living in poverty and/or financial exclusion, those with mental health needs and conditions and vulnerable young people.**



**HOW MUCH**

**81 people** supported in 2020 with in-depth wellbeing and therapeutic services at the equestrian centre, **an increase of 42% on the previous year.**



**CONTRIBUTION**

Eat Sleep Ride work with people excluded from mainstream education and work and are essential for improving wellbeing according to multiple parent and carer testimonies.



**RISK**

**Drop-off Risk:** Eat Sleep Ride provides services to severely disadvantaged people and there is a risk that, post engagement with ESR, the benefits may not endure. This is mitigated by the range and depth of services available.

“Big Issue Invest provided £50,000 investment to support the establishment of a new riding school centre and therapeutic services. This has enabled Eat Sleep Ride to grow and provide services to over 80 people in need of support.”



## THE RESPITE ASSOCIATION

The Respite Association is a charity established in 2001 by a group of people with first-hand experience of the stress many carers experience whilst taking care of their loved ones.

The Respite Association provides 'care for carers' by helping unpaid carers to access funding for short term assistance so carers can take a much needed break.

**Big Issue Invest provided £35,000 investment to The Respite Association to support the purchase of a respite care facility.**



### ABOUT THE RESPITE ASSOCIATION

The Respite Association provides grants, support and care retreats for unpaid carers across the UK. With its retreats in Wales and the South West and average grants between £450-£500 **It is able to provide support packages that:**

- **Cover the cost of Respite Care**
- **Provide 'Breaks for Carers'**

The Respite Association provides respite care support for a variety of care needs including care for disabled people, the elderly and people in terminal care.

### THE IMPACT OF THE RESPITE ASSOCIATION

In 2017, the Office for National Statistics estimated that the value of unpaid care across the UK was **£57 billion**.<sup>8</sup> In 2020, Carers UK estimated that this had grown **to over £130 billion a year** during the Pandemic with over 11.5 million people (over 57% women) having unpaid care responsibilities.<sup>9</sup>

The additional economic, emotional and physical stress generated by the Pandemic reinforces the importance of the Respite Association's impact.

**3** GOOD HEALTH AND WELL-BEING



**IMP Rating:**  
**C - Contributing to solutions**







WHAT	WHO	HOW MUCH	CONTRIBUTION	RISK
<p></p> <p>Providing funding for respite care and breaks for unpaid carers across the UK.</p> <p></p>	<p></p> <p>The primary beneficiary group is:</p> <p><b>Unpaid carers</b></p> <p></p>	<p></p> <p><b>Scale:</b> Over 279 carers supported in 2020 to 2021.</p> <p><b>Depth:</b> An average of £500 funding to cover respite care costs.</p> <p><b>Duration:</b> A short duration intervention with long term mental wellbeing benefits</p>	<p></p> <p>Big Issue Invest provided <b>£35,000</b> investment for the purchase of a care facility. The intervention of The Respite Association in providing short breaks is vital to the well-being of many unpaid carers.</p>	<p></p> <p><b>Drop-off Risk:</b></p> <p>Unpaid carers may not sustain the benefits of respite if care situation still creates stress upon return.</p> <p></p>



# DIVERSITY, EQUITY AND INCLUSION

## AT BIG ISSUE INVEST

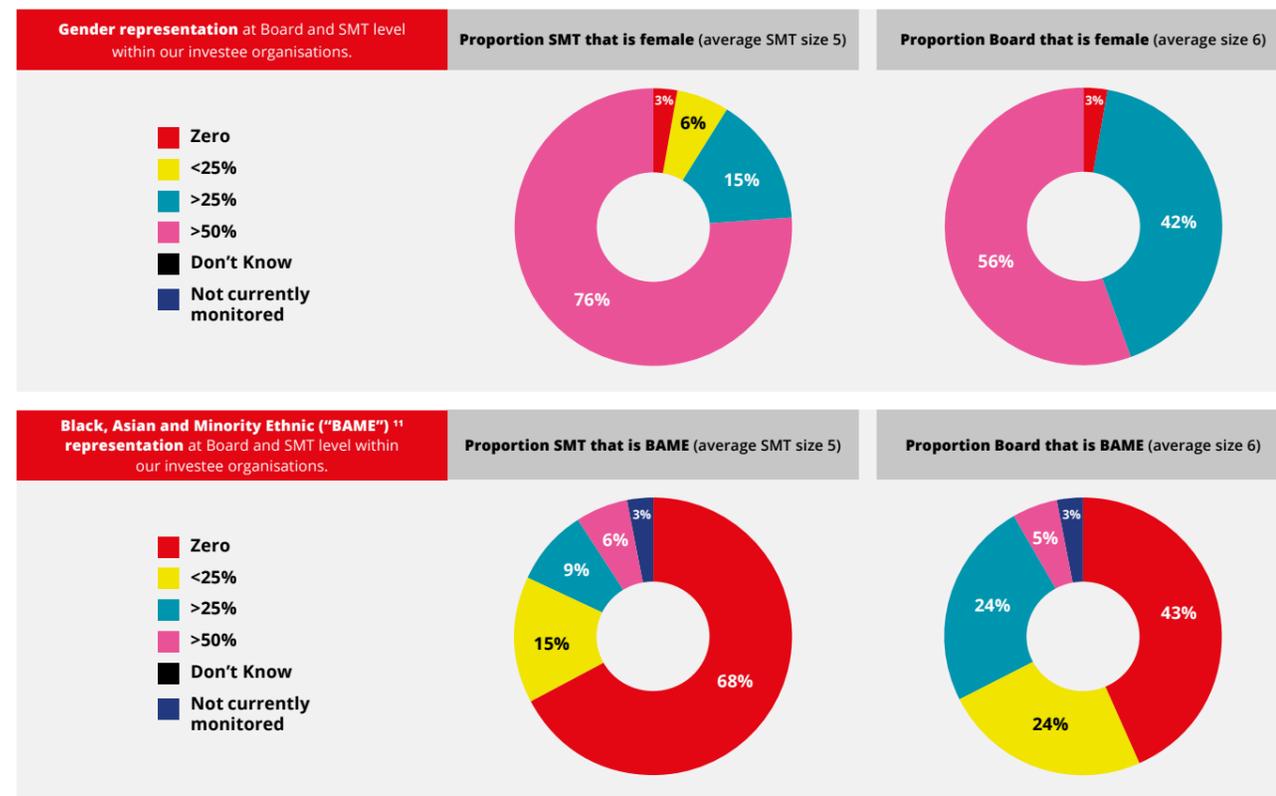
Over the last 12 months BII has continued to prioritise improving diversity, equality, and inclusion (“DEI”) in our work. We would like to take this opportunity to thank our investees for their engagement on this issue, as well as our many partners and the networks in the sector<sup>10</sup> who continue to push the social investment and social sectors to be more inclusive and accessible to social purpose organisations (SPOs) and the wider communities they support.

**We have implemented several actions this year to make progress on our commitment to DEI. Below are the key actions we have taken:**

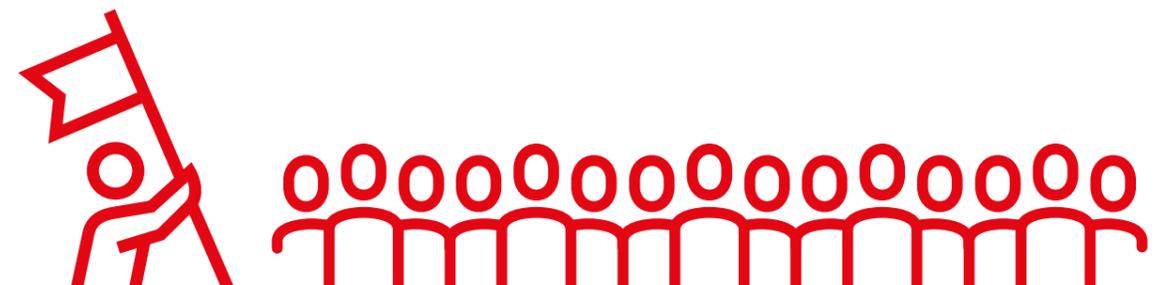
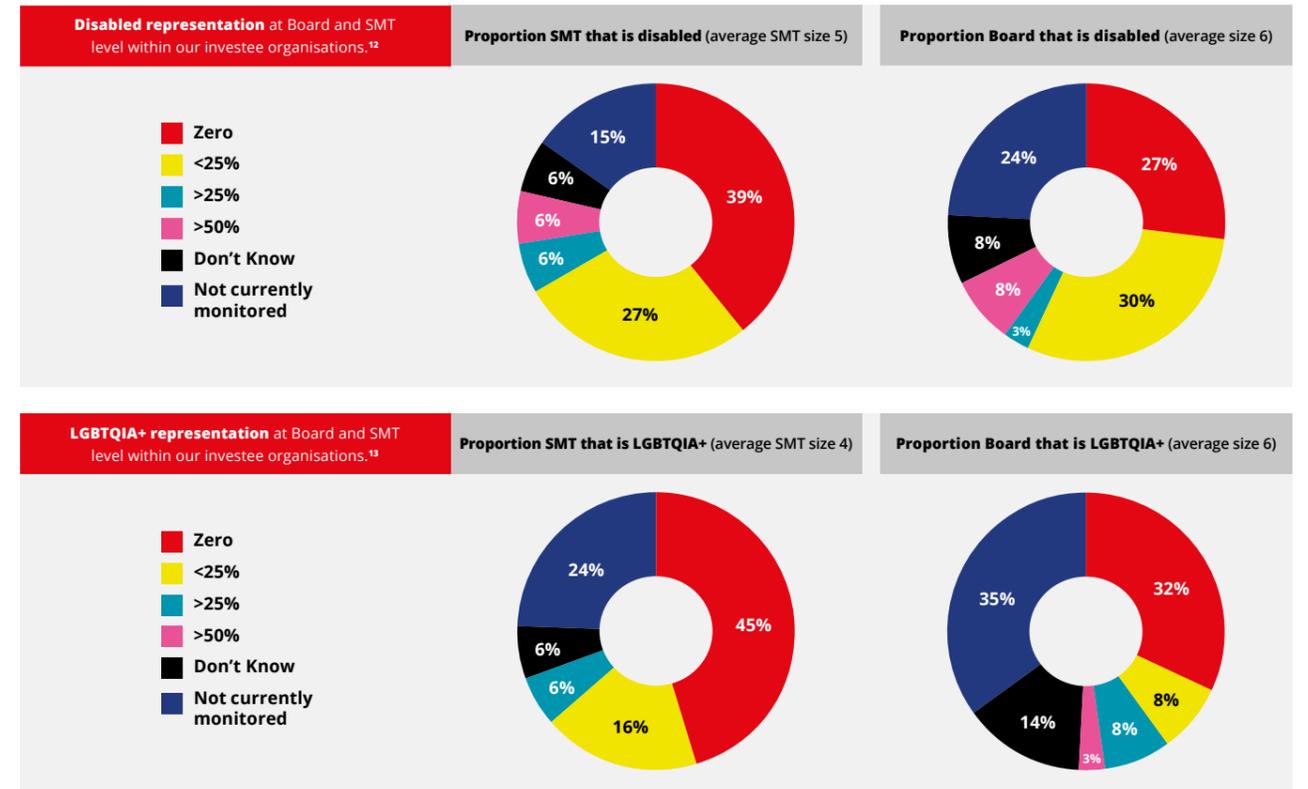
1. We have created and published a [DEI Measurement Tool](#) (available on our website for any organisation to download and use) to measure the representation of their staff team and beneficiary groups.
2. We have publicly shared our [Impact due diligence template](#) and provided an example of how we carry out due diligence to improve the transparency of our investment processes.
3. We have carried out BII’s first ever staff survey on demographic characteristics and lived experience at Board, SMT, and staff level. The findings are detailed later in this report. .

We welcome anyone to contact us for more information, or to give us feedback on our approaches to diversity, equality, and inclusion at BII. Please get in touch with Chloe Tye, our Impact and Equalities Specialist at [chloe.tye@bigissueinvest.com](mailto:chloe.tye@bigissueinvest.com)

**Our BII Investment Portfolio Representation** (as of September 2021)  
**The findings from our annual BII Investee survey are as follows:** ^



^ Survey conducted in August 2021 sent to 184 investees in BII portfolio. The response rate was 25% which means there is a 90% confidence of a 10% +/- margin of error.



### Representation of Leaders with lived experience (“LLE”):<sup>14</sup>

**BII believes that it is essential that leaders with lived experience are able to access our products. Our survey found that 56% of the leaders/founders reported having lived experience of a social challenge.**

*The most common types of lived experience reported by our investee leadership were:*

1. **Lone Parenthood**
2. **Living in poverty/Financial exclusion**
3. **Mental ill Health; Discrimination; and Homelessness**

## Our BII Staff Team and Board Representation (as of July 2021)

BII's first DEI staff survey on protected characteristics and lived experience was launched this year. Its key findings are as follows:

1. In terms of gender representation, the percentage of women making up the staff team is 24%, and at Board level it is 33%. The lack of female representation is most pronounced within the senior management team where there are no women.
2. BII's Black, Asian, and Minority Ethnic (BAME) representation at Board is higher than the national population average at 44% compared to 13%. However, there is no Black African, Black Caribbean, or Black British representation at Board level. BAME representation within the staff team is also low at 15%.
3. The disability disclosure rate within BII is 97%, however disability representation across the organisation is low with 87% of BII staff team and Board identifying as 'Not Disabled', and 10% identifying as 'Disabled' or 'Living with a long term health condition'.
4. 43% of the staff team, and a third of the Board reports having lived experience of a social challenge.
5. Lesbian, Gay, Bisexual, Queer (Questioning)+ (LGBQ+) representation within the staff team is 19%, while the Board has no LGBQ+ representation.

### The full findings are outlined below:

GENDER REPRESENTATION	Staff Team	Board
Male	76%	67%
Female	24%	33%

LGBQ+ <sup>15</sup> REPRESENTATION	Staff Team	Board
Heterosexual or Straight	71%	100%
LGBQ+	19%	0%
Prefer not to say	10%	0%

ETHNICITY REPRESENTATION	Staff Team	Board
Black African, Black Caribbean, Black British	5%	0%
Mixed/Multiple ethnicities	9%	44.5%
White Any	86%	44.5%
Other	0%	11%

LIVED EXPERIENCE REPRESENTATION <sup>16</sup>	Staff Team	Board
No	47%	56%
Prefer not to say	5%	0%
Yes	43%	33%
Unsure	5%	11%

DISABILITY REPRESENTATION	Staff Team	Board
Disabled	5%	0%
Long term health condition	5%	11%
Not disabled	85%	89%
Other	5%	0%

## BII'S GENDER PAY GAP

FOR THIS REPORT SNAPSHOT DATA WAS TAKEN ON 01/09/21 <sup>18</sup>

### Employee numbers: 22 employees.

**BII's staff is 68% male and 32% female, and both upper quartiles of pay are 100% male.**

Transparency is key to improving equality within our organisation and in holding ourselves to account to our key stakeholders. As can be seen below, our mean pay gap has increased since 2019/20 by 10%, and our median gap has increased by 4%. We have made some progress with representation this year, with a 50% female Fund Management Board and a 44% female BII board. Addressing this gender staff imbalance and inequity in pay will continue to be a key organisational priority for BII over the next 12 months through our organisation wide DEI work.

**Big Issue Invest's 2020/21 mean gender pay gap is 44.28% in favour of men**

**Big Issue Invest's 2020/21 median pay gap data is 38.09% in favour of men**

### Last Year:

Big Issue Invest's 2019/20 mean gender pay gap is 33.85% in favour of men.

Big Issue Invest's 2019/20 median pay gap data is 34.35% in favour of men.

### Proportion of males & females in each quartile 2020/21

Quartile	Male	Female
Q1	100%	0
Q2	100%	0
Q3	20%	80%
Q4	50%	50%

This year we are also publishing our Highest to Lowest pay ratio<sup>19</sup> for Big Issue Invest which is:

**5.29:1**

# SUPPORTING WITH **MORE THAN** MONEY



**Our impact extends beyond financial returns. We back our investees with ongoing support, collaborative impact measurement and access to networks which combine to create impact that outlasts our investment.**

Our mission to Build A World That Works for Everyone extends throughout the Big Issue Group of which we are part. This means providing the support our investees need to tackle the social, environmental and economic challenges in their communities. As a social investor, our support to investees extends beyond financial investment:



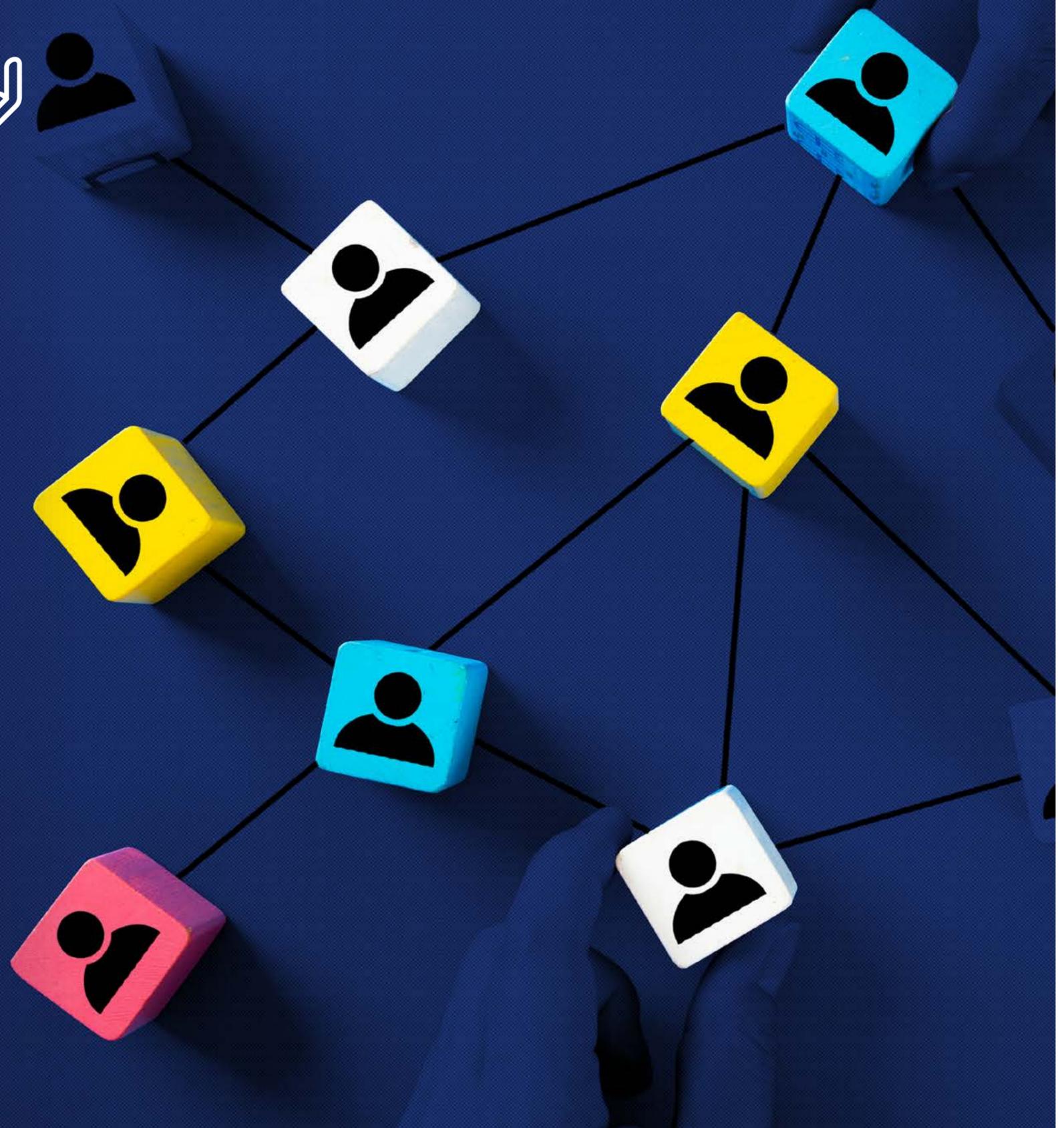
**Technical Assistance:** We support our organisations in areas such as impact management, financial sustainability and organisational resilience to help them achieve their goals and enhance impact.



**Market Development:** We seek to innovate in the way we invest and work with partners to further develop the social investment market. This includes developing the Social Outcomes Contracts market in the UK and developing new impact investing tools for the sector.



**Sharing Lessons:** We conduct research and share our learning with investees and other investors to improve how social investment can support the sector.



# CHANCES SUBSTANCE

The Chances Programme, co-developed by Substance in partnership with the Life Chances Fund, Sport England and Big Issue Invest, is committed to harnessing the power of sport to enhance the lives of disadvantaged young people aged 8-17 years, for the next four years.

The £1.5 million investment, committed in October 2020, will be used to create new opportunities to empower young people to get active and re-engage with education and skills provision; aimed at supporting those who are from low socio-economic backgrounds, have a history of the youth justice system, and/or low school attendance.

This is the first time Sport England have commissioned outcomes through a social outcomes contract (SOC).

**With more than 20 commissioners, including Local Authorities and The Life Chances Fund, this is the largest number of commissioners engaged in a single SOC in the world.<sup>6</sup>**



substance.

## ABOUT SUBSTANCE

Substance are a research and technology company that helps charities, social businesses and governments have a greater impact. In the Chances SOC Substance brings together a network of 16 locally trusted organisations<sup>20</sup> to deliver youth and community services including physical activities, martial arts, dance, and social action projects.

## THE IMPACT OF CHANCES

The Chances programme has the potential to provide 6,000 disadvantaged young people with engagement in sport and physical activity that they would otherwise be unlikely to access. This has been shown through research commissioned by Sport England to improve physical and mental health and improve overall life outcomes.<sup>21</sup> **This SOC has a total outcomes value of £4,100,000**

**3** GOOD HEALTH AND WELL-BEING

**IMP Rating:  
C- Contributing to solutions**



### WHAT

Providing access to sports, skills and physical activities to marginalised young people, with **1029** participants involved as of Mar-21.



### WHO

**The primary beneficiary group is: vulnerable children and young people**



### HOW MUCH

Aims to work with 6,000 children across 21 local areas in the UK, with:

- 149** participants improving school attendance across all terms
- 49** participants achieving a recognised qualification or award
- 8** participants completing 3 months of volunteering or work placements
- 8** reduced offending outcomes achieved



### CONTRIBUTION

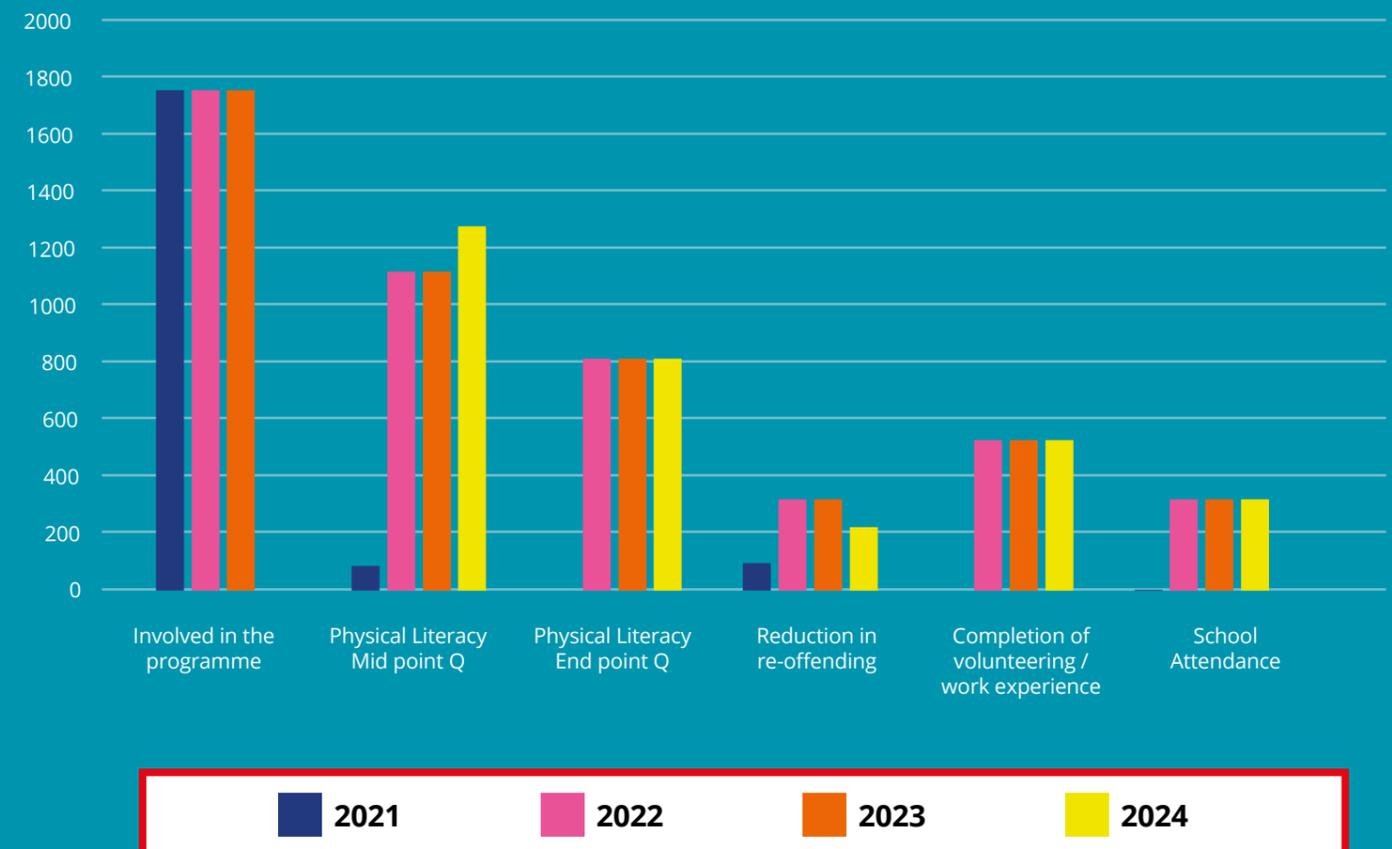
Big Issue Invest committed **£1.25 million** to fund the Chances programme, commissioned by Sport England, in partnership with the Life Chances Fund and 18 local authorities. The largest single Social Outcomes Contract in the world<sup>22</sup>



### RISK

**Drop-off Risk:** Young people not sustaining the benefit after leaving the project is a risk, but there are localised mentor and volunteer support networks in place to help prevent this.

## Forecasted outcomes for the Chances SOC (2020-2024)



## OUR RESEARCH PROJECT – BEYOND THE CHEQUE INITIATIVE

Our 'Beyond The Cheque Initiative' is supported by Esmée Fairbairn Foundation and Access: The Foundation For Social Investment.



The project aims to understand the Value for Money of Technical Assistance (TA) provided throughout the investment process by social investors.

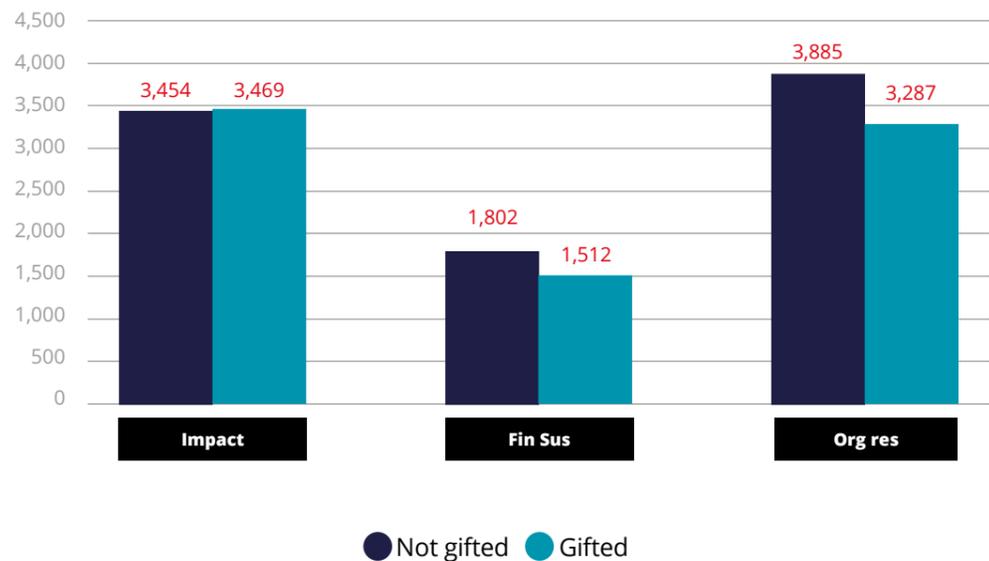
The research uses a 'stated-preference Willingness to Pay' (WtP) valuation methodology to understand the value of TA from the perspective of the social enterprises and charities who receive it.

To date, the research has found that for every £1 spent on technical assistance, between 75p and £1.40 of additional benefit is achieved by the social enterprise.

Technical Assistance is measured across Impact Management, Financial Sustainability and Organisational Resilience. The project aims to support Big Issue Invest and the wider Social Investment Sector to consider 'what works' in providing Technical Assistance.



Average value of Technical Assistance by Area of support



## DEMOCRATISING CAPITAL – PUBLIC MARKETS IMPACT ADVISORY SERVICES

In 2020 – 2021, Big Issue Invest continued to work with The Big Issue Group and The Big Exchange to pursue the democratisation of capital by making investment accessible for everyone.

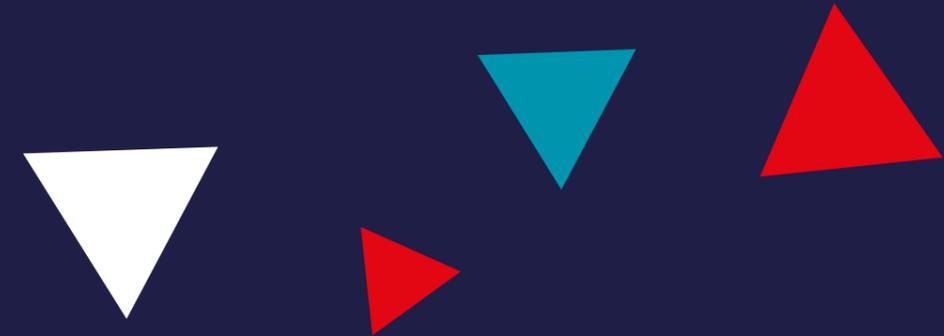


- The Big Exchange launch saw **more than 50 funds listed** on the platform with a combined assets under management of **over £50bn**, classified by a sector leading impact rating system.\*
- Our Social Advisory role to fund managers such as Columbia Threadneedle Investment and Aberdeen Standard Investments saw The Big Issue advising on **over £375 million AUM** to support impact investing in retail markets.\*
- The Big Issue worked in partnership with Aberdeen Standard Investment to **launch the Multi-Asset Climate Solutions (MACS)** fund. The fund invests in companies that aim to mitigate climate change and develop a more sustainable future for all.



\* As of 31st August 2021

# OVERVIEW OF OUR FUNDS AND PROJECTS IN 2020



Fund / Project Name	Type	Total number investees*	Total Assets Under Management*
Early Stage Venturing	Accelerator and Loans Programme	42	£1,292,075
Access I	Loans Programme	37	£1,750,810
Access II	Loans Programme	33	£1,827,826
Social Impact Loans	Loans Programme	39	£4,871,015
Affordable Housing London	Loans Facility	6	£6,089,275
SEIF I	Fund	3	£1,991,680
SEIF II	Fund	15	£11,093,777
OIF	Fund	19	£6,021,900
SESF	Grants project	114	£3.2 million

\* as of March 2021

## KEY FUNDERS





## CONCLUSION

The launch of the Big Issue Invest strategy in this 2020 – 2021 report comes after a year of unprecedented challenges due to the Pandemic. During the year, Big Issue Invest continued to help social enterprises and charities across the UK support their communities and customers in the face of these challenges.

Big Issue Invest was able to **support 184 organisations** during this period with investment and 118 with grants, with over 60% of investments made within high deprivation areas across the UK. We launched new funds and projects that responded to the needs of UK social enterprises and charities as they tackle our most pressing social, environmental and economic challenges.

Our experience this year has provided us with insights and skills that set us up to deliver on the new strategy that we have shared in this report; **to champion impact-first investing, push for social equality and deliver more than money to social enterprises and charities.**

This new strategy includes an ambitious target to increase the assets under BII management and advisory to **over £500 million by 2030**. In recognising that this growth has to work for everyone, we aim to increase the rate of investment in high deprivation areas across the UK, to improve the accessibility of investment for diverse-led organisations and to ensure that our investments are more evenly distributed across various core solutions to poverty.

## REFERENCES AND QUALIFIERS

1. Calculated based on sampled data response of 48 investees to the annual impact survey providing nearly 90% confidence with 10% +/- margin of error on calculation
2. For a full list of UN SDG alignment and similar full details on the impact methodology, see appendix 1
3. <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>
4. <https://www.unltd.org.uk/our-work/research/findings-10-understanding-social-business-models-in-the-employment-sector/>
5. The poorest deciles of deprivation are ranked as 1-4 on the Scottish Index of Multiple Deprivation, the Middle deciles are 5-6, and the least deprived are 7-10. More information available here: <https://www.gov.scot/publications/scottish-index-multiple-deprivation-2020/>.
6. <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/energyefficiencyofhousinginenglandandwales/2020-09-23>
7.  An honourable mention should be made to Ace, Ben, Buttons, Hamish, Lola, Magic, Marko, Merlin, Polly, Shadow, Shemay, Amber and Lacey
8. <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/articles/unpaidcarersprovidesocialcareworth57billion/2017-07-10>
9. <https://www.carersuk.org/for-professionals/policy/policy-library/unseen-and-undervalued-the-value-of-unpaid-care-provided-to-date-during-the-covid-19-pandemic>
10. A special thanks to The Diversity Forum, The Equality Impact Investing Project, The DEI Data Group convened by Fozia Irfan and Josh Cockroft, UnLtd: The Foundation For Social Entrepreneurs, and the many others who have contributed to our learning with their publications, resources and continual support.
11. The term BAME is used here to comprise all Black, Asian, Mixed and Minority ethnicities, including Roma, Gypsy and Irish Traveller communities. BAME is used as an all-encompassing term for these groups so that we are able to group the limited data that is available to show ethnicity of organisational boards and SMT and wider trends in disparities between ethnicities. This term has been used with the understanding that social, economic and racial disparities impact the groups within this category very differently and any findings will need to take that into account
12. Disabled is defined as per the UK Equalities Act 2010 <https://www.legislation.gov.uk/ukpga/2010/15/section/6>.
13. LGBTQIA+ is the acronym for Lesbian, Gay, Bisexual, Transgender, Queer (or questioning), Intersex, Asexual and other non-cis or heterosexual identities. BII takes definitions from Stonewall's glossary of terms when referencing LGBTQIA+ communities. More information <https://www.stonewall.org.uk/help-advice/faqs-and-glossary>.
14. Leaders with lived experience are defined as people who use their first-hand experience of a social issue to create positive change. They are rooted in the communities they serve, designing solutions with their peers in these communities.
15. Lesbian, Gay, Bisexual, Queer (Questioning)+.
16. We defined Lived experience within the survey as: 'Lived experience means you or a close relation has been directly affected by a social challenge.
17. A snapshot of the data on pay was taken on 01/09/21 for this report. The pay gap is calculated using guidelines as set out by the Government Equalities Office.
- 18 & 19. For more information on Highest to Lowest pay ratio and the averages within the social enterprise sector, please see Social Enterprise UK's 2019 report here: <https://www.socialenterprise.org.uk/state-of-social-enterprise-reports/capitalism-in-crisis-transforming-our-economy-for-people-and-planet/?su=t0>.
20. Youth Moves, Exeter City Community Trust, Flying Futures, Aston Villa Foundation, Positive Youth Foundation, Watford FC Community Sports and Education Trust (WFCCSET), Arsenal in the Community, Oxfordshire Youth, Middlesbrough FC Foundation, Energize STW & Bright Stars (Boxing Club), Saints Foundation, Foundation of Light, Wigan Athletic Community Trust, Leyton Orient Trust
21. <https://www.sportengland.org/news/physical-activity-can-help-children-catch-missed-work>
22. [Largest in terms of number of commissioners engaged in a single social outcomes contract](#)

# APPENDIX 1

## ADDITIONAL IMPACT

### METHODOLOGY DETAILS



**Big Issue Invest collates impact data on an annual basis, as a minimum, to understand the position of our portfolio against our overall mission of building a world that works for everyone.**

Impact data is collated from a combination of due diligence conducted during the investment assessment process, regular reporting requirements agreed with investees and an annual 'Impact Survey' that aggregates cross fund and project indicators to understand our portfolio.

In 2020 – 2021, the Impact Survey received 48 responses out of 184 investees. This provides just short of 90% confidence with a 10% margin of error +/- on analysis conducted using this data. This response rate is to be expected given the experience of the Pandemic affecting business operations

for social businesses and charities across the UK. Similarly, our Diversity, Equality and Inclusion (DEI) survey had 44 responses out of 184 investees providing 85% confidence with a 10% margin of error +/- on analysis.

Despite this, our analysis and findings provides a useful picture to understand the Big Issue Invest portfolio and the analysis supports Big Issue Invest to develop our strategy to continue to build a world that works for everyone and to communicate this to our stakeholders. Key information drawn upon in the report is shared below.



Primary SDG of investee	% of portfolio	Primary SDG of investee	% of portfolio
1 - No Poverty	7%	10 - Reduced inequality	8%
2 - Zero hunger, improve nutrition and agriculture	1%	11 - Sustainable cities and communities	16%
3 - Good health and well-being	31%	12 - Responsible consumption and production	2%
4 - Inclusive and quality education	10%	13 - Climate Action	0%
5 - Gender equality	1%	14 - Life below water	0%
6 - Clean water and sanitation	0%	15 - Life on land	1%
7 - Affordable and clean energy	1%	16 - Peace, justice and strong institutions	0%
8 - Decent work and economic growth	17%	17 - Partnerships for goals	2%
9 - Resilient industry, innovation and infrastructure	4%		

## Appendix 1 contd

Main beneficiary group	% of investees supporting
Living in poverty and/or financial exclusion	16%
Vulnerable young people	12%
Living in precarious housing or homeless	11%
Experiencing unemployment	11%
Mental health needs and conditions	9%
Vulnerable children	7%
Living in communities directly impacted by climate change or environmental degradation	7%
Benefits Multiple Stakeholders	6%
Learning difficulties and other neurodivergence	6%
Older people	4%
Physical disabilities or sensory impairments	2%
Dealing with addiction issues	2%
Vulnerable parents	2%
Experienced crime or abuse	1%
Health condition or life threatening illness	1%
Refugees, asylum seekers and other migrants	1%
Unpaid carers	1%
Ex-offenders and prisoners	1%
Other social businesses	1%

IMD 2020 survey	IMD 2020 survey Count
1	27
2	21
3	19
4	29
5	19
6	10
7	13
8	5
9	5
10	6

Use of funds	%
Expanding existing area of operation	25%
Asset purchase - building	17%
Asset or capital item purchase - not a building	12%
New product or service development	9%
Establishing new area of operation	6%
Pursuing new revenue streams	6%
Refurbishments	6%
Working capital need for a confirmed contract	4%
Cover shortfall in cash	4%
Other	4%
Re-financing previous debt	3%
Increase marketing activities	1%
Financing onward lending	1%
Hiring new staff	1%
Investing in organisational systems	0%

## BII portfolio investor attribution rating

- 71%** | BII's investment was essential to our achieving our organisational goals
- 20%** | BII's investment was helpful in achieving our goals but we probably would have achieved them with another investor
- 10%** | BII's investment was helpful in achieving our goals but we probably would have been delayed in achieving them
- 0%** | BII's investment provided helpful assurance but did not directly contribute to the goal
- 0%** | The process of securing and managing BII's investment has had a negative impact on our ability to achieve our goals

## Appendix 1 contd

% of investee expenditure in local area	
less than 10%	15%
11% to 20%	25%
21% to 50%	18%
51% to 75%	33%
over 75%	10%

Locality of services	%
Local - one neighbourhood	2%
Local - one local authority	32%
several locations - several local authorities	41%
several locations - an UK region	10%
several locations - several UK regions	2%
National - Scotland	0%
National - England	2%
National - Wales	0%
National - Northern Ireland	0%
UK Wide	2%
International - Europe	2%
International - Global	5%

## Our definitions of ways to deliver impact



### Impact services:

You create impact by providing training, advice, products or other services directly to people and communities in need.



### Impact employer:

You create impact by providing employment opportunities to people in your business who otherwise would struggle to access a good job.



### Impact enabler:

You support other businesses to generate impact by improving their systems, policies or other activities to benefit society



### Profit donor:

You generate impact by donating your profits to a charity or other social cause



### Hybrid:

A combination of the above approaches



@bigissueinvest

www.bigissueinvest.com