



## Social Impact



18<sup>th</sup> November 2011



# Introduction

- **Who is Charity Bank?**
- **What do we invest in?**
- **Social impact – brief intro**
- **Types of potential social impact investment**
- **Social impact bond**
- **Impact calculation/reporting**
- **Should I?**



# Charity Bank

- A Pioneer in Social Finance
  - Established in 2002
  - Regulated as a charity and a bank
  - UK's largest CDFI provider of CITR
  - Over £50m currently in deposits
  - Over £111m in loans in total
  - Unlocked a further £170m in additional funding
  - 99.6% of loans repaid
  - Winner of multiple innovation and banking awards
- Touching the lives of 3.5 million people in need**

A different bank for people who want a different world



## Social Impact Investment – formal definition

“...include the processes of analysing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programmes, projects) and any social change processes involved by those interventions. Its primary purpose is to bring about a more sustainable and equitable biophysical and human element”

- International principles for social impact assessment

A different bank for people who want a different world



# Why Social Impact is important?

- Reduction in resources available
- Investors (public & private) getting more demanding



## What type of investment for the future?

- Grants based on social impact calculation
- Direct investment (e.g – contracts) with outcome based criteria
- Social Impact Bonds



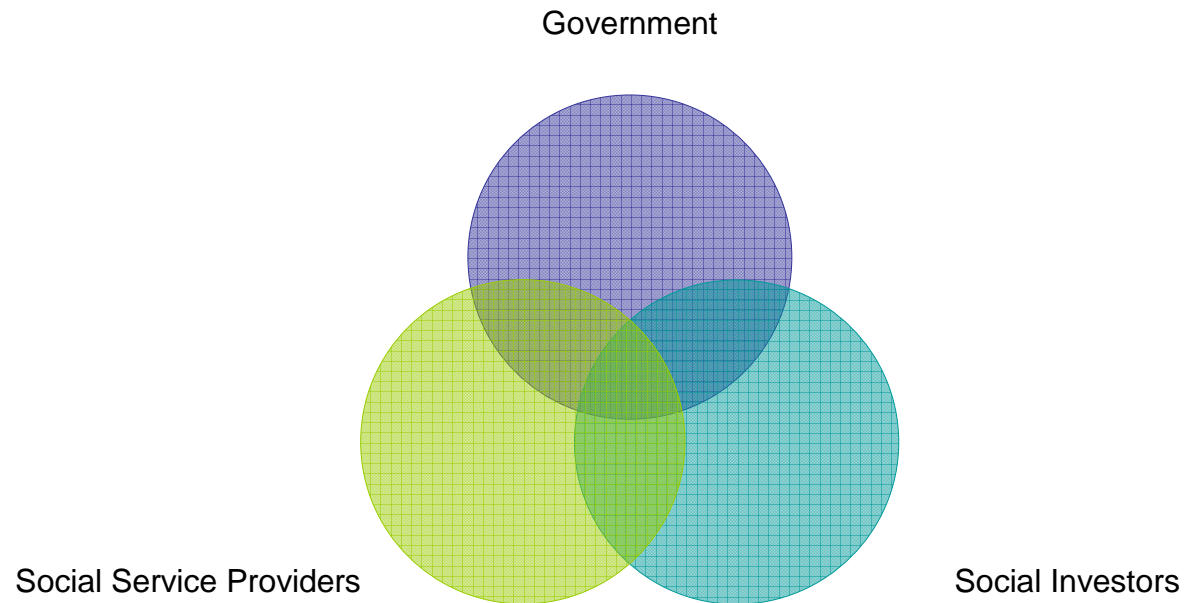
# Social Impact Bond

“...is a contract between a public sector body and Social Impact Bond investors, in which the former commits to pay for an improved social outcome. Investor funds are used to pay for a range of interventions to improve the social outcome”

A different bank for people who want a different world



# Unique funding mechanism?



A different bank for people who want a different world



## Case Study

- Peterborough Prison Pilot
- Ministry of Justice launched first Social Impact Bond on 18<sup>th</sup> March 2010
- Working with social service organisation – St Giles Trust
- The idea – preventative work = long term savings for government
- Investors will get a share of “savings” if this happens



## And finally....

1. Involve Stakeholders
2. Understand what changes
3. Value the things that matter
4. Only include what is material
5. Do not overclaim
6. Be transparent
7. Verify result
8. **GOOD LUCK!**

A different bank for people who want a different world



Azlina Bulmer

Telephone: 07748 778053

email: [abulmer@charitybank.org](mailto:abulmer@charitybank.org)