

# Our Social Lending Impact 2012



PUTTING

**SOCIAL** CHANGE,  
**SOCIAL** BENEFIT

AND

**COMMUNITY**

INVOLVEMENT

AT THE

**HEART**

OF EVERYTHING WE DO.





# Foreword



## I am delighted to share with you our first social lending impact brochure.

We have sought to put social change and community benefit at the heart of everything we do, and this guiding principle runs right through the three-year business strategy, which we launched in 2012.

As we approach our 30th anniversary, it is essential that we begin to report more formally on the social impacts generated by our lending. For us this is the start of a journey, and moving forward we will work closely with our social economy customers to understand in more detail the social benefit we help them to deliver. In turn, we will share these outcomes in future reports.

Unity was established almost 30 years ago as the UK's first Trades Unions owned bank. This invaluable relationship enables us to support social organisations in a way that is unique, as well as realising the ideals of Trades Unions through lending into the social economy.

This gives us the ability to generate both a social and financial return; in other words a 'double bottom line'.

As a social enterprise ourselves we know that by providing much needed finance to charities, social enterprises, housing providers, Community Development Finance Institutions (CDFIs) and the wider social economy, we are helping to improve the fabric of society by creating jobs, improving living conditions and retaining wealth in local communities.

I hope you enjoy reading about how our loans have made a positive impact on communities like yours, and I look forward to updating you on our progress over the next few years.

**Richard Wilcox**

Managing Director, Unity Trust Bank

01. Midlands business Island Delight is one of many local employers supported by the affordable finance from CDFIs.

02. A resident of Broadening Choices for Older People, Birmingham, enjoys the petting zoo which is a permanent feature of the home.

03. A new place of worship in Manchester brings the community of Redeemed Christian Church of God - The Precious Peoples Parish together.

04. One of the two-bed properties available as affordable homes in the Hull area, through Northern Hull Community Development.



01.



03.



02.



04.

# Making a difference through our social lending

**As a bank we have always put social responsibility at the heart of everything we do, therefore reporting our social impact is a natural evolution for us. When the Bank was founded, we made a significant commitment to building a better society. And now, almost 30 years later, we are still demonstrating that promise.**

This brochure is a first step as we endeavour to build an account of the social impact delivered through our lending. This lending, which totalled £19 million, was delivered in three main areas; Community Finance, Settled Housing and Community Cohesion. Community Finance accounts for 18% of the loans we made in 2012 and both Settled Housing and Community Cohesion account for 41%. This is part of our overall commitment of £32,360,000 that we made to organisations in the social economy in 2012.

Our lending helps to support a range of great causes, from churches to charity shops, and hostels to head offices. With our help, customers have been able to transform lives and build aspirations in their communities, making them a better place to live. We have helped create new jobs; leveraged additional funding and supported our customers when other funders had turned them away.

We are proud that we are a bank that drives and supports social change. Reporting on our social lending impact helps us to see how we meet these promises and in what ways. It will continue to be a journey of discovery teaching us about both what we can do, and how our customers work to make a difference.

We are driven by a dual goal of financial and social returns. In the coming years, we aim to lend more than ever to the social economy. By doing so, not only will we strengthen the commitment of the bank, but also we will be able to widen the reach of our social impact, making deeper and broader inroads to drive social change.



We are developing a framework to capture and measure our impact in a number of areas. These areas have a strong affinity with our values. Next year, when we report on our lending in 2013, we aim to tell you:

- how many jobs we create and protect
- how many of our borrowers pay their staff the living wage
- which geographic areas we lend to
- how much additional finance we help leverage
- the amount of service users we reach

01. This local business owner was able to purchase a van with financial help from Enterprise Answers.

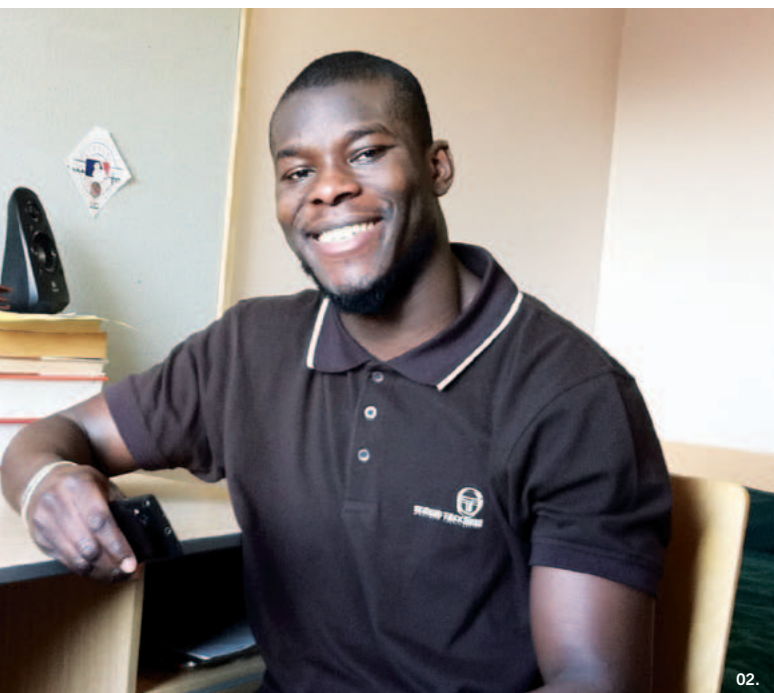
02. Abubakar shows off his newly refurbished room at Forest YMCA.

03. Oldbury business owner Paul has found support through his local CDFI, Black Country Reinvestment Society.



**Unity Trust Bank has helped to manage the gap in cashflow between building our new office and selling the homes. They have provided us with access to very straightforward and cost effective loan finance to enable the building project to take place."**

**Kevin Barnes**  
Director of Finance, Barnardo's



Our lending creates very fundamental outputs such as homes, offices and community hubs. This enables organisations to benefit from more space, facilities which meet their needs and increased capabilities. In turn, this supports the people who are helped by the work of the social organisations we lend to.

Providing this element of security for our customers day-to-day business operations, means that they are free to concentrate on delivering the goals that

are at the heart of their mission. Through this they bring individuals and communities together by promoting and encouraging inclusion, achievement and aspiration amongst the people they work with. Above all, this leads to a boost in self-esteem, self-belief, and ambitions for both the organisations and the people they work with, to help build thriving communities.

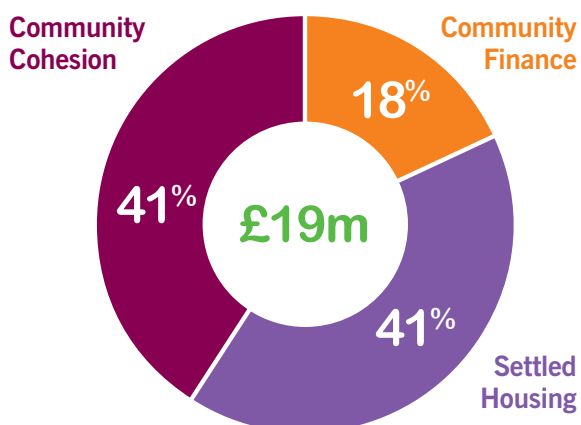
We continue to deliver the support that enables social change in communities across the UK through taking small steps to build a better society.

**For us, lending is simply a means to a much greater achievement of social change.**

The case studies overleaf show how we are helping communities across the UK through our lending to three key community areas - settled housing, community cohesion and community finance. You will meet some of our customers and learn how we are enabling them to care for the communities and people they work with through our specialist knowledge, experience and understanding of the social economy.

## Our lending

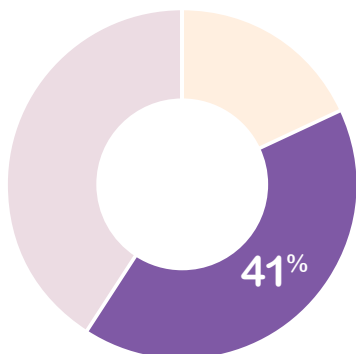
How the loans we made were distributed to organisations in the social economy.



**We lent £19m to customers across the social economy in 2012.**

**This is part of the overall commitment of £32m we made to social economy organisations in 2012.**

# Settled Housing



Providing suitable and settled accommodation for communities means that individuals and families can live in homes which meet their needs, whether that is because it is specially adapted, it is supported living or because it is affordable. This housing also provides stability for residents for a substantial period of time because of its secure tenancy, meaning they are able to develop other areas of their lives such as employment, education and independent living, without disruption to their home life.

Organisations who build and acquire housing for the communities they support often do so for marginalised, disadvantaged or vulnerable people, and the facilities and services they provide can be vital in allowing people to become a valuable and active part of their communities and of wider society. Others aid communities with the provision of affordable accommodation with rents and living costs reduced, which is invaluable at a time when an economic crisis is placing an emotional strain on families across the country.

Through lending to Housing Associations, YMCAs and supported living organisations, we can ensure that individuals and families can achieve stability, independence, and raise aspirations in their communities, all whilst helping to regenerate local economies.



Since we started to bank with Unity Trust Bank we have been able to really develop our Strategic Plan. The biggest help has been the regular meetings and support from our Relationship Manager who has been sensible in his advice and creative in his ideas as to how the bank can make our plans work."

Michael Pavlovic  
Director, The York Association for  
Care and Resettlement of Offenders



01.

We created over 200 bed spaces through lending to settled housing organisations in 2012.



02.

## Action Housing and Support

**Loan Amount:** £600,000

**Based:** Sheffield and Derbyshire

**Purpose:** Purchase and renovate 15 flats to be rented to their customers. Additionally, a café has been created in the building, creating local jobs.

**About:** This housing association provides settled accommodation for a number of vulnerable groups and those on the margins of society. They also provide support and advice to their tenants. Their focus is on helping people live independently, helping people to set up homes and promote living responsibly in society.

[www.actionhousinguk.org](http://www.actionhousinguk.org)

## Eldon Housing Association

**Loan Amount:** £4m

**Based:** Surrey

**Purpose:** To acquire 31 new homes to rent as affordable housing.

**About:** Eldon Housing Association Ltd provides a range of housing options for older people within the community of the London Borough of Croydon. Focusing on caring management, they have built a portfolio of properties across the borough for predominately older service users. Their properties are specifically designed to meet the needs of their clients.

[www.eldonhousing.co.uk](http://www.eldonhousing.co.uk)

## Broadening Choices for Older People (BCOP)

**Loan Amount:** £1.5m

**Based:** Birmingham

**Purpose:** Developing and modernising a residential care facility for up to 53 older people, including communal and garden spaces.

**About:** BCOP has over 60 years experience providing comprehensive and expert care for the elderly. With specialist facilities, they can offer a range of services from long-term residential care to respite care.

[www.bcop.org.uk](http://www.bcop.org.uk)

## Forest YMCA of East London

**Loan Amount:** £1.4m

**Based:** Walthamstow

**Purpose:** Refurbishing Forest YMCA's main 153 roomed tower hostel for the homeless, including installing en-suite facilities and a communal lounge and kitchen on each floor.

**About:** Forest YMCA operates London's largest 'direct-access' hostel, and provides accommodation and support to 295 homeless young people at eight sites across the London Borough of Waltham Forest on a daily basis. These sites provide young people with a safe place to live, and all the support they need to develop firm foundations for realising their full potential and achieving social integration and personal independence.

[www.forestymca.org.uk](http://www.forestymca.org.uk)

01. A delighted resident of Penge Church Housing Association receives the keys to his new home.

02. Some of the affordable homes available to Hull residents through Northern Hull Community Development.

03. Trust Housing's Isle of Arran development provides 24 over 60s and their families with homes, responding to local housing needs.



With the support of Unity Trust Bank working with us alongside local people and donations from other charities we have been able to complete the construction phase of our new supported living service. A close working relationship with the bank has been vital and we greatly appreciate the consistent support and knowledge of our business."

Dan Lawrence  
Chief Executive, Peaceful Place



03.

### Northern Hull Community Development

**Loan Amount:** £800,000

**Based:** Hull

**Purpose:** Boosting their portfolio through purchasing up to 18 one or two bed properties in the HU6 postcode area.

**About:** This charity supports their local community through a variety of projects. Part of this is buying housing to rent out affordably to the local residents, in an area that has a high level of unemployment and homelessness.

[www.unityincommunity.org.uk](http://www.unityincommunity.org.uk)

### Peaceful Place

**Loan Amount:** £448,000

**Based:** Essex

**Purpose:** Building two specialised houses for six individuals with early onset of dementia, to meet their living needs. This lending completes a 10 bed project that has specifically channelled work to local contractors.

**About:** As the only charity in the region specialising in dementia care, Peaceful Place are launching the Supported Living Service to provide specialist accommodation to help people with dementia live more meaningful lives.

[www.peacefulplace.co.uk](http://www.peacefulplace.co.uk)

### Penge Churches Housing Association

**Loan Amount:** £1m

**Based:** London

**Purpose:** Purchasing four properties to provide housing for families with a range of needs.

**About:** Providing housing of a good quality that meets the needs of its community has been the aim of this housing association since its foundation in 1969. It caters for a number of households including families, and those with mental health needs and learning difficulties by providing affordable housing that is in demand in the area.

[www.pengechurchesha.org.uk](http://www.pengechurchesha.org.uk)

### Redditch YMCA

**Loan Amount:** £1.1m

**Based:** Redditch

**Purpose:** Purchasing a residential property, Frederick Eary House, to create 34 flats.

**About:** This YMCA supports young people in the Redditch area, providing affordable and comfortable housing. Through staying with the YMCA, young people can find their feet and have stability whilst they prepare for the next phase of their lives.

[www.ymca.org.uk](http://www.ymca.org.uk)

### Trust Housing

**Loan Amount:** £4m

**Based:** Scotland

**Purpose:** Supporting several projects including acquiring 64 flats from another housing association and the construction of 24 new homes on the Isle of Arran. As well as building and acquiring new homes, Trust has also made improvements to some of their properties by providing new windows, kitchens and bathrooms for some tenants.

**About:** Covering the whole of Scotland, Trust Housing provides accommodation for the elderly with varying levels of support. They focus on creating thriving communities for their residents, and providing stimulating and comfortable environments.

[www.trustha.org.uk](http://www.trustha.org.uk)

### Turning Point Building Futures

**Loan Amount:** £2m

**Based:** Bolsover

**Purpose:** Build two semi-secure units, accommodating 28 individuals. This loan created 92 FTE jobs and produced work for local contractors.

**About:** Turning Point provides support services in many areas. These units are for individuals recovering from mental health issues, allowing residents to regain independence and to integrate with their communities.

[www.turning-point.co.uk](http://www.turning-point.co.uk)

### The York Association for Care and Resettlement of Offenders (YACRO)

**Loan Amount:** £125,000

**Based:** York

**Purpose:** Purchasing Hollinrake House, a new five bedroom residential property.

**About:** This registered social landlord provides housing for homeless ex-offenders. They have a number of supported residential facilities where residents can live independently in safe environments. This helps them become productive individuals and integrate back into society.

[www.yacro.org.uk](http://www.yacro.org.uk)



The £1.4m loan that Unity Trust Bank made towards the refurbishment of our main hostel has been key in enabling us to provide our residents with bright, modern 'homes' that increase their sense of well-being and happiness, and helps them in their journey into independence."

Timothy Pain  
Chief Executive, Forest YMCA



01. A member of Peaceful Place day centre enjoys the 'pets as therapy' session, specifically designed to engage and stimulate those with early onset dementia.



02. One of the new suites at Turning Point which will help patients to live independently again.

## A closer look

### Broadening Choices for Older People £1.5m

Maintaining comfortable and happy living spaces for older people is hugely important to the organisation Broadening Choices for Older People (BCOP).

Running since 1946, BCOP specialises in providing long-term residential care and respite care at locations such as the Robert Harvey House care home in Birmingham.

Two years ago, the 18-year-old care home was in need of refurbishment, but after more than three years of failed attempts to bring in bank loans to renovate, things weren't looking hopeful. Until, that was, BCOP discovered Unity Trust Bank.

"We went to many of the high street banks and others and were told they weren't lending to the health and social care sector," says Marcus Fellows, CEO of the organisation. "We approached Unity after hearing about them through a broker and got a 'yes' very quickly with our request to borrow £1.5 million.

"After nearly two decades of use, the house was tired and badly in need of modernising for its 51 residents," says Marcus.



Residents at BCOP receive specialised support, allowing them to maintain their independence and comfort in an especially adapted environment.

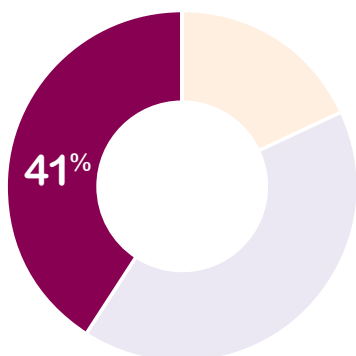
The home has 47 suites including a mix of single and double rooms, and can accommodate up to 53 residents including couples. Each room has been completely redesigned and now features its own en-suite bathroom with fully accessible wet room facilities. With the improvements in place, the home is now able to offer a more luxurious environment for residents, with spruced up communal areas and gardens.

Commenting on the results of the refurbishment, Ian Driscoll, Operations

Manager at the time (now retired), says: "The loan has allowed us to do so much and we're delighted with how well the project has progressed.

"We know that the service our staff provide is second-to-none and now we have the facilities to match these high standards. However, the real proof of the project's success is the positive feedback that we've received from all the staff, residents and their families," he adds.

# Community Cohesion



**Organisations that contribute to community cohesion do so through many different means. Whether providing a community service, space, or support, these organisations all have the same goal – to make their communities a better place.**

From local communities, to groups of people sharing beliefs, goals or circumstances, the work our customers do to bring people together, to create opportunities and equality, and to inspire change is considerable.

Many customers in this area, primarily charities and voluntary organisations, borrow to acquire or redevelop their assets. This is largely true of our lending and we have helped our customers to build a sustainable future through investing in their facilities. This means they can concentrate on providing the services that they excel at; knowing the future of their organisations is more secure.

We have established relationships with a number of organisations that promote community cohesion. Through this, we can reach and make a difference to many individuals and communities through a range of services provided by our customers, including legal services, children's services and business services.



**From basketball hall to magnificent precious house, Redeemed Christian Church of God – The Precious Peoples Parish is a one stop church thanks to Unity Trust Bank support.”**

Pastor Ogundipe  
RCCG, The Precious Peoples Parish



An artists impression of Barnardo's green head office development which is due to be completed in September 2013.

**83% of our loans which helped grow communities were to provide new, improved or additional space to help an organisations grow or improve its services.**

## Age UK Leicester Shire and Rutland

**Loan Amount:** £380,000

**Based:** Leicester

**Purpose:** Purchasing premises for a charity shop – providing a sustainable source of fundraising and affordable goods for the local community.

**About:** Age UK Leicester Shire and Rutland promotes the wellbeing of older people across the area and provides a wide range of vital support services to meet the needs of the older community.

[www.ageuk.org.uk/leics](http://www.ageuk.org.uk/leics)

## Barnardo's

**Loan Amount:** £8m

**Based:** Essex

**Purpose:** Building a new 'green' and efficient head office and over 200 new homes.

**About:** This national children's charity works with vulnerable children across the UK to change their lives. They support issues affecting children ranging from disability to domestic violence, through practical support, research and campaigns.

[www.barnardos.org.uk](http://www.barnardos.org.uk)

## Barnt Green Baptist Church

**Loan Amount:** £140,000

**Based:** South Birmingham

**Purpose:** Purchase of residential accommodation for the full time minister at Barnt Green Baptist Church.

**About:** The Church serves communities in Birmingham and Worcestershire through running groups supporting marriage, parenting, divorce recovery and playgroup. The membership helps to bring the whole community together to share in weekly worship and is involved with the local school and other organisations through its minister.

[www.bgb.org.uk](http://www.bgb.org.uk)



Barnt Green Baptist Church, where the community has been brought together through a new minister.

## Groundwork London

**Loan Amount:** £600,000

**Based:** London

**Purpose:** Purchasing a head office, saving costs on rent and providing a secure future.

**About:** Groundwork London is a social and environmental regeneration charity. Part of a national network, it improves Londoners' prospects by delivering support to increase the confidence, skills and employability of those furthest removed from the labour market, in particular young people. It creates better places by supporting individuals and businesses to work collectively to reduce natural resource use and make their surroundings greener, safer and healthier.

[london.groundwork.org.uk](http://london.groundwork.org.uk)

## Redeemed Christian Church of God – Covenant Restoration Assembly

**Loan Amount:** £208,000

**Based:** Nottingham

**Purpose:** Buying a modern, fit for purpose space for worship and community activities.

**About:** As part of the global Redeemed Christian Church of God movement, this parish prides itself on its multicultural congregation that are willing to make an impact of society. The Church teaches its congregation about their spirituality and helps them to develop this.

[www.rccgcranottingham.org](http://www.rccgcranottingham.org)

## Redeemed Christian Church of God – The Precious Peoples Parish (RCCG PPP)

**Loan Amount:** £287,000

**Based:** Manchester

**Purpose:** Expanding current congregation space to provide a place of worship for increasing members and providing suitable facilities to support community and business impacting activities that can enrich lives and the Church. The development has also helped rejuvenate the 'Strangeways Business District' of Greater Manchester, as part of a local government plan.

**About:** RCCG Precious Peoples Parish is a faith Charity organisation within an international network of Churches maintaining presence in over 160 countries. RCCG PPP, like the global body, spreads its values of everyone being equal and one family throughout the community to establish a sense of belonging.

[www.pppchurchrccg.org](http://www.pppchurchrccg.org)

## Social Enterprise North West (SENW)

**Loan Amount:** £100,000

**Based:** Liverpool

**Purpose:** Providing working capital whilst SENW awaited European Regional Development Fund funding of £7.7m which is supporting 900 social enterprises, creating 1175 new businesses, and 1300 new jobs in Greater Merseyside.

**About:** As a regional network of social enterprises, this umbrella body raises the profiles of social enterprises in the North West and also highlights the need for social enterprises in the area. SENW strengthens the sector by providing knowledge and training to others and through working in partnership with similar organisations.

[www.senw.org.uk](http://www.senw.org.uk)



The loan from Unity Trust Bank enabled the church fulfil its long standing desire to own its own venue and to establish strong permanent links with the local community."

Pastor Ibikunle  
RCCG, Covenant Restoration Assembly

### South Derbyshire Citizens Advice Bureau

**Loan Amount:** £50,000

**Based:** Swadlincote

**Purpose:** Purchase of a head office which they previously rented.

**About:** Part of a national network, this CAB provides its local community with impartial advice about a number of issues including debts and benefits. They now deliver training and facilitate outreach services as a result of increased space and capability.

[www.southderbyshirecab.org.uk](http://www.southderbyshirecab.org.uk)

### St. Thomas Crookes

**Loan Amount:** £750,000

**Based:** Sheffield

**Purpose:** Developing their campus through linking the existing church to community buildings by constructing a new multilevel entrance with full disabled access, and creating a 'village square' for the local neighbourhood.

**About:** In addition to providing a place of worship, this Church aims to help people 'live life better' and transform their community. A further aim of St Thomas Crookes is to train others, particularly young leaders.

[www.stthomascrookes.org](http://www.stthomascrookes.org)

## A closer look

### Age UK Leicester Shire and Rutland £380,000

Oadby in the Midlands is home to a mass of students from the University of Leicester. Every day, dozens pass through the high street to grab a coffee and explore the shops. The charity, Age UK Leicester Shire and Rutland, realised that this was the perfect place for a second hand bookshop.

So, with a £380,000 loan from Unity Trust Bank, they were able to open a now bustling bookshop in the heart of the town centre in time for Christmas 2012.

"Our existing bank was not giving commercial mortgages and the 7% interest rate from the high street bank we tried was too high," says Paul O'Donnell, Finance Manager at the charity. "With a bit of research, we found that Unity could offer us a commercial mortgage at 4% interest.

"We wanted to buy rather than rent because it's more sustainable, especially when rental costs are virtually the same. And, because we own it, we've been able to turn the shop into a hub and generate extra revenue," he adds.

The charity rents out space to a co-operative and runs an Age UK insurance service from the shop. It is also thinking about opening a small outlet inside the building for its popular home care service.



Shoppers enjoy browsing one of Age UK Leicester Shire and Rutland's shops across the region.

In addition, it makes use of the shop to advertise its services more widely. "It's good to have a local presence and be able to cross sell, particularly because local authority cuts mean we are having to charge more for our services," explains Paul.

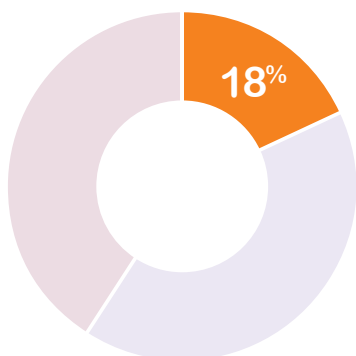
The shop is already proving profitable and is employing two staff - a manager and deputy manager. In addition, it has between 10-20 volunteers on its rotas at any one time.

"We saw a good market here. There are lots of students and it's quite an affluent area," says Paul.

The shop mainly attracts older volunteers and it prevents isolation. "Volunteers can work for as long or as little as they want and it keeps them active. It gets them out into the community.

"Volunteering at the shop is a social activity for our people and their help means we can continue to support older people to have better lives well into the future," Paul adds.

# Community Finance



**Community Development Finance Institutions (CDFIs) provide finance to households, businesses and civil society that cannot access mainstream finance from high street banks. Often, financial exclusion also means social exclusion; and CDFIs bridge those gaps to stimulate productive businesses and individuals whom contribute to local economies.**

As well as economic stimulus, CDFIs achieve social returns and impacts through their work in deprived communities. Added to this, CDFIs have specialist local knowledge of their areas and provide business support to bolster their investments.

The impact CDFIs have is significant. As loan finance is recycled over and over again (through a repayment and re-lending cycle), and often by organisations who also create social outcomes themselves, their reach and sustainability is vast. CDFIs also make small loans to individuals who are excluded from mainstream finance, ensuring they have access to fair and affordable finance. Lending to CDFIs enables us to make finance affordable, and distribute it efficiently to those who need it most - social enterprises and SMEs who create local employment and boost local economies.

60% of the finance that CDFIs have borrowed from banks since 2009 has come from Unity Trust Bank<sup>1</sup>, and this builds upon our decade long commitment to the CDFI movement.



**The Unity Trust Bank loan was crucial to the continued growth of our financial inclusion service, providing essential capital for on-lending. We know that the loan represents one of the biggest single-bank deals with a UK personal lending CDFI. The capital will enable close to 20,000 loans to be made over the 5-year term, deriving a substantial social impact as well as the more direct economic benefit."**

Graeme Oram  
Chief Executive, Five Lamps

We are continuing to strengthen this relationship through our involvement in the Regional Growth Fund (RGF) loan scheme, which is being administered by the Community Development Finance Associations (CDFA) and will see a far greater amount of lending to CDFIs in the future.

## Aston Reinvestment Trust (ART)

**Loan Amount:** £1.5m ERDF  
£400,000 RGF

**Based:** Birmingham

**Purpose:** On-lending to SMEs and social enterprises.

**About:** Operating across Birmingham and Solihull, this CDFI takes a personal approach to providing loans to local businesses that cannot get funding through mainstream banks.

[www.reinvest.co.uk](http://www.reinvest.co.uk)

## Enterprise Answers

**Loan Amount:** £1m to match grant funding

**Based:** Cumbria

**Purpose:** On-lending to SMEs and social enterprises.

**About:** Enterprise Answers provides loan finance to businesses across Cumbria to help the region develop and prosper. They also support the regions enterprise with business advice across a range of areas. Social improvement and business development are the dual concern of this CDFI.

[www.enterpriseanswers.co.uk](http://www.enterpriseanswers.co.uk)

**Our lending leveraged over £3.4m in additional finance for our customers.**

## Black Country Reinvestment Society (BCRS)

**Loan Amount:** £735,000 RGF

**Based:** Wolverhampton

**Purpose:** To provide access to finance for small businesses through its Business Loan Fund.

**About:** BCRS's sole purpose is to provide access to finance to enable businesses to grow and prosper. The BCRS loan fund has been especially designed to meet the needs of West Midlands and Staffordshire based businesses that are unable to get loans from traditional sources such as banks. They offer loans to businesses making a positive contribution to the social, environmental or economic well-being of the West Midlands including construction, manufacturing and service providers, for a wide range of projects including working capital, purchasing equipment and start-ups.

[www.bcrs.org.uk](http://www.bcrs.org.uk)

<sup>1</sup> According to Inside Community Finance 2012 by CDFA, published April 2013

## Hull Business Development

**Loan Amount:** £500,000 ERDF

**Based:** Hull

**Purpose:** On-lending to businesses.

**About:** This CDFI operates as a 'gap funder', bringing finance to areas and businesses which could not otherwise access it. Their key goal is to support businesses that create employment whose benefits are sustainable within the local economy.

[www.hullbdf.com](http://www.hullbdf.com)

## The Five Lamps Organisation

**Loan Amount:** £1m

**Based:** Humber and Teeside

**Purpose:** On-lending to personal customers through a new loan fund.

**About:** As part of a wider operation by Five Lamps to boost employment, education and youth wellbeing in the region, this CDFI aims to boost social and economic regeneration. Its objective is to raise aspirations and remove barriers from 'in need' areas in the North East.

[www.fivelamps.org.uk](http://www.fivelamps.org.uk)

## Regional Growth Fund (RGF):

As part of the CDFA's successful bid for RGF funding, we provide match loan funding to CDFIs who successfully bid for grants.

We have committed a total of £15m to be distributed over the three year duration of the scheme, which matches the £15m committed by The Co-operative Bank and the £30m grant from the Department of Business, Innovation and Skills via the RGF to the CDFA.

As such, for every £1 that Unity lends to CDFIs, the CDFI receives a further £3 from other sources, consisting of a £2 grant from the CDFA and £1 loan finance from The Co-operative Bank.

## European Regional Development Fund (ERDF):

This fund targets specific areas of the UK that have struggled to receive private investment, with the aim of boosting economic activity and competitiveness in those regions.

CDFIs who apply to the fund need match finance from the private sector in order to receive the grant. Unity provides loan finance to match ERDF grant funding as it helps to create and retain local jobs, and provides the CDFI with the capacity to grow.

## A closer look

### Aston Reinvestment Trust £1.5m ERDF £400,000 RGF

Thriving local businesses, social enterprises and charities are the lifeblood of every community. They keep people in work, create opportunities and promote social regeneration.

But the current economic climate, of course, means that they are struggling to borrow the capital needed to keep flourishing.

This is where CDFIs like Aston Reinvestment Trust (ART), step in. Operating across Birmingham and Solihull, this CDFI makes loans of between £10,000 and £100,000 to viable small businesses and organisations which can't get their full funding needs met by mainstream banks.

ART has built a strong relationship with Unity Trust Bank, which fully understands how essential it is for local businesses to have a CDFI to bridge gaps from time to time.

In the last couple of years, Unity has been pleased to offer ART two important pots of lending. In 2011 the CDFI was offered a substantial £1.5 million from the European Regional Development Fund. However, it was only allowed to take the money if it could provide match-funding from a bank. Unity was very happy to loan that essential match-funding.

In 2012, when ART applied to the Regional Growth Fund (RGF) grant scheme led by the Community Development Finance Association (CDFA) the same situation occurred. The Government's pot of funding to boost job creation needed to be match-funded. Unity was able to provide loan finance of £400,000. This was alongside the same amount from The Co-operative Bank, to match the £800,000 on offer from the RGF.

This same offer will be given to ART by the RGF, Unity and The Co-operative Bank over the following two years, subject to performance and demand,

in order to provide genuine and sustained business support in the Birmingham area.

A wide range of local businesses have benefitted, and continues to benefit, from funds flowing through ART. These include Jericho Community business which helps remove the barriers to employment for people who have been marginalised, and Utensa a manufacturer of bakeware products looking to expand their business.



Utensa (pictured) is just one of the Birmingham businesses benefiting from local CDFI, ART.



To find out how we can help your organisation achieve more with a loan from us, call us on 0345 155 3355.

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