

BUILDING

RESILIENT COMMUNITIES

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Cover photo: Southill Community Energy, "Bring Your Brolly Day"

INTRODUCTION

Welcome to our Community Asset Funds Social Impact Report for 2018/19, our seventh year of operation. Our first two community asset funds – the **Community Share Underwriting Fund (CSUF)** and the **Affordable Homes Rental Fund (AHRF)** are closed for investment and both have been deployed. The CSUF investees have now all repaid their loans enabling the Fund to achieve a full exit, fulfil target returns and return capital to investors in a way that demonstrates real social impact.

Our Resonance Community Assets Funds are on the cusp of a new era and we are excited to be launching a new fund based on our experience gained and impact achieved with the original two funds. Our new Fund, **Resonance Community Developers**, is preparing to launch and has made some initial investments.

This report shares the final round-up of the impact directly created by the investments from the Community Share Underwriting Fund and the Affordable Homes Rental Fund, based on the information investees have provided over the last twelve months. The impact of these investments continues and provides Resonance with invaluable data from which we have been able to develop our new Fund. In addition, many of these investees have been sharing their ideas and initiating new projects, that will carry on generating outcomes in line with the impact objectives of the two Funds for generations to come.

All this has been made possible by our valued investors:



We would like to thank everyone who has worked with us to support our wonderful investees, over the last seven years.



Lara Bell
Head of Community Assets

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ABOUT OUR FIRST TWO COMMUNITY ASSET FUNDS

Our investors entrusted Resonance with £8.25m to invest in communities across the UK. Using our two community asset funds, Resonance has helped community groups achieve their ambitions to deliver social impact through profitable, local community asset projects.

Community Share Underwriting Fund (CSUF)

Received £3m to help fix the problem of community-funded projects needing to build confidence and momentum as they pursued community share offers to finance their work. The Fund was fully deployed in 2017. All the CSUF investees have repaid their loans enabling the Fund to achieve a full exit, fulfil target returns and return capital to investors in a way that demonstrates real social impact.

Affordable Homes Rental Fund (AHRF)

Received £5.25m to help address the housing crisis by lending to community groups which were not able to borrow money from banks because they were too new or needed more flexible lending. The solution helped families find homes affordable now and for future generations.

The key impacts delivered are highlighted over the next few pages, in our case studies.



Photo: Sandford Lock Hydro on the River Thames



SUSTAINABLE DEVELOPMENT GOALS

The **Sustainable Development Goals** are a collection of goals set by the United Nations General Assembly. Each goal has a list of targets, which are measured with indicators to help understand how progress is being made towards the goals.

The Community Share Underwriting Fund and the Affordable Homes Rental Fund together with the community groups in which we have invested, currently contribute to the following Sustainable Development Goals:



Photo: Cornwall CLT Opening of New Homes

HOW THE FUNDS CONTRIBUTE

COMMUNITY SHARE UNDERWRITING FUND

The CSUF helped communities at three key points in their share capital raise: by building confidence before the offer launch through our support; adding momentum to an active offer through investment; and after the raise by supporting investees to grow their future ambitions and impact.



£30.1m

TOTAL VALUE OF UNDERWRITTEN PROJECTS



£16.2m

TOTAL VALUE OF SHARE OFFERS UNDERWRITTEN



£5.1m

TOTAL UNDERWRITING OFFERED BY RESONANCE



14

PROJECTS UNDERWRITTEN TO DATE¹

¹This includes four projects we underwrote without providing a loan as it was not required, therefore a total of nine projects were invested in.



£12.8m

VALUE OF ADDITIONAL PROJECTS²

²This is the number of new projects the community groups have created since the projects we backed with underwriting. It is a marker of the growth of community solutions and the confidence gained from completing previous successful project(s).



32%
(Average)

PROJECT SURPLUS ALLOCATED TO COMMUNITY BENEFIT



Photo: Enjoying a walk at Rush Farm - a community asset owned by Stockwood CBS

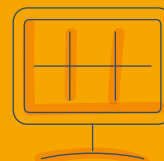
TYPES OF PROJECTS THAT HAVE RECEIVED INVESTMENT FROM THE COMMUNITY SHARE UNDERWRITING FUND

RENEWABLE ENERGY PROJECTS



2

HYDRO
ELECTRICITY



7

SOLAR
ARRAY



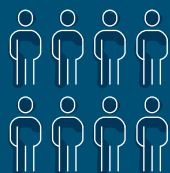
1

WOOD FUELLED
BIOMASS BOILER



2

WIND
TURBINE



8

INVESTEES LAUNCHED FURTHER
COMMUNITY SHARE OFFERS

OTHER PROJECTS



1

COMMUNITY
OWNED FARM

AFFORDABLE HOMES RENTAL FUND

The AHRF provided support at key project stages: early stage support; up to 100% finance for construction phases or purchases; and flexible loans for homes already built, to safeguard them for affordable rents.



£3.2m

TOTAL INVESTMENT FROM RESONANCE



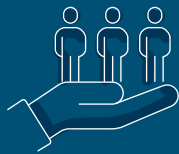
9

NUMBER PROJECTS SUPPORTED



80%

AVERAGE RENT LEVELS AS A PROPORTION OF LOCAL MARKET RENTS



143

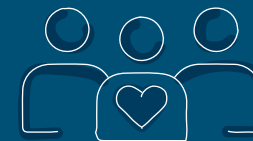
NUMBER OF PEOPLE SUPPORTED³

³ This is a cumulative figure.



38

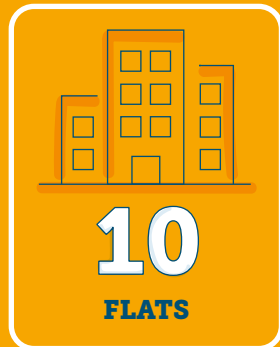
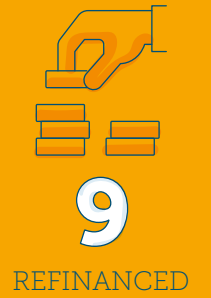
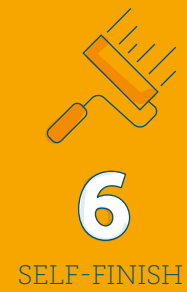
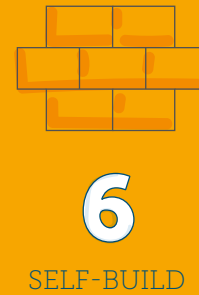
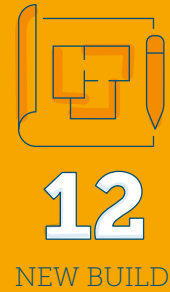
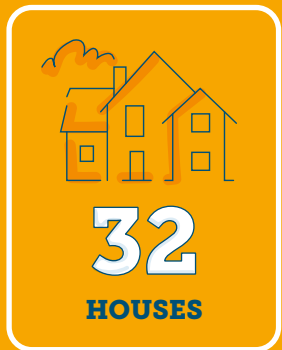
NUMBER OF HOMES DELIVERED



223

PEOPLE FROM THE COMMUNITY INVOLVED

TYPES OF PROJECTS THAT HAVE RECEIVED INVESTMENT FROM THE AFFORDABLE HOMES RENTAL FUND





WHAT THE ENTERPRISES ARE ACHIEVING

We are sharing a brief study of each of our investments from both the Community Share Underwriting Fund and the Affordable Homes Rental Fund. We have split them into project types such as solar array or wind turbines under renewable energy and different types of housing projects.

One of the key impacts delivered by all these community groups has been their ability to catalyze the enthusiasm and get volunteers involved in often quite complex community projects. Not just dipping their hands in their pockets to buy a community share, but actually rolling up their sleeves and getting their hands dirty to address a local need that means so much to them.

Another of the significant impacts delivered by our investees is how they reinvest any surplus profits back into their communities with charitable grants from independent trusts they have set up. These grants cover many needs from tackling fuel poverty, educating on energy efficiency, re-use and recycling and energy saving advice, to nature conservation, biodynamic & organic farming and mitigating climate change, to local community groups such as playgroups and village activities.

COMMUNITY SHARE UNDERWRITING FUND

RENEWABLE ENERGY PROJECTS: HYDRO-ELECTRICITY AND SOLAR ARRAY

LOW CARBON HUB

Project: Sandford Lock Hydro

Investment Amount: £600,000

Source of Investment: CSUF

Location: Oxford

Impact: Energy & The Environment;
Community & Local Democracy

Project: Roof Mounted Solar Panels On Community
Buildings (Schools, Village Halls etc.)

Investment Amount: £600,000

Source of Investment: CSUF

Location: Oxford

Impact: Energy & The Environment;
Community & Local Democracy

Project: Osney Lock Hydro

Investment Amount: £150,000

Source of Investment: CSUF

Location: Oxford

Impact: Energy & The Environment;
Community & Local Democracy

Low Carbon Hub (LCH) based in Oxford, is a renewable energy community group. Resonance has been delighted to help LCH with three of its major projects, but for the purposes of this case study, we are focusing on its largest and most ambitious hydro-electric power scheme on the Thames at Sandord Lock.



Photo: Archimedes Screw being installed at Osney Lock Hydro



Photo: Solar Array on School Roof in Oxfordshire

Investment Purpose

Low Carbon Hub (LCH) already had a very strong track record in developing community energy projects across Oxfordshire. However, a creative solution was needed to finance their latest hydro-electric scheme – Sandford Hydro (the largest community-owned hydro scheme on the River Thames). It needed to be built before the feed-in-tariff was withdrawn and before the onset of inclement winter weather. A plan to launch a new share offer was devised, however the timing wouldn't meet the timescale required.

How The CSUF Helped

Resonance engaged with LCH and Finance South East (FSE) to design a solution to meet this challenging timetable. Together these partners agreed that the Resonance CSUF would lend £600k and FSE £200k in advance of the share offer launch for community investors, thereby unlocking £2m of financing from Charity Bank (ethical bank), to get the project underway.

Further investment in two Sandford Hydro community share offers enabled Sandford Hydro to be built. It was connected to the national grid in August 2017, became operational in February 2018 and was fully commissioned in October 2018.

The Business Model

Low Carbon Hub is a community-focused and sustainable social enterprise committed to the development of renewable energy generation and green electricity. It supports local action to tackle the global issues of climate change through grants and practical help.

LCH works in collaboration with a range of host organizations to find and implement real-world solutions to energy systems. This includes twenty-nine schools, five businesses and three community organizations, some of which get discounted electricity and a cost effective way to reduce their carbon footprint. It continues to grow its renewable energy generation portfolio year on year, and to date has installed forty-three renewable energy installations across Oxfordshire.

LCH currently has 1,036 investor members who help finance the upfront costs of its projects, and twenty-six community shareholders. These are low carbon community groups that have a stake in, and share the aims of LCH. Total investment in LCH to date is £5.8 million and investors receive a return on their investment.

“Sandford Hydro has been a long labour of love from the local community. We were delighted to be able to work with local residents to develop the project, which is now generating sufficient clean, green electricity to power 500 homes – that's most of the neighbouring village. The financial support from Resonance enabled us to meet our tight project development schedule needed to commission the project. Without their support, our dream to harness the power of the river for the benefit of the local community could have come to nothing.”

Saskya Huggins

Social Impact Director,
Low Carbon Hub

Impact Delivered

Investment in two Sandford Hydro share offers enabled the Sandford Hydro to be completed. It has generated huge positive interest amongst local residents and nationally.

This year was the first full year of operation for the hydro scheme. It was a long commissioning process, enabling them to collaborate closely with the Environment Agency and optimize the operation within their Operating Agreement. So, although a very dry summer and autumn meant generation (and therefore income) fell within the lower end of the expected range, it was a successful year leading to ongoing modifications and optimizations to the working elements of the hydro scheme. These will result in the operating range – supplying energy according to the demands of the grid – increasing significantly. Annual generation should increase by 20%.

The Sandford project has also benefitted the local ecology through the provision of a fish pass and the re-establishment of natural upstream habitats.

What's Next?

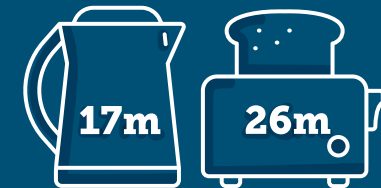
The hydro is just one of Low Carbon Hub's growing portfolio of renewable generating assets and forms the cornerstone of green projects being explored in the context of wider energy system transformations. To support this, a further share raise is planned in early 2020 for the next pipeline of projects.

Future plans for the hydro scheme, include continuing to optimize the way the site is managed and to use it to explore local energy balancing needs as part of Project LEO – a £40m project exploring real world approaches to transform Oxfordshire's local energy systems and accelerate the transition to net zero.

LCH will continue its mission of being a world-leading example of how to create a thriving, zero carbon economy and developing sustainable and efficient energy systems for community benefit.

It will also continue its offering of support to the range of organizations looking to save or reduce energy and cut their carbon emissions through grants and practical help.

FACTS



Annual generation ~ 1.5 GWh – enough to boil over 17 million kettles of water or to toast nearly 26 million slices of bread



Generating sufficient clean, green electricity to power 500 homes



Saves ~ 427 tonnes of CO₂ each year

RENEWABLE ENERGY PROJECTS: SOLAR ARRAY

In addition to the Low Carbon Hub roof mounted solar panels installed on community buildings such as schools and village halls in Oxfordshire, we invested in six other solar array projects.

BATH & WEST COMMUNITY ENERGY (BWCE) - WILMINGTON



Project: Wilmington Farm 2.34MW Solar Array
Investment Amount: £600,000
Source of Investment: CSUF
Location: Bath & North East Somerset
Impact: Energy & The Environment; Community & Local Democracy
Reduction in CO₂ Emissions: 660 tonnes
Generating: Equivalent to 750 homes
Connected to Grid: March 2015

Focuses on projects that reduce the impact of climate change and increase energy security, whilst at the same time generating significant community benefit and supporting the local economy.

The Community Share Underwriting Fund supported a community owned solar farm project, underwriting £600,000 of the total £2.6m cost of the project. This led to a fully subscribed share issue.

"Resonance was involved before we launched our fundraise and we stated this in our share offer document, which provided confidence to invest. This form of underwriting was a key factor in us hitting our target."

Jeff Kenna
Managing Director, Bath & West Community Energy

CHELWOOD COMMUNITY ENERGY



Project: 5MW Ground-mounted Solar Array
Investment Amount: £600,000
Source of Investment: CSUF
Location: Bath & North East Somerset
Impact: Energy & The Environment; Community & Local Democracy
Generating: Equivalent to 1,160 homes
Connected to Grid: December 2015

Chelwood Community Energy was set up to reduce the impact of climate change and increase energy security, generate significant community benefit, support the local economy and protect and enhance wildlife habitats and biodiversity.

Chelwood Solar Farm is a 5MW ground-mounted solar array built on 22 acres of farmland. The community group raised £2.45m against their share offer target of £2.7m – the total cost of the project was £5.8m.

Resonance was able to support the project by providing the finance to close the gap, allowing the group to press ahead with its project.

LOW CARBON GORDANO CBS



Project: Moorhouse Farm 1.83 MW Solar Array

Investment Amount: £50,000

Source of Investment: CSUF

Location: Bristol

Impact: Energy & The Environment;
Community & Local Democracy

Reduction in CO₂ Emissions: 4,507 tonnes
by Dec 2019

Generating: Equivalent to 500 homes

Connected to Grid: 2015

Low Carbon Gordano issued a share offer to install a community owned solar array and the Resonance Community Share Underwriting Fund helped the group reach its target on their first renewables project at Moorhouse Farm in Bristol.

The community group has developed a further solar array and some smaller projects installing roof mounted solar on community buildings.

SOUTHILL COMMUNITY ENERGY CBS



Project: Ground Mounted Southill Solar Array

Investment Amount: £600,000

Source of Investment: CSUF

Location: Charlbury, Oxfordshire

Impact: Energy & The Environment;
Community & Local Democracy

Reduction in CO₂ Emissions: 2,732
tonnes annually

Generating: Equivalent to 1,100 homes

Connected to Grid: 2016

Southill Community Energy (SCE) was created to deliver a ground mounted solar farm covering 20 acres of a 45 acre site. Their mission is to inspire, encourage and empower the community to reduce their carbon emissions.

Resonance engaged with SCE before the share offer was launched to discuss underwriting the scheme. As the share offer progressed, CSUF provided an underwriting commitment and loan of £600,000. With the underwriting secured, community investment of over £1.8m was secured. With additional funding from Close Brothers, the solar farm was delivered by the end of 2016.

WEST OXFORD COMMUNITY RENEWABLES (WOCORE)



Project: Matthew Arnold School Roof Mounted 100kWp Solar Panels

Investment Amount: £140,000

Source of Investment: CSUF

Location: Botley, Oxfordshire

Impact: Energy & The Environment; Community & Local Democracy

Reduction in CO₂ Emissions: 46 tonnes annually

540 solar panels were installed by WOCORE on two roofs at Matthew Arnold School, Botley. This is the largest photovoltaic array on a school in the UK and produces about 30% of the school's energy requirements.

The installation was subsequently sold to Oxfordshire County Council, and the proceeds donated to Low Carbon West Oxford and the Low Carbon Hub. However in 2015 the Council offered the opportunity to buy back the array and following a successful share offer, underwritten by the Resonance Community Share Underwriting Fund, the community group bought back the array.

WILTSHIRE WILDLIFE TRUST COMMUNITY ENERGY



Project: 1MW Ground Mounted Solar Panels

Investment Amount: £600,000

Source of Investment: CSUF

Location: Swindon, Wiltshire

Impact: Energy & The Environment; Community & Local Democracy

Generating: Equivalent to 450+ homes

Connected to Grid: June 2014

Wiltshire Wildlife Trust launched a share issue for a small community-owned solar energy park. By half-way through the time set for the share offer target, the group had only raised a fifth of the money needed and required some momentum to catch up.

Resonance agreed to underwrite a little over 20% of the share offer target, to boost the progress of the fundraising. This was just the momentum needed for the project and resulted in the fundraising target being met and the work getting underway.

RENEWABLE ENERGY PROJECTS: WIND TURBINES

ECODYNAMIC CBS



Project: Croft West Wind Turbine
Investment Amount: £80,000
Source of Investment: CSUF
Location: Redruth, Cornwall
Impact: Energy & The Environment;
 Community & Local Democracy
Generating: Equivalent to 53 homes
Connected to Grid: June 2013

Ecodynamic Community Benefit Society was set up to deliver a biodynamic, organic, low carbon, sustainable community to generate renewable energy. It launched a share offer to install a wind turbine at Croft West in Redruth in 2013. The Resonance Community Share Underwriting Fund supported the share offer when it fell short of its target raise. The share offer needed more momentum to convince other investors to support this community project.

Having assessed the potential of the project in terms of viability and social impact, as well as the strength of the team leading it, Resonance agreed to underwrite with a loan which added a little extra confidence to potential investors, to encourage them to invest. At the same time the Biodynamic Land Trust, which originated the project, also committed to underwrite the offer with a loan of the same amount and with this added momentum, the share offer finally managed to raise over £200,000.

RESILIENCE CENTRE CBS ALVINGTON



Project: Alvington Court Wind 500kW Turbine
Investment Amount: £600,000
Source of Investment: CSUF
Location: Alvington, Gloucestershire
Impact: Energy & The Environment;
 Community & Local Democracy
Reduction in CO₂ Emissions: 731
 tonnes annually
Generating: Equivalent to 350 homes

The Resilience community group launched their share offer to raise capital to build a new community wind turbine on the edge of the Severn Estuary, close to Lydney and Chepstow.

Resonance boosted the visibility and momentum of The Resilience Centre's offer by underwriting £600,000 of the target. The end-game of this boost in momentum was the successful conclusion of the share offer and the build/commissioning of the turbine in November the same year.

RENEWABLE ENERGY PROJECTS: WOOD FUELLED BIOMASS BOILER

JOHN CLEVELAND COLLEGE COOPERATIVE



Project: John Cleveland College
Renewable Wood Fuel Heating System
Investment Amount: £50,000
Source of Investment: CSUF
Location: Leicestershire
Impact: Energy & The Environment;
Community & Local Democracy

The John Cleveland College in Leicestershire needed to replace its ageing boilers and came up with a plan that would reduce its carbon footprint, make savings on its energy bills and support local business.

The biomass boiler was made possible by the launch of a share offer, the first of its kind for this type of renewable energy project. The Resonance Community Share Underwriting Fund helped get the share raise over the line with a loan of £50,000.

In addition to the significant annual energy savings, the project supports the growth of the local sustainable wood fuel economy by purchasing local wood and provides an excellent opportunity for the students at the college to study the science of renewable energy in more detail.



Photo: Stockwood Community Farm

COMMUNITY OWNED ASSETS: FARM AND BUSINESS PARK

STOCKWOOD COMMUNITY BENEFIT SOCIETY

Project: Community Owned Farm & Business Park

Investment Amount: £200,000

Source of Investment: CSUF

Location: Stock Wood, Redditch, Worcestershire

Impact: Energy & The Environment;
Community & Local Democracy

Project: Further Land Purchase & Renewable Sources

Investment Amount: £200,000

Source of Investment: CSUF

Location: Stock Wood, Redditch, Worcestershire

Impact: Energy & The Environment;
Community & Local Democracy

Stockwood Community Benefit Society purchased Rush Farm and Business Park, to be put in trust for the community. The charitable mission of the CBS is environmental and social transformation bringing the local community to a closer relationship with the land in their area.

Resonance worked with Stockwood Community Benefit Society to complete the £2.6 million purchase of Rush Farm and Stockwood Business Park to be held in trust in perpetuity for future generations. £400,000 was raised from individual investors in a community share offer and over £2m of debt came from CAF Bank, Biodynamic Land Trust and Resonance's Community Share Underwriting Fund.

The plan was to protect the farm as an organic, biodynamic haven by removing it from private ownership. The income from the Stockwood Business Park gives a stable return to the investors whilst the retained surplus is used to continue to develop the farm and engage the local and wider community raising awareness around land and resource stewardship.

It is a wonderful example of a truly inclusive community project – the farm being organic requires more labour and offers jobs to local people; the community co-owns it in the manner of a cooperative – 1 member 1 vote; members can buy produce and get involved in the farm as well as participate in training courses and events – learning some of the skills required to build the future of the Benefit Society and the board is voted in by members annually. The minimum investment was set deliberately low at just £100 to allow even those without spare capital to participate; and all getting the 5% return.



"We could not have done it without Resonance; they were an incredible resource - as visionary as we were with expertise to match."

Sebastian Parsons
Founder, Stockwood
CBS

The second phase at Stockwood was to purchase the remaining 31 acres of land at Rush farm and to invest in a solar and ground source heat pump system.

Stockwood is delivering a wide range of social impact including from land based education to growing volunteers, and from generating its own renewable energy to providing food, employment, business accommodation and returns on investment.

AFFORDABLE HOMES RENTAL FUND

The Affordable Homes Rental Fund has successfully supported a range of Community Land Trusts, Community Development Trusts, Community Property Trusts and Cooperatives, all with similar goals: to provide affordable, good quality housing for local people who are unable to afford local rents in the private sector or to buy their homes. Some projects are focused on individuals who have been priced out of their own communities to the provision of specialist housing to support groups in greatest need.

The AHRF helped these community groups to deliver projects and build a track record that would eventually allow them to raise future finance from mainstream lenders, for any future projects.

The projects range from new build houses, some self-build as in the Broadhemston case study or converting older community buildings to homes, to refurbishing older properties or refinancing, to ensure that affordable homes remain in the community for generations to come. We are sharing the stories of these creative solutions to local housing needs.



Photo: Broadhempton residents self-built six affordable eco homes.

BROADHEMPSTON COMMUNITY LAND TRUST

Project: Six Affordable Self-Build Homes

Investment Amount: £880,000

Source of Investment: AHRF

Location: Broadhempston, Devon

Impact: Housing & Homelessness;
Community & Local Democracy

Investment Purpose

In 2012 the Broadhempston Community Land Trust was created to enable local people in housing need to develop affordable eco-housing. Due to the increasingly high costs of renting or buying a property in the village, a self-build option offered the right solution, enabling them to own their own homes in the village, work locally and for their children to go to the local school. The self-build project was a collaborative effort between the families, the local parish council and other villagers and volunteers who helped and supported in a variety of ways. From this the 'Easterways' self-build properties were built.

The community group planned to self-build six affordable homes, but it did not have the deposit or assets required to obtain loan finance as it was a newly formed group.

How The AHRF Helped

Mainstream finance would lend only part of the costs and were too expensive, so the Resonance Affordable Homes Rental Fund funded the bulk of this £1m project, supporting Broadhempston CLT with their ambitious plans to secure the affordable housing they needed whilst providing them with a stable and resilient financial base.

Resonance worked with the group to understand the detail behind the build process, in order to gain comfort in financing 100% of the build costs. It offered a solution to the issues that rural communities often have around affordable homes offerings.

In October 2014 the funding enabled the CLT to purchase a two acre site and start the development, building six affordable, self-build, eco-houses.

Four four-bedroom homes and two three-bedroom properties were built.

The Business Model

Broadhempston CLT owns the freehold of the land and 25% of the value of the houses in perpetuity, ensuring the houses remain affordable for local people with a housing need. The self-builders own 25% of the equity in their houses and had the option to buy another 50% on a 'rent to buy' arrangement, gradually buying further equity in the property up to 75%. No rent is payable on the 25% owned by the CLT. If residents wish to move on, they will only be able to sell their equity to people meeting the Allocation Policy.

"The Resonance Affordable Homes Rental Fund loan enabled us to self-build affordable homes for local families in our village. The team at Resonance was very easy to work with and they gave us valuable support, were accessible to us and able and willing to respond to the developing demands of the project."

Simon Sutcliffe
Chair, Broadhempston CLT



Photo: Broadhempston Community Land Trust

The Impact

This project has targeted a specific housing issue and delivered a niche scheme for local families.

Members of the self-build homes are now living in their eco-friendly homes, which provide a positive impact on energy savings, in the village in which they wanted to remain. Their quality of life has improved in line with the security of living in good quality, affordable homes (rent is cheaper on these homes than other properties in the village) and the community as a whole has become more resilient and sustainable. All the self-builders are established within the local community with their children attending the local school.

The project has generated huge positive interest amongst local residents and nationally, with the CLT now offering tours of the project and open days. It has also attracted national recognition for its community leadership, high ecological and design quality. This model for local action has also inspired other Community Land Trusts and can be easily replicated.

There is a real sense of community cohesion as the CLT has planted a community orchard and installed a play area for all children in the village to enjoy.

The project has increased the skills base of the self-builders with many completing their NVQ studies.

What's Next?

The CLT is planning to build two additional homes on the site – for single people or older couples looking to downsize and self-build – and is also considering the provision of sheltered housing in the village in response to a growing community need.

A priority for the CLT is to ensure their community continues to be as sustainable as possible going forward. They are looking to address the housing issues around future needs of elderly villagers and also provision for younger people who want to remain in the village.

BRISTOL CLT



Project: Development of Twelve Affordable Homes – Six New Build Houses And Six Flats In A Converted School

Investment Amount: £1,200,000

Source of Investment: AHRF

Location: Fishponds, Bristol

Impact: Housing & Homelessness; Community & Local Democracy

One challenge for any Community Land Trust planning to build homes for affordable sale and affordable rental, is to decide the mix of tenures. However that doesn't play well with most mainstream bank lenders, which require certainty over the mix of homes for rent or sale at the outset. The Resonance Affordable Homes Rental Fund was able to provide a creative solution in a flexible loan that enabled BCLT to respond to demand for any mix of rents or sales, in line with the needs of local families.

The CLT developed six new build homes and refurbished an old school building to create six flats too.

Some residents took part in the "Self Finish" of their homes, meaning they participated in the end of the building process. This contribution was converted into so-called "sweat equity" and reductions in rent. Not only does this create a greater sense of involvement and community, as well as reducing isolation, it also means those homes are really affordable. The homes also have solar panels, meaning residents save on electricity bills while reducing their carbon footprint, and they also manage their shared garden together.



Photo: Resident in their home built by Bristol CLT

CORNWALL CLT



Project: Refinancing Of Two Affordable Homes To Tenants With Local Connections

Investment Amount: £200,000

Source of Investment: AHRF

Location: Blunts, Cornwall

Impact: Housing & Homelessness;
Community & Local Democracy

The Fund provided loans totalling £200k to support the refinancing of two shared equity properties into affordable rental properties, in order to house two local families who were unable to secure a mortgage to purchase the property.

Cornwall CLT required funding to replace a development loan from the local authority, with which they had agreed to build a number of affordable houses. They did not want to rely on grant finance to replace the local authority's money because that was becoming harder to find and unlikely to be available for the amount they needed. Resonance worked with the team to offer a tailored loan for 100% of the medium-term funding required to replace the council's short-term development financing.

EAST MIDLANDS HOMES COOP



Project: Purchase & Refurbishment Of An Empty Home For Affordable Rent (Ex Offenders)

Investment Amount: £120,000

Source of Investment: AHRF

Location: Nottingham

Impact: Housing & Homelessness;
Community & Local Democracy

East Midlands Homes Co-operative (EMHC) provides affordable housing in Nottinghamshire. The group refurbish empty homes in order to provide affordable homes to families and also provide shared units for ex-offenders within the local community to rebuild their lives and reintegrate into their communities. Rents set by EMHC are linked to the Local Housing Allowance to ensure that it remains affordable for tenants.

The Resonance Affordable Homes Rental Fund was able to provide a £120,000 investment to EMHC for the purchase and refurbishment of a three-bed property in Nottingham, providing supported accommodation in an area where housing costs have been increasing in recent years. Through the provision of this affordable home, EMHC is now helping ex-offenders in Nottinghamshire rebuild their lives by offering them affordable housing for rent.

HOLSWORTHY COMMUNITY PROPERTY TRUST

Project: Refinancing Of Shared Equity Property Into An Affordable Home For Family With Local Connections But Unable To Secure A Mortgage

Investment Amount: £95,000

Source of Investment: AHRF

Location: Sheepwash, Devon

Impact: Housing & Homelessness;
Community & Local Democracy

Project: Refinancing Of Five Affordable Homes To Tenants With Local Connections

Investment Amount: £390,000

Source of Investment: AHRF

Location: Holsworthy, Devon

Impact: Housing & Homelessness;
Community & Local Democracy

Holsworthy CPT (HCPT) had been delivering affordable homes successfully since setting up 2005. It has a positive track record of managing affordable homes within four separate projects across the Torridge area.

The first loan provided by the Affordable Homes Rental Fund was for £95,000 to support the refinancing of a shared equity property into an affordable rental property, in order to house a local family who were unable to secure a mortgage to purchase the property.

Having supported the Sheepwash project, Resonance was keen to support HCPT with their next project to secure more affordable housing in the local area. They had identified five affordable houses that were for sale and required 100% funding for the cost. Resonance was able to provide 100% funding for the purchase and provide flexibility to allow the group to repay early if one house was sold as an affordable home. Those five affordable homes are part of Holsworthy CPT's long-term community vision to provide fifty homes, which local people will be able to afford.



Photo: Holsworthy
Community Property Trust

HOMES FOR WELLS CBS



Project: Conversion Of Old School Building To 11 Affordable Homes

Investment Amount: £400,000

Source of Investment: AHRF

Location: Wells Next The Sea, Norfolk

Impact: Housing & Homelessness; Community & Local Democracy

Homes for Wells was looking for a funding scheme that would give them the security they needed to successfully deliver their first large affordable homes project. They were facing market lenders offering loans at variable rates, or fixed rate for a short period of time, creating financial uncertainty for them.

AHRF provided confidence at an early stage that funding at a fixed rate for eight years would be available once planning was achieved, thus giving the volunteers at Homes for Wells the guarantee that they could securely kick off their housing project and have confidence in the future.

With the funding from AHRF, they got the financial certainty they needed, and were able to complete the housing project. This scheme now successfully provides eleven affordable homes for about twenty tenants and their children.

SOMERSET CLT



Project: Renovation Of High Street Property Into Four Affordable Flats & Social Enterprise Hub

Investment Amount: £230,000

Source of Investment: AHRF

Location: Taunton

Impact: Housing & Homelessness; Community & Local Democracy

The £230,000 investment from the Affordable Homes Rental Fund was for the refinancing of four affordable rental flats and office space in the centre of Taunton. With access to cheaper, more patient capital, this has allowed Somerset CLT (SCLT) to focus on its further ambition of developing more property in Taunton for affordable homes.

At SCLT, the principal benefit has been to the thirteen people in housing need that have been provided with a secure and affordable housing option. This has helped some to secure employment, while others have seen benefits in terms of health and reduced anxiety.

RESONANCE COMMUNITY DEVELOPERS

NEW FUND LAUNCH

From our experience in managing the Community Share Underwriting Fund and the Affordable Homes Rental Fund for the last seven years, we have developed our new Community Asset Fund, **Resonance Community Developers (RCDF)**.

We introduced the RCDF in our last Community Asset Funds Social Impact Report and we have been working hard to secure the seed grants needed to match capital from social investors in order to publicly launch the Fund. We are pleased to say, that after a long year, we are making huge progress towards achieving our first close target of £8m capital to invest. We aim to launch in early 2020.

We are focusing initially on three areas: Cornwall, Gloucestershire and Greater Manchester; creating local partnerships and speaking to community groups. We are already exploring new areas to launch in 2020/21 as demand grows, and look forward to reporting on this in the future.

OUR SOCIAL IMPACT

RCDF seeks to build resilience within communities by promoting self-determination and empowerment, community wealth creation and cohesion. Through collaboration, RCDF acts as a catalyst to bring local partners together, build energy and maintain momentum, whilst transferring skills, knowledge and experience to the community.

The Fund Supports; the Community Does.



Lara Bell
Head of Community
Assets



Ben Wrigley
Investment Manager



Kate Aiken
Senior Investment
Analyst



Jacob Lee
Investment Assistant

Photo: Langley Estate, Greater Manchester - The RCD funds pre-development feasibility costs such as architectural drawings

IMPACT AND COMMUNITY ENGAGEMENT

OUR IMPACT THEMES

Resonance will measure impact against six key themes:

1. EXPERIENCE & SHARED LEARNING

Community members working together, sharing and developing knowledge and supported by Resonance Community Developers and its partners to help those communities deliver the change they need.

2. VITALITY

Building and maintaining energy to sustain activity and change over time.

3. COLLABORATION

Helping to build local eco-systems of support and partnerships.

4. SUSTAINABLE RESOURCES

Creating assets that are appropriate and meet the needs for today and future generations.

5. GROWTH, STRENGTH AND REPLICATION

Promoting and replicating the best community business models and best practice.

6. EMPOWERMENT

Long-lasting change must come from individuals within communities feeling empowered to take action on local issues that are important to them.

OUR COMMUNITY CO-ORDINATORS

One of the features of the new Fund is our collaboration with Community Co-ordinators. These are existing organizations and networks with appropriate experience, that can reach into our communities to help us deliver meaningful community organizing and support on the ground, and at scale.

For Greater Manchester, we are delighted to have recently contracted with Greater Manchester Centre for Voluntary Organisation to be our Community Co-ordinator and deliver this support. Already community groups are coming forward via GMCVO's online fund portal to enquire about investment from the Fund.

We are working with prospective Community Co-ordinators for Cornwall and Gloucestershire and aim to have these partnerships in place in the next few weeks.

OUR ASSET FOCUS

Initially, the Fund will focus on investing in affordable housing, sports and leisure assets and community renewable energy generation; with the latter usually as an integrated part of the housing and sports facilities. In time as the Fund grows, we hope to invest in a wider range of community assets, particularly where these are through community groups we have already successfully supported through their housing or sports projects.

OUR APPROACH

We set out to design a Fund that could support communities from the earliest ideas stages right through to completing the construction of their proposals; capable of investing at each project stage and supporting the community groups as they grow and build social impact. We aim to invest multiple times in the same community groups - with small, incremental investments in the early stages aligned to the group's design and decision making processes; with larger investments as groups secure land and planning consents and seek to commence construction on site.

The case studies below set out our first early stage investments in community groups that are now moving towards planning applications and will be looking for larger development equity investments in the coming months.

LOOKING AHEAD

As we look forward to the next year, there is much to be excited about. We see demand for the Fund growing steadily, with enquiries coming directly to Resonance and through local partners, and we have sight of many more prospective community benefit societies on the horizon seeking investment from the Fund. We are expecting to ramp up our operations within the next financial year, taking on additional staff for the Community Assets Fund team, strengthening our local partnerships and increasing the number of communities we are able to support.

We look forward to sharing the journey with you all.

Our first two investments from the Resonance Community Developers have been made possible by our early, catalytic investors:



Photo: The Resonance Community Developers aims to bring sport and leisure provision to areas with low activity rates, such as Podsmead, Glos.



FIRST INVESTMENTS

LAUNCESTON COMMUNITY DEVELOPMENT TRUST

Project: Thirty New Build Affordable Homes – Pre-development Feasibility

Initial Investments Drawn Down:

£50,000 Jan 2019

£25,000 Jun 2019

£25,000 Dec 2019

Source of Investment: RCDF

Location: Launceston, Cornwall

Impact: Housing & Homelessness;
Community & Local Democracy

Launceston is a market town on the eastern edge of Cornwall, where despite private housing developments taking place, there remains a need for genuinely affordable homes for local people. There has also been an under-investment in community facilities such as sport and leisure provision over a number of years.

Resonance Community Developers invested in Launceston Community Development Trust's (LCDT) first project Prout's Corner Affordable Housing, to support the design and planning application to develop thirty homes.

LCDT is a Cornwall based organization which is committed to respond to the opportunities and challenges faced by the local community. Its primary aim is to serve the best interests of Launceston, both its businesses and its residents. Through a number of community consultation events they discovered what assets both the community and the town needs, whilst upholding their five core principles: Affordability, Inclusivity, Sustainability, Connectivity and Participation.

Resonance engaged with LCDT and agreed a purchase of £100,000 of community shares in the CDT, plus an unsecured loan of £50,000.

Purchase of the shares in LCDT enabled the progression of Prout's Corner and the addition of thirty homes for local individuals and families into the community.

The homes will be 100% affordable and provide a spacious, eco-friendly environment. The scheme utilizes renewable energy to power each of the homes. These will be solar PV roofing along with ground source heating. The foundations for electric vehicle charging points will also be added for future use.



What's Next?

LCDT is already planning its next project and intends to use any surpluses to support this and other initiatives that will benefit the wider community of Launceston. LCDT wants to start a greener energy initiative for the town, and through the use of renewable energy sources in the homes it hopes this will be the beginning of another project where they can offer a similar renewable energy project in other locations throughout the community.

LCDT also has aspirations to form a partnership with the local sporting organizations and groups to take action on the activity levels of the town whilst offering a new range of facilities and sporting activities.

BLACKBRIDGE COMMUNITY LAND TRUST

Project: New Build Sports & Community Hub –
Pre-development Feasibility

Initial Investments Drawn Down:

£32,700 Jul 2019

£17,300 Jan 2020

Source of Investment: RCDF

Location: Podsmead, Gloucestershire

Impact: Art, Culture & Sport,
Community & Local Democracy

Gloucester city has the highest inactivity levels in the whole county of Gloucestershire. The ward of Podsmead has a strong sense of community spirit and an abundance of open space, but it has no formal leisure provision, resulting in very low physical activity rates.



Purpose Of The Investment

Blackbridge Community Land Trust Ltd (BCLT) is a start up organization that has been established to deliver a sports and community hub, as well as identify further development opportunities in the future across Podsmead and Matson. The CLT is made up of a group of passionate and talented local residents, that have been involved in a number of other local community projects. The CLT will be supported every step of the way by Active Gloucestershire, which is Project Lead on this development.

The centre will provide a new community building with fitness studio, gym, meeting rooms, office space and a community café. There will be a full size artificial sports pitch (3G) to be utilized across a range of sports. The project will also deliver a new access road and car park, landscaped park and wetlands area.

The Resonance Community Developers has made an initial investment of £50,000 through purchase of community shares in BCLT. This investment will help Blackbridge Community Land Trust with the feasibility works to get the project to planning consent, including professional & design team fees, project lead management, surveys and other professional services advice such as tax, legal & business.

It is anticipated that the total cost of the facility when developed will be around £2.85m, with an anticipated annual income of £176,000. There are a range of potential funding sources that Blackbridge CLT exploring together with Active Gloucestershire.

"I've lived almost my entire life in the Podsmead area, and I am excited to be part of the team helping to bring positive change to the area. This development of the new community hub, with all the facilities attached to it will make such a significant difference to our community, helping to give individuals access to sports and leisure facilities that are so badly needed."

Gerry Hartin,
Blackbridge CLT

PROFIT THROUGH PURPOSE

Photo: Saskya Huggins and Harry Orchard of Low Carbon Hub



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