

Scotlandspotlight

Building strength in the Scottish social economy

Owning a property can be an essential part of making a charity more resilient in a changing economy.

In a volatile economy, owning a workspace is a solid way for any organisation to build resilience and strengthen its standing. Unity has lent continuously throughout the recent economic and financial uncertainty, and whether you are looking to purchase or develop a property we are keen to help social organisations with their borrowing requirements.

As one of several loan schemes from Unity available to the sector, Unity is working with the Scottish Council for Voluntary Organisations (SCVO) to offer competitively-priced loans for charities wanting to buy or needing funds to help with building, leasing and servicing costs.

The £50 million loan scheme for SCVO members and other charities and social economy organisations, offers funds of

between £250,000 and £5 million for building projects.

“We know that a charity is financially stronger if it has its own asset,” says John Ferguson, director of development and programmes at SCVO. **“A charity in the city centre, for example, could spend up to £70,000 a year on renting an office space over 25 years.”**

“But a loan - even with the cost of servicing the debt - would be less, and the charity would have an asset on its balance sheet, along with nothing to pay for its space after the loan period.”

John points out that funders sometimes do not like charities having significant cash reserves, because they believe it indicates that a charity doesn't need the money.

“Buying property means charities have their cash invested in something tangible, but they are still an attractive option for funders.”

John says working with Unity is the right choice for the sector:

“It's refreshing to work in partnership with a bank to service the developmental needs of the charity sector. It's clear that tremendous opportunities exist in today's market to acquire properties and convert them into social business centres, where charities can work side-by-side and gain momentum together.”

“This strategic fund between Unity and SCVO creates greater asset ownership for the voluntary sector and achievements will occur as a direct result,” John concludes.

Read inside to see how our loan through this scheme helped with the purchase of Hayweight House – now a workplace hub which has brought charities together in a difficult climate so that they could share resources and build a movement ●



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John Ferguson, Director of Development, SCVO

Social firm to support a thousand people

There aren't many businesses around at the moment who can say they're investing in a 25,000 sq ft state-of-the-art enterprise and employment centre which will likely employ more than one hundred people and provide employment support for at least a thousand. But, Forth Sector is a company, or rather, a social firm, that can.

The organisation, which was supported by Unity Trust Bank with a £475,000 loan and £100,000 overdraft in 2013, opened a new facility for its three businesses – a commercial laundry with a Royal Warrant, a soap making business and a commercial embroidery company.

The businesses are housed in an 'eco' complex in Edinburgh known as Duddingston Yards, which incorporates advanced energy saving construction and power generation.

A bridge to employment

The core purpose of the businesses is to provide a bridge to employment for people with mental health conditions, physical or learning disabilities. They receive training and support as this significantly increases their chances of getting and retaining employment.



Forth Sector's soap making business

At least 60% of staff in the social firms are disadvantaged because of health issues or disabilities. The three businesses, along with Forth Sector's consultancy, currently turnover more than £2 million per annum.

"We don't hear as much about social firms as we perhaps do about social enterprises," says Gordon Allan, Unity's relationship manager for Scotland who worked with Forth Sector.

"But social firms do a crucial job in working with people who have a disability and others who are furthest from the labour market. We are extremely pleased that Unity could be involved in bringing the new complex to life."

Mike Finlayson, Chief Executive of Forth Sector said he was impressed with Unity's interest in social enterprise and in the organisation ●



Forth Sector's brand new offices which are housed in an 'eco' complex at Duddingston Yards, Edinburgh



Unity are different because they wanted a proper, supportive, relationship and took a real interest in what we were doing. And, their rates were competitive.

We give hundreds of people training and support each year and this facility will mean we can do even more."

Mike Finlayson, Chief Executive, Forth Sector

Voluntary Action Scotland

Voluntary Action Scotland (VAS) joined Unity in 2014. They are the network organisation for Scotland's Third Sector Interfaces (TSIs) and they co-ordinate and support the work of Scotland's 32 local third sector support organisations. Their ambition is to see the voluntary and social enterprise sectors thrive and deliver strong resilient communities.

VAS works to ensure that TSIs can provide effective support to volunteers, voluntary organisations, charities, community groups and social enterprises and that the third sector plays its part in ensuring that local decision making meets the needs of local communities ●



VAS is proud to bank with Unity. For us the ethics of the partners we work with matters and Unity have consistently shown that successful banking and social value can go hand in hand."

Calum Irving, CEO,
Voluntary Action Scotland

Citizens Advice Direct

Citizens Advice Direct is a registered charity and has banked with Unity since 2012. They provide a national telephone and web based advice service which offers free, independent and impartial advice to the citizens of Scotland.

Their trained volunteers are on hand to help a wide range of people covering all ages and backgrounds. In particular, this is a great support service for those that live in rural areas; those who find it difficult to visit a local citizens advice bureau office; and those who work during the day and require out of hours advice.

Citizens Advice Direct receives funding from Glasgow City Council, the Scottish Government and the Scottish Legal Aid Board, and through this support they have been able to grow their advice and support network and answer over 70,000 telephone enquiries a year ●

Thriving workplace hub for the

Helping to create a more cohesive charity sector

Bringing charities together at new workplace hub Hayweight House is leading to collaborative working, reduced costs and a more cohesive charity sector.

In the heart of Edinburgh, a group of young people are diligently working on an important project at the recently refurbished Hayweight House. The 18-25 year olds were all unemployed before they were welcomed into the modern workspace by Scottish Council for Voluntary Organisations, earlier this year.

“The Scottish Government,” says director of development at SCVO, John Ferguson, **“has a commitment to reducing unemployment in this age group and has provided the funds to SCVO and other charities to broker six-month employment contracts for 18-25 year olds, under the Community Jobs Scotland scheme.”**

“SCVO has contracted eight young people to revise and refresh the most comprehensive digital database of Scottish charities available. In total, the jobs scheme has so far seen 4,500 young people employed since 2011,” says John.

This young team is part of a hub of activity at Hayweight, which was recently part-purchased by SCVO using a Unity

Trust Bank loan. The workplace hub was created as a way of bringing charities together in a difficult climate so that they could share resources and build a movement, as well as save money by pooling the costs of the day-to-day running of an organisation.

Supporting each other

So far, the experiment is paying off. **“We are seeing collaborative working happening all the time. Commonly, partners will let each other know if they’re running training that might be relevant but they’re also finding mutual ground on project delivery. By working near each other, they get to know what one another does and can then see ways to collaborate. They support each other, lend experience and guidance and sometimes co-produce work,”** says John.

Hayweight House, jointly-owned by SCVO and the Scottish Association for Mental Health (SAMH), has everything the modern charity could ask for - bright open work spaces, a cafe, meeting and training rooms, fibre optic broadband and full disabled access.

SCVO is keen that smaller charities can get on with work without having to worry about technology or maintenance issues, which is managed by the building owners. It’s also keen for charities to buy into the building and become part of a consortium, should they wish.

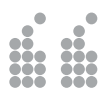


Hayweight House in Edinburgh

Buying the space

Unity offered competitive loans to SCVO and SAMH for the space. We can lend amounts from £250,000 to £5 million to charities and other socially-focused organisations for buildings, office space or related workspace.

Hayweight is becoming a thriving hub for charitable organisations. Inclusion Scotland (which promotes the interests of Scottish people with disabilities), the Institute of Fundraisers and People Scotland, are already benefiting from being at Hayweight ●



Charities can get so much from working with each other like this. We hope to keep growing the number and variety of organisations coming into, or buying into the spaces, so that the charity sector can be an increasing force for change in Scotland.”

John Ferguson, Director of Development, SCVO

Are you looking for a loan to help with your building project, or can we help with your banking needs?

Unity Trust Bank is one of the UK’s leading providers of banking services to the charity and voluntary sector. Unity was set up as a bank with a social focus, and has more than 30 years experience of working with charities and other social economy organisations.

To find out more about banking or borrowing via Unity, speak to your local relationship manager:

Gordon Allan
01698 843 933 or 07711 412 889.

Number one for charities

In a 2014 independent survey by Charity Finance, we were voted us the top bank for:

- Relationship management
- Fees and charges
- Sector knowledge
- Meeting expectation

The annual survey rates 10 banks including 5 high street banks and surveys hundreds of charities. There are nine categories in total, and as well as coming first in those listed above, Unity was rated a close second in the remaining five areas.

social economy

Mental health support gets a new home

With a Unity Trust Bank loan, the Scottish Association for Mental Health (SAMH) is reaping the rewards of its new work place hub in Edinburgh.

At this year's Edinburgh Marathon, more than 100 people raced for SAMH. It was the biggest team of runners ever taking part in the event for the charity.

"Central to supporting the team and keeping momentum," says Jo Anderson, SAMH's director of external affairs, **"was having a new work base in Edinburgh."**

Earlier this year, the charity took out a Unity loan to jointly buy a modern glass-fronted workplace called Hayweight House right in the heart of the capital. The building was part-bought in collaboration with SCVO – the Scottish Council for Voluntary Organisations.

"It meant we had somewhere to invite and host people involved, including our fundraisers and supporters, and really added to the buzz around the event," says Jo.

The £992,000 Unity loan adds to a £2.4m Unity loan previously taken out by the charity to acquire space at a similar workplace – Brunswick House – in Glasgow.

Brunswick was an important move for the charity just over two years ago. It houses a number of services, including the employment team who operate job clubs and have supported more than 150 people with mental health problems into sustained work in the last year.

New partnerships

Having a hub in Edinburgh now puts SAMH in the centre of the capital and in the perfect position to continue developing services in the East, extending SAMH's footprint, partnerships and campaign work – the Scottish Parliament is nearby.

"We had a base in Edinburgh a number of years ago and have always operated several services in the area," says Jo. **"But, one of the main reasons for having**



SAMH's marathon team

a more solid presence here was to establish new partnerships and grow our supporter base. From a development point of view, it's crucial for us to be here."

It seems the move is working as SAMH has recently become the charity of choice for a number of big businesses based in Edinburgh and there is strong potential for more connections.

Such partnerships are essential for the charity's income. Last year, just ahead of moving into Hayweight House, the organisation held its first corporate black tie dinner - in Edinburgh - with their ambassador, six-times Olympic champion, Sir Chris Hoy. The evening brought in a fantastic £50,000.

"A number of the companies in attendance had never heard of us this time last year, but our new central location can only improve our visibility," says Jo.

Unity's approach

SAMH's chief executive, Billy Watson, says buying the space at both buildings has strengthened the company's balance sheet, as well as its presence. Going through a bank that understood them has given the charity extra confidence.



SAMH's ambassador, Sir Chris Hoy

"We've found Unity to be very friendly. They fully understand the voluntary sector, offering valuable help and advice that we know we can really trust. We find it incredibly helpful to have our own relationship manager at Unity who is always professional, friendly and approachable," says the chief executive.

With one in four people experiencing a mental health issue at some point in their life, and a growing need for services from SAMH, this increased ability to provide localised support is vital for Scotland's mental health and well-being ●

A closer look – Social Enterprise Scotland



Social Enterprise Awards Scotland 2013

Supporting social entrepreneurs

Social Enterprise Scotland (SES) believe that all types of social enterprise, large and small, should have access to ongoing and comprehensive business support and finance, led by the social enterprise community in partnership with others.

The social enterprise sector provides a structure of financial, social and economic development that can help redress a balance between the continual drive for global economic growth with the needs of the real economy - its people, families, community and society.

A result of effective campaigning by SES was the launch of Just Enterprise, Scotland's one-stop shop for social enterprise development, support and learning - www.justenterprise.org

In order for the movement to flourish, all levels of government must examine the resources, support and structures it has in place to support the development of social enterprise. There are, for example, issues around taxation, finance and legal structures that must be addressed.

By creating the environment where people can access support and capital and draw on the expertise and experiences of others, government can create a new generation of



social entrepreneurs, individuals who are looking for value driven careers and who recognise that economic growth must be environmentally sustainable and contribute to wider objectives of social well-being.

Social enterprises already deliver on the "triple bottom line" of people, planet and profit but will only become the business model of the 21st Century if we all improve the quality and quantity of support tailored for social enterprises.

This sector through its specific ability to understand and deal with the problems society and the economy faces can deliver sustainable solutions to society, the economy and the environment ●

Join Scotland's dynamic social enterprise movement!

It's quick and easy to join, apply online by visiting www.socialenterprisescotland.org/join



We have banked with Unity since 2006 and their socially responsible approach fits perfectly with the values of our own organisation and with the wider social enterprise movement. Their specialist expertise means that they clearly understand what we want to achieve. In terms of social impact, Unity plays a vital role in the development of social enterprise."

Fraser Kelly, Chief Executive, Social Enterprise Scotland

The International Network of Street Papers (INSP)

The International Network of Street Papers (INSP) has banked with Unity since 2012 and they are an important social enterprise in Scotland. INSP supports and develops over 120 street paper projects in 40 countries, with a combined readership of 6 million per edition. The street papers create employment for homeless and unemployed people, supporting 14,000 homeless vendors. In addition to employment, many INSP street papers offer their vendors on-going social support and training opportunities ●



INSP supports and develops The Big Issue, which creates employment for homeless people.

Fair Deal

Fair Deal has banked with Unity since 2007. They are a social enterprise and registered charity providing assistance and support for people with learning disabilities, based in Castlemilk in Glasgow. Fair Deal works closely with local authorities and other partner organisations to ensure people with learning disabilities are afforded their full rights as citizens, and supported to reach their full potential and contribute positively using their experience, gifts, talents, skills and abilities within their community and beyond ●



Celebrating 30 years of Unity!

In 1984 Unity was set up as a different type of bank - a bank that was committed to the creation of the common good, and a bank which was not driven by a pure profit motive and puts social good and financial sustainability first.

During this time we have aimed to achieve the best possible social change and benefit for our customers, local communities and the wider society.

Now, more than 30 years later, creating positive social change through our business activity remains a core focus.

Here are some of the ways we continue to live by these principles:

- First Living Wage accredited bank
- Pioneer of the Fair Tax Mark - we aim to be transparent in all that we do, and we were one of the first companies to be assessed and recognised for our fair tax practices
- All staff are offered five paid volunteering days a year
- Staff own shares in the Bank – to reinforce its commitment to the staff, the Bank launched an Employee Share Ownership Plan in 2013
- Our apprentices are paid 64% above the national apprentice wage – since September 2012 we have welcomed eight young people on to our apprenticeship scheme, with three now permanent in employment with us

Changing futures

We focus the use of our customer deposits to fund lending where there are clear social impacts, and over the last year we have measured these impacts.

Our work across Scotland

In 2013 we invested over **£2.8m** into social economy organisations in Scotland, helping to create and protect up to **70 jobs**.

This was part of our overall support to the UK's social economy. In 2013, we invested **£39m** into 53 social organisations, and created or retained a total of **2,143 jobs**.

£21m

to create safe and suitable homes for individuals and families

£14.7m

to develop community spaces, services spaces and head offices to give organisations and communities a sustainable future

£3.2m

for CDFIs to on-lend to financially excluded businesses and civil society organisations working in local communities

£315k

in overdrafts, performance bonds and social investment bonds ●



Staff joining in the celebrations for Employee Ownership Day



Unity staff volunteering at Priestly Smith School's sports day, a specialist centre for pupils with severe sight loss



If you would like to have a chat about how Unity's socially responsible banking can help you, please call me on 01698 843 933 or 07711 412 889.

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