

# Evaluation of JESSICA (Scotland) Trust Impact & Performance

## Summary 2021



JESSICA  
SCOTLAND  
TRUST



## Background

The JESSICA [Scotland] Trust was established in 2012 with a £15m endowment from the Big Lottery Fund (now the National Lottery Community Fund) to implement social investment activity to support communities most in need in Scotland over ten years.

To deliver this, Resilient Scotland Ltd was established to provide blended finance, consisting of grant and loan finance, to community and social enterprises unable to access mainstream finance in the 13 local authority areas in Scotland with the highest levels of deprivation.

As the end of the ten years approaches, Foundation Scotland has become the new corporate trustee of Resilient Scotland. Whilst all social investment services will now be provided by Foundation Scotland, and the Resilient Scotland name discontinued, the original Resilient team have been fully integrated into Foundation Scotland for seamless continuation of services and support to current and future investees.

At the start of the integration process, Foundation Scotland commissioned an independent evaluation of the impact and performance of JESSICA [Scotland] Trust over its first nine years. The evaluation was undertaken by members of the Community Finance Solutions team at the University of Salford and presented to Foundation Scotland in April 2021. The full evaluation includes portfolio data and interviews with investees, trustees, staff and external stakeholders. This report is a summary of the key findings. A copy of the full evaluation is available upon request.

## Evaluation summary

Since 2012, Resilient Scotland has distributed:

- ▲ **£11.6m in grants and loan packages**
- ▲ **108 investments in social enterprises.**
- ▲ **57% (£6.6m) were loans**
- ▲ **43% (£5m) were grants.**
- ▲ **Investments were in 13 different local authorities in Scotland.**

Through its partnership approach and blended finance model, Resilient Scotland supported social enterprises, with few or no alternative finance options, to survive, grow and generate positive impacts on their communities as well as their businesses.

## The findings

- ▲ **The support has been critical for investees.** Without the finance, beneficiaries would be unable to invest in new activities or have been significantly delayed. Many felt they would be unable to or find it difficult to source funding from elsewhere. The funding also came at a critical time to aid some organisations' survival and provide breathing space for others. It often provided working capital at a time of vulnerability or in the very early stages of development.

*We couldn't have gone ahead without that first loan. There was all that time to fix things up and make it conform to standards when we couldn't get an income. We'd have been in [unmanageable] debt from the very start." Investee*

- ▲ **The investments have significant impacts on employment and business sustainability.** The finance from Resilient Scotland was seen to, in the first instance, improve sustainability and enable the growth of the investees' businesses. More broadly, the primary outcomes generated by the investees were in jobs and training opportunities created, especially for people on the periphery of the labour market.
- ▲ **The investments reach social enterprises in areas of high levels of deprivation.** For example, 20% of investees were in the 5% most deprived neighbourhoods and over half were in the bottom 20%. In comparison, 17% of the Scottish social enterprise population are in the most deprived 20% neighbourhoods.
- ▲ **Resilient Scotland's partnership approach is integral.** Investees saw them as a partner rather than just a lender, supporting them through difficulties as well as periods of growth. This included helping investees develop their applications and acting as a sounding board and source of ongoing support for managers by scrutinising and interrogating their accounts. In addition, Resilient provided forbearance and flexibility to help investees through difficult periods.
- ▲ **The blended model acted as a bridge between a grant and debt finance.** It helped investees, both managers and boards, reluctant or unable to (due to lack of capacity to repay) take on higher levels of debt finance or

supported those wary about starting to use debt finance. The blended approach introduced many to debt finance for the first time, often resulting in more positive attitudes towards such finance. The grant element helped them take on projects without taking on excessive debt and covering activities generating social or environmental benefits rather than income.

*"One of the things we felt at the time as a group of directors, we didn't want to take on too much debt [...] it was this element of loan and grant married together that made it attractive."* Investee

- ▲ **Resilient Scotland has robust and rigorous processes for underwriting and monitoring.** The processes for underwriting and managing the portfolio are robust, as evidenced by the low levels of write-off.
- ▲ **Resilient Scotland has excellent multi-skill governance.** A multi-skilled board of professional people brings various backgrounds (private, public and third sector) and skills to test investment proposals.

*"Resilient has provided a mentor as well, which made a big difference. He's still involved beyond the end of the loan. Perhaps it's significant that she didn't really think of him as a mentor. That's the style of things, to make everything feel personal, everything is based on a proper understanding of your situation and the practicalities you face."* Investee

## Impact on communities and beneficiaries

There is considerable diversity in the social impacts achieved by the organisations in which Resilient has invested, but there are three common themes.

### Community assets and facilities

Resilient's investment and support created, improved and safeguarded a wide range of community assets and facilities. This includes sports pitches, community hubs and cafés, dance and training studios, community halls and performance space, which were all scarce or non-existent in the local areas.

### **Case study: Beith Community Development Trust**

Beith Community Development Trust is a membership-based charity aiming to support local people connect to their area through employability and volunteering opportunities, as well as through re-claiming spaces for community use. In 2016, they bought a former young offender's institution to turn into holiday accommodation, workshops and office space. The investment was used to renovate the buildings, which created employability opportunities within the local community.

Since the initial renovation project, RESILIENT have given further investment to Beith CDT for working capital to support the renovation of the main hall, this has the capacity to hold 2,000 people standing and 1,000 seated and will be used for hireable event space. Like the initial renovations to the site, the hall renovations created local employability opportunities, with the hall being decorated through their employability project.

[Read more here.](#)

These assets provide access to activities and facilities that generate positive outcomes, such as improved physical and mental health, reduced social isolation, improved skills, and employment opportunities, often for disadvantaged groups in deprived communities. This includes older socially isolated people, children and young people at risk of offending, people with learning difficulties, and economically disadvantaged groups.

For example, due to the support received by West Lothian Youth Foundation to create a local football pitch, there was a growth in local community clubs and regular training sessions for children with autism.

### **Case study: West Lothian Youth Foundation**

The West Lothian Council, the West Lothian Leisure, the West Lothian College and Livingston Football Club founded the West Lothian Youth Foundation (WLYF) in 2011. Their four primary areas of work are physical health and wellbeing, strengthening clubs, participation and education.

The investment by Resilient was used to fund a football pitch inside the Tony Macaroni Arena, with the aim for it to be available for public use. Many people have benefited in a way that would not have been possible without



investment from Resilient Scotland. Had WYLF not been involved, the community would not have benefited from the pitches in the same way.

The pitch has provided the local community with a new facility to train and play in, which has led to an expansion in local community clubs, the growth of girls' football and a regular session for children with autism. This is as well as providing the space for local groups and charities.

## **Local employment**

Resilient's investments generated employment impacts, including the creation of jobs, sometimes in significant numbers. Job opportunities were targeted at disadvantaged groups in the labour market, and the delivery of employability focused work with specific groups, for example, with prisoners/people with an offending history, young people and unemployed.

In some cases, the Resilient funding directly affected employment outcomes, as investees used it to hire additional staff. More commonly, however, the support enabled investee businesses to stabilise and expand, which led to hiring more staff.

In several cases, Resilient investments supported employment opportunities for groups that usually have limited or no access to the labour market. Freedom Bakery capitalised on the support from Resilient and other funders to develop and scale up their business, which resulted in training, apprenticeships and employment for several prison leavers.

### **Case study: Freedom Bakery**

Freedom Bakery was set up in 2015, they are a wholesale bakery offering employability and skills training to those leaving prison. Their work is often long term, supporting service users sometime before release and beyond. They describe their service as 'bespoke', providing support on an individual basis depending on user needs.

In 2016, the funding received from Resilient, along with others, enabled them to establish a Volunteer's Association in Low Moss Prison, train up 12 prisoners in baking skills, and create two living wage full-time jobs for graduates four months before release. They were also able to establish their wholesale bakery. The support from Resilient bought them the time needed to develop.

In the year following their second investment from Resilient, they were able to create five new jobs, three of which were taken up by beneficiaries, and

increased their prison partnerships from one up to four. They were also able to establish an apprenticeship scheme for young apprentices.

The Resilient investment enabled Trade Right International to build up its manufacturing capability, which, in turn, helped the company to provide employment opportunities for a greater number of men coming out of prison

### **Case study: Trade Right International**

Trade Right International (TRI) were founded in 2008. They set up a co-operative in Ghana with women who pick Shea nuts, which are then manufactured in Scotland into a line of Shea butter products. Alongside this, they also manufacture skin care products for other small business across the UK.

The manufacturing aspect of their work is part of a program run that supports men coming out of prison by helping them get back into employment. The beneficiaries work with TRI for one year to 18 months as part of the two-year rehabilitation program run at their partner prison.

The investment from Resilient enabled them to buy the equipment they needed to build up the manufacturing side of their work. This helped them to "professionalise" aspects of their service, including their training program. As the manufacturing side of things developed, they were able to look more closely at how they could bring in people from prison and how best to train and support them. One of the ways they developed this was through their peer-mentoring scheme.

### **Service delivery**

The Resilient investment was used in a way that directly benefited individuals and households served by investee businesses. The funding was, in many cases, used to develop and expand services and support for service users and beneficiaries, which often included vulnerable, underserved and excluded groups. These new or expanded forms of support generated positive impacts for users. Positive Steps used the Resilient funding to launch flexible care for people with disabilities, which gave them greater freedom and control.

## Case study: Positive Steps

Positive Steps are a Christian based charity established in 1989, initially in response to the HIV/AIDS pandemic in the 1980s. Since then, their work has expanded into other areas, including projects local to Dundee around housing support, Temporary Accommodation Outreach Service and Repeat Homeless Prevention Service.

They also run projects in India and Malawi, which included supporting schools and hospices.

The investment received from Resilient was used for their start-up, Flexi-Care. This service was created to provide a way to offer flexible care for people with disabilities, which enabled the service users to fit care in around their lives instead of having to organise their lives to a care schedule. This positively impacted their service users as it granted them more independence and control over their care schedules. This service has had long-lasting impacts for its users and beyond and has since expanded into a complete housing care project spanning across three councils.

Board members and staff also felt the social impact of Resilient's investment had been considerable, one stressing that a number of organisations functioning as community hubs were only still in existence because of that investment.

Others referred to the social impact being readily apparent across the investment portfolio. Some trustees qualified this picture, with one suggesting there had been an initial struggle to find appropriate investments delivering a high level of social impact and to find enough start-up investments in the early stages of the fund's operation.

## Next steps

The evaluation has not only demonstrated the vital role blended finance has played in enabling social enterprises to launch, survive and thrive, but clearly demonstrated demand for this bespoke model of finance — the only blended grant and loan provider in Scotland.

As the new corporate trustee of JESSICA (Trust) Scotland, Foundation Scotland will continue to provide social investments much needed by social enterprises in Scotland beyond the initial ten-year lifetime of the Trust.



The newly launched 'Investing in Enterprise Fund' replicates the finance packages offered by former trustee Resilient Scotland. Potential investees can apply for up to 50% in grants and the remainder as a loan. Grants up to £250,000 are available.

Foundation Scotland offers innovative funding programmes right across Scotland. With more funding for social investment, the Foundation can support increasing numbers of social enterprises, community organisations and charities by expanding the geographical reach and continuing support beyond the original ten-year endowment from The Big Lottery Fund.

Foundation Scotland is interested in hearing from corporate investors, trusts and foundations who share their passion for supporting social enterprises and making a positive difference in people's lives. To find out more, visit:

[www.foundationscotland.org.uk/social-investment](http://www.foundationscotland.org.uk/social-investment)

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