



Social Impact Report

2015-2016

The Five Lamps Organisation Limited

Registered Office: Eldon Street, Thornaby, Stockton, TS17 7DJ

Registered Charity Number: 702314

A Company Limited by Guarantee: 2441319

Welcome to our Social Impact Report 2015-2016



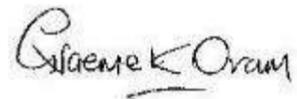
This is the sixth impact report that we have produced and in doing so we are trying to answer a fundamental question on if our services continue to make a lasting difference to our customer's lives.

2015/16 was a year of change for the organisation and saw us engage in the development of several new and exciting

initiatives. It was a year of focus on efficiencies within our delivery models and one where a few projects reached the end of their funding/contracts. This included the NETs contract in Northumberland, which for three years delivered emergency support very successfully; 'FamilyWise' a well-intentioned programme of support for families with complex needs which was a major disappointment from a contractor/sub-contractor perspective. It was also a year that didn't necessarily go to plan in relation to a couple of our growth projects and where commissioner-driven changes to a few longer-standing programmes notably 'Start Up Loans' and 'New Enterprise Allowance', created something less than the predecessor.

Our work continues to have a real relevance in the ongoing economic climate, irrespective of the further constriction of public spending at national and local levels. We remain focused on building a stronger balance sheet and to generate a greater proportion of revenue from our own assets.

The production of our Social Impact Reports has become integral to Five Lamps' operation and culture, supporting our growth and development, adding value to tenders, influencing service design, providing a marketing tool, generating a stream of good news stories, celebrating success and providing a case for social investment.



Graeme Oram
Chief Executive

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About Five Lamps

Five Lamps was originally established to support people who were unemployed, due to the decline of the traditional industries in Teesside. 30 years later there is now a greater need for the services we deliver and our geographical reach now spans across the North East and into North and South Yorkshire.

Five Lamps now delivers services to over 23,000 socially, economically and financially excluded customers through its three integrated business divisions - Youth Services, Financial Inclusion and Housing and Economic Development.

The impact of our works spans supporting long-term unemployed people back into work; providing training, employment and qualifications to NEET young people; supporting customers on their enterprise journey from enterprise coaching, mentoring, business planning and accessing finance for start-ups; providing evening and weekend youth club activities; refurbishing and letting previously long term empty properties; systematically stripping away the barriers that face troubled families; delivering welfare assistance programmes; providing affordable personal loans to individuals and homeowners who are unable to access mainstream support.

The type of customers who access our services include; people unable to access mainstream finance; the long-term unemployed or those trapped in the 'low pay, no pay' cycle; vulnerable groups including those people with drug and alcohol and problems and mental health issues, customers wishing to move into self-employment who do not necessarily have the knowledge and skills around becoming self-employed; the financially excluded and young people with complex needs who are at risk of social exclusion due to the limited meeting places in the local area where their needs can be supported.

Board of Trustees

Our Board of Trustees provide leadership, strategic direction, challenge and entrepreneurship, driving the business forward and keeping it under prudent control.

The Board meets at least quarterly and has a sub-committee; Audit & Risk, Our Board of Trustees also hold two away days per year with the Senior Management Team to discuss performance across the organisation.

Mission, Vision and Values

Our Mission

To Transform Lives, Raise Aspirations and Remove Barriers to Social, Economic & Financial Inclusion

Our Vision

Creating Possibilities: Improving Lives

Our Values

- To **make people matter**, by releasing their potential and encouraging self-worth
- **Performance matters**, by achieving targets and meeting quality standards
- **Quality matters**, by assuring quality and achieving contemporary quality standards
- To make **communities matter**, by understanding neighbourhoods and their needs including everyone
- **Measuring impact matters** by collecting social, performance and environmental data across the full range of our business and producing an annual Social Impact Report

30 years of Making People Matter

We held a celebration event on 15 October 2015 to mark the organisations 30 year anniversary. To reach this landmark is a testament to every single employee, volunteer, trustee and customer who has contributed to the development, growth, innovation, ambition and resilience of Five Lamps, from its foundations as Thornaby Impasse to the present day.

The world we work in has changed, as have our services, our personnel, the needs of our customers and our communities, our scale and our geographic reach. What hasn't changed is our commitment to 'Making People Matter', to Create Possibilities and Improve Lives.

Everyone at Five Lamps seeks to live up to our values and focus on transforming lives, raising aspiration and removing barriers to social, economic and financial inclusion.

Social, Economic and Financial Exclusion



2.3 million use home credit, paying APRs of between
180-500%

(Source: The Financial Inclusion Centre, 2015)

165,000 people use illegal loan sharks

(Source: The Financial Inclusion Centre, 2015)



It is estimated that over **5 million** households are affected in some way by financial exclusion

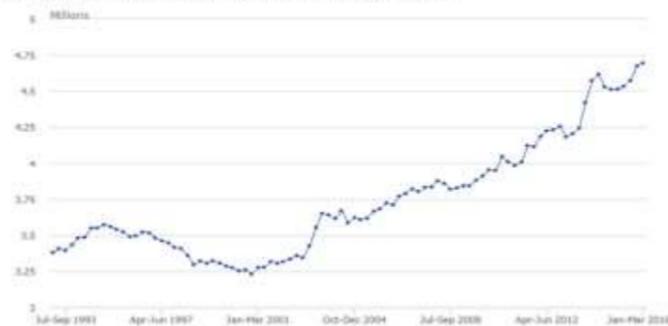
(Source: The Financial Inclusion Centre 2015)

65% of pre-payment customers unaware they pay higher fees

(Source: The Financial Inclusion Centre 2015)

Figure 1: Number of self-employed workers

Quarter 1 (Jan to Mar) 1993 to Quarter 1 (Jan to Mar) 2016



The graph above shows an **increase** in the levels of self-employment within the United Kingdom.

(Source: Office for National Statistics, 2016)

NEET rate 16-18 year olds: England, End 2015



The graph shows the North East has the **highest rates** of youth unemployment in the United Kingdom

(Source: Local Authorities' Client Caseload Information System (CCIS))

Key Achievements

- Celebrated 30 years of Making People Matter
- Over 75,000 people accessed our buildings
- Over 18,000 people accessed our services and support
- Geographic growth
- We now employ 56 people
- Over 5,000 people supported with an affordable personal loan
- Over £5m of lending
- We supported over 200 people to start their own businesses
- Over 174 people supported with a business loan
- We have loaned over £7.5million to new and early life businesses since 2011. The majority of our lending remains to North East customers
- Over 400 young people accessed our Youth Provision
- Over 65 NEET young people were supported back into Employment, Education or Training.

Awards & Recognition

The success of Five Lamps work has not only been recognised from delivery output, it has also been recognised by awarding bodies.

We were absolutely thrilled to win the **NatWest SE100 'Resilience Award'**. NatWest describe the award as 'one for social ventures that continually deliver positive social change and repeatedly achieve impact goals, keeping focused on delivering their mission, whatever the weather. The winner will be a social venture that can show it has been exceptionally steady by successfully tackling challenges and overcoming difficulties'



ECONOMIC DEVELOPMENT



Activities and Outputs

Our Economic Development division comprises of:

- **Employability** - supporting hard to reach individuals and individuals from families with complex needs into employment, 'FamilyWise'; delivery of the DWP 'Work Programme'
- **Enterprise** - delivering 'business start-up' training, coaching and one-to-one support to progress Five Lamps' customers into self-employment; New Enterprise Allowance mentoring; a tiered business loan offer which spans NEA Loans,; Start-Up Loans and Regional Growth Fund Loans of up to £100k

Aim: To have a positive impact and increase employment figures in the North East & Yorkshire, by supporting people to access training, sustainable job opportunities and by supporting them to start their own businesses

Our Economic Development teams recognise the key stages of our customers' journey to self/employment:

Engagement – Intensive Support – Skills Development – Tackling Barriers to Success – Aftercare

2015/16 continued to be a challenging year for our **Enterprise** division as we continue to provide services based on the requirements of local and national government eligibility criteria.

We have loaned over £7.5million to new and early life businesses since 2011. The majority of our lending remains to North East customers.

Five Lamps commenced lending from the £750k of Regional Growth Fund capital secured by the CDFA in July 2013. This capital has completed a unique ladder of financial support to our enterprise customers which now spans New Enterprise Allowance; Start-Up loans and RGF with loans available from £1k – £100k.

We would like to see our offer more strongly linked to the Tees Valley business growth hub and to the Northern Powerhouse Investment Fund, which is to be launched later in 2016 and includes a micro-finance element.

These remain challenging times for our business start-up customers with a number requiring considerable support and flexibility to repay their loans. Five Lamps recognises that the availability of bank finance for start-ups will be restricted for the foreseeable future and that Responsible Finance Providers have a major role to play in addressing the market failure our customers' experience. While we appreciate that the Northern Powerhouse Investment Fund will make a difference, there has already been a dilution of the likely fund size and we predict a greater demand for our finance. To that end we are actively pursuing some new sources of capital, including partnering with six other responsible lenders on a national proposal to raise up to £75million; being one of four community lenders working on the development of a national loan portal which may in future access crowdfunding and refinancing the RGF funds mentioned above.

From 2011 until March 2014, our performance on the DWP Prime contract to deliver the New Enterprise Allowance Loan Service throughout the North East and Yorkshire was among the best in the country across a wide variety of indicators. Nearly 4,000 new businesses were established by people coming off benefits. The programme was initially extended and then transferred from DWP to the Start Up Loan Company, aligning both NEA and Start-up loan products. These are two distinct loan-types and we have been proved correct in our assertion that the alignment of eligibility and process, particularly credit policy, would see substantially reduced activity and markedly fewer loans. We were responsible for better than one in five of all NEA Loans in the country up to March 2014. The new contract saw our geographic coverage reduced to the North East, with a commensurate reduction in activity and, when the mentoring contract, with its revised operation, was re-tendered in late 2014, we saw a further reduction in activity.

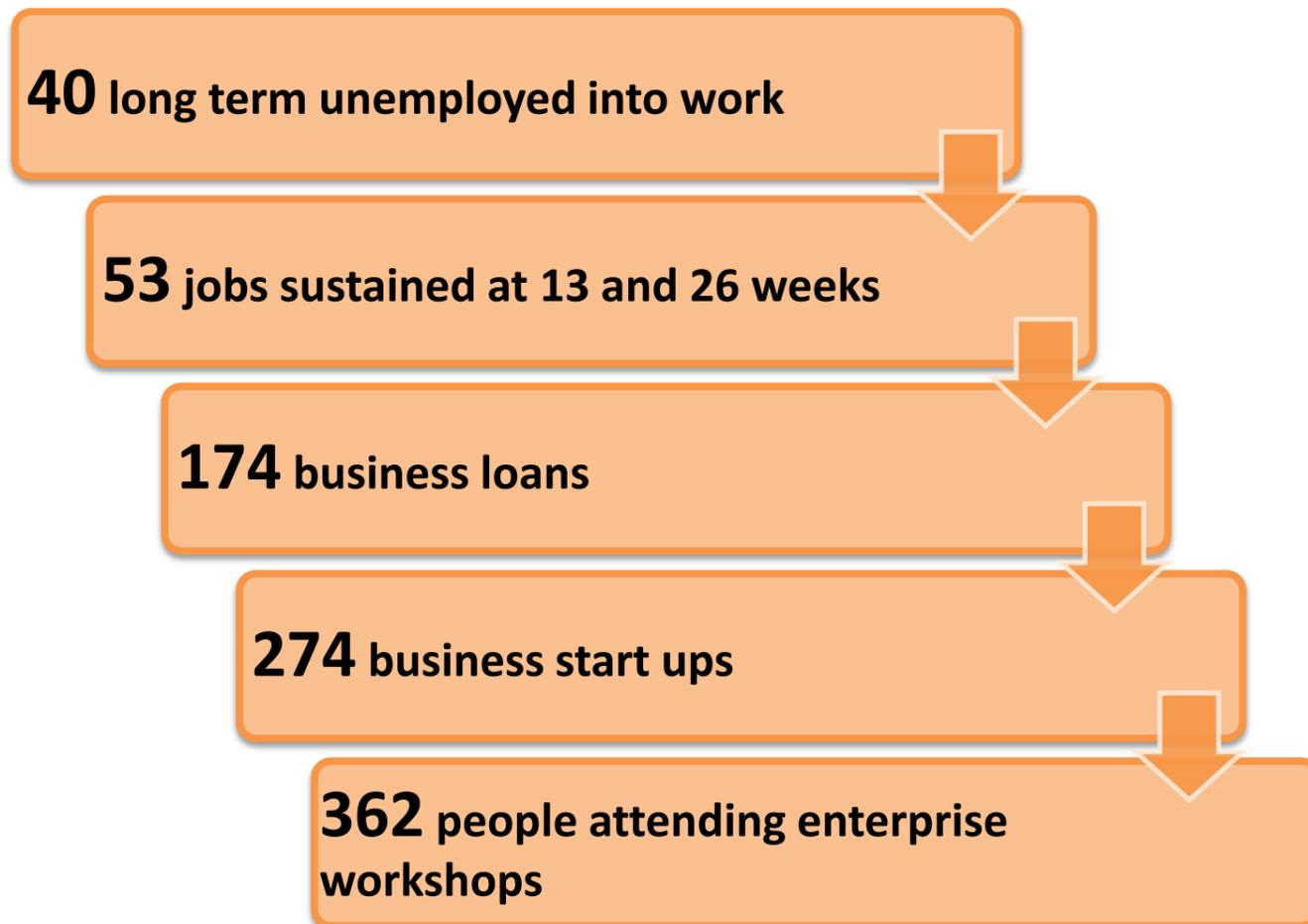
We have welcomed a number of changes to NEA and SULCo delivery models and continue to strive to grow our activity.

The NEA mentoring contract where we are a sub-contractor to the prime, Gateshead Council, remains challenging with inconsistent referrals from Jobcentres, a high attrition rate at the initial sift and a degree of inflexibility in the evidence requirements which trigger sustainability payments. The prime contractor also wanted to review referrals to the loan service, creating an unnecessary additional delay in processing loan applications. Perhaps the greatest challenge however, is for sub-contractors to deliver this service for the current contract price which is markedly less than the predecessor contract as a consequence of the top-slicing by the prime.

During 2015/16 our **Employability** service continued to deliver a Work Programme sub-contract. 'FamilyWise' the ESF-funded family support service, ended at 30 June 2015. The last few months of the programme saw a slight upturn in revenue generated but, right across the North East, and nationally, it was a difficult programme to deliver, almost entirely due to DWP monitoring, a fundamental over-financing of the delivery model and the competition for a similar client group from the Troubled Families initiative.

Employability work has been a cornerstone of Five Lamps' service offer over the last 30 years and we would like to see that continue into the new Work & Health Programme, which is to replace the Work Programme and Work Choice, providing specialist support for the long-term unemployed and also claimants with health conditions and disabilities. We have had initial discussions with a number of the potential bidders. There is also an employability element to the Youth Employment Initiative.

As a further extension to our employability offer we secured £10,000 from the Warburton's Foundation to deliver a range of job clubs across Stockton.



Social and Economic Impact

Our published good news stories and our customer surveys inform us of improvements and impact we have had on our customers' lives.

"Being unemployed for the first time after a fortunate 30 years work is daunting enough, coupled with opening a business is scary. At a challenging time Five Lamps were in a position to do what no one else could, listen, advise, steer and build confidence."

"Five Lamps were timely and responsive to my initial application, and I was offered a loan amount that matched my needs, however Five Lamps were careful that the repayments would not be a burden on the business."

"Ian helped me so much to get my business started. He was so patient with me and I got there in the end. I am still learning as I go on but I would never have got my business started if it was not for Ian and my partner who believed in me."

Quotes like this are common place here at Five Lamps, where we value all customer feedback to drive forward service improvements.

We have used the Community Development Finance Associations (CDFA) Economic Impact Tool to calculate the economic and social value of our enterprise activities. It enables community finance providers to calculate the value of the economic and social impacts of their activities. The Economic Impact Tool is underpinned by a relevant and robust evidence base, which has undergone a peer review process. It is designed to be a living document, and expected that the range of outcomes will be expanded and the values updated as the evidence base for the impact of community finance grows. The calculator defines the value of a small set of core outcomes based on existing evidence and using data already collected by most CDFIs. It is underpinned by a relevant and robust evidence base. Full details of the evidence used and the impact model (the base for the value calculator) can be found in An Economic Impact Tool for the Community Finance Industry, available from www.cdfa.org.uk.

Outcome	Outcome Indicator	No of outcomes	Unit Value of Benefit	Total Value of Benefit
Entrepreneurship: Business created by unemployed person on benefits	Number of loans made to unemployed individuals who created a business	100	£24,253	£2,425,300
Entrepreneurship: Business created by an employed person	Number of loans made to employed individuals who created a business	74	£10,619	£785,806
Skills: Individual skills upgraded	Number of individuals who received business advice	362	£290	£104,980

We have used the Governments Unit Cost Database (v.1.4) to calculate the economic and social value of our employability activities. This unit cost database brings together more than 600 cost estimates in a single place, most of which are national costs derived from government reports and academic studies. The costs cover crime, education & skills, employment & economy, fire, health, housing and social services. The derivation of the costs and the calculations underpinning them have been quality assured by New Economy in co-operation with HM Government.

Outcome category	Cost/ saving detail	No of outcomes	Economic Value	Total Value of Benefit
Employment & Economy	Job Seeker's Allowance Fiscal benefit from a workless claimant entering work	40	£14,719	£588,760

The results of our impact using the CDFA Impact Tool demonstrate a substantial cost benefit of our services with the main outcome of supporting these customers into employment/self-employment.

The most significant benefit relates to the 100 previously unemployed people that we supported with a business loan to start their own business through the New Enterprise Allowance Mentoring and Loan contracts. The economic benefit has been calculated at £2,425,300 – a significant benefit to the wider economy in terms of welfare benefits savings but also to the individual in terms of the lifestyle changes required to start their own business.

Previously we have undertaken a social return on investment type calculation, however we have moved away from this type of analysis within this report due to the assumptions and proxy measurements that need to be made to input the data to create a £ for £ value calculation.

There are obvious challenges in attributing monetary values to outcomes and impacts, particularly around putting a value on quality of life. We will continue to develop our approach to economic impact reporting, however for the purposes of this report, we have purely focussed on the 'hard' economic outputs. We recognise though that this limits our ability to provide a full economic analysis of our work.

Case Study: Angela fulfils her lifelong ambition



Angela Rowley from Billingham had always had an ambition to own and run her own tanning salon.

After having years of experience working in this field, when Angela inherited some money she took steps to put her idea into practice.

Angela contacted Five Lamps, to seek self-employment help and guidance, where she began working with Five Lamps Business Adviser Carol Sanderson through the DWP's New Enterprise Allowance Scheme. Carol

helped Angela to write a business plan to enable her to qualify for New Enterprise Allowance which would provide £1270 over 26 weeks as a new business start-up.

Although Angela had some money to invest in her new business, it wasn't enough to furnish and stock the salon, so Angela applied for a business loan through Five Lamps Start-Up Loan fund. Angela's loan was approved and she is now the proud owner of Radiance Sunbed Salon, she has also employed one member of staff and rents out a room to a self-employed beauty therapist.

Angela said "My journey was more complicated than I expected and I would never have dealt with and overcome the problems I encountered without Carol's advice and support

Five Lamps is the local Delivery Partner for Start-Up Loans, a Government – backed initiative aimed at ambitious individuals aged 18 and over who want to start up their own businesses

January 2016

Case Study: Kulthida will create the costume of your dreams



Kulthida is a 40 year old mother of 5, who lives in Middlesbrough.

She has a very strong work ethic and originally from Thailand, she was determined to develop her English to improve her job opportunities and to support her children with their integration into school life.

Being unable to secure work, she did not know who to turn to. She discussed this with her Adviser, Kym McLaren, at Middlesbrough Job Centre who referred Kulthida to Five Lamps.

Kulthida was referred to the Family Wise project, which is funded by the European Social Fund to support families with multiple problems.

She worked with Jane Simpson, Five Lamps' Family Coach to create an action plan tailored around her strengths, aspirations and the challenges she faced.

As a dressmaker and experienced seamstress Kulthida is able to create unique, bespoke garments by using either the customer's choice of material or Kulthida's exquisite materials and colours.

The support provided was a success and Kulthida achieved her dream to secure her own dressmaking business. Her Business 'Minthra Clothing Alteration & Design Service' is located on Grange Road, Middlesbrough.

March 2015



FINANCIAL INCLUSION & HOUSING



Activities and Outputs

Five Lamps' supports communities through its Financial Inclusion & Housing division:

- **Personal Lending** - providing affordable and responsible fair-cost loans to customers who are financially excluded from mainstream financial services and cannot access affordable credit and who may have had to resort to using high-cost lenders
- **Empty Homes** – Refurbishment of empty properties; tenancy management

Aim: To provide affordable credit and financial support to financially excluded individuals, enabling them to move away from their reliance on unaffordable or illegal credit. To bring back into use long term empty properties

Our Financial Inclusion Team recognises the key stages of our customer's journey to financial inclusion:

Engagement – Personal Financial Healthcheck – Loan Decision – Signposting – Aftercare and Support

Our personal lending service made just over 5,500 loans in 2015/16, maintaining similar volumes to the previous year. It was a year of considerable investment in the final stages of our online portal with automated decision-making, in new partnerships, in long-term strategic programmes and in building the case for substantial social investment. Since starting to make unsecured personal loans in 2007–8 we have made 65,000 loans totalling over £25million.

We now have an online application portal with automated credit checking and decision-making which is capable of handling the scale of applications that we aspire to and of interfacing with the API functionality of other initiatives within which we operate as a lending partner. We have also integrated e-sign and have a largely paperless operation, driving out a range of time-consuming manual processes and information requests, utilising industry-standard validation and verification systems. These changes have substantially improved our operating efficiency, reducing our cost base, and enabled us to make same day payments if required.

We reported last year our potential role as the lending partner in 'Our House', an ethical alternative to weekly payment household goods stores like Bright House and Perfect Home.

The stores and the goods for sale were provided by Homemaker Solutions Limited, a wholly-owned subsidiary of the FRC Group, a Liverpool-based social enterprise. The first 'Our House' store opened in Oldham in June 2015 and a second opened in Burnley two months later. The further rollout to open four further stores, including two in the West Midlands, did not happen. The store provider unilaterally placed itself into administration on 30 October 2015.

The joint venture was founded on a strong belief that people on low incomes needed the alternative of an ethical weekly payment store and each partner developed a business model that would offer them fair prices for quality goods. FRC developed the stores and created a well-presented image and recruited a staff team with good experience. Five Lamps invested in the systems interface and offered a new hire purchase contract at a very competitive rate. From opening, the level of indebtedness of customers was a major barrier to responsible lending and brought the questionable practices of companies like Brighthouse and Perfect Home into sharp relief. While footfall in the stores was reasonable, we were unable to approve loans in many cases due to credit history, over-indebtedness and a lack of disposable income. Put simply we were not able to lend responsibly, highlighting that these companies were certainly not able to do so either.

The footfall and the number of applications made, support the case for an ethical model to meet the demand which exists for this customer group. It is reasonable to conclude that an ethical rent to buy business with a high street presence is unlikely to be successful due to the levels of debt carried by so many in our communities and the inability to offer responsible lending solutions to these customers. Once customers have reached the 'no credit check required' world of these companies they are not treated fairly and lending is not responsible. It is compounded by the additional fees and insurance charges. The Financial Conduct Authority must act.

Sheffield Money was launched in September 2015 once the approval of the FCA Brokerage Licence, required by the local delivery vehicle, Finance for Sheffield IPS Ltd, had come through. The town centre shop had been open for enquiries and advice since March 2015. Since opening the levels of lending have been disappointing, representing a small fraction of the numbers envisaged when the programme was being developed following the 'Fairness Review'.

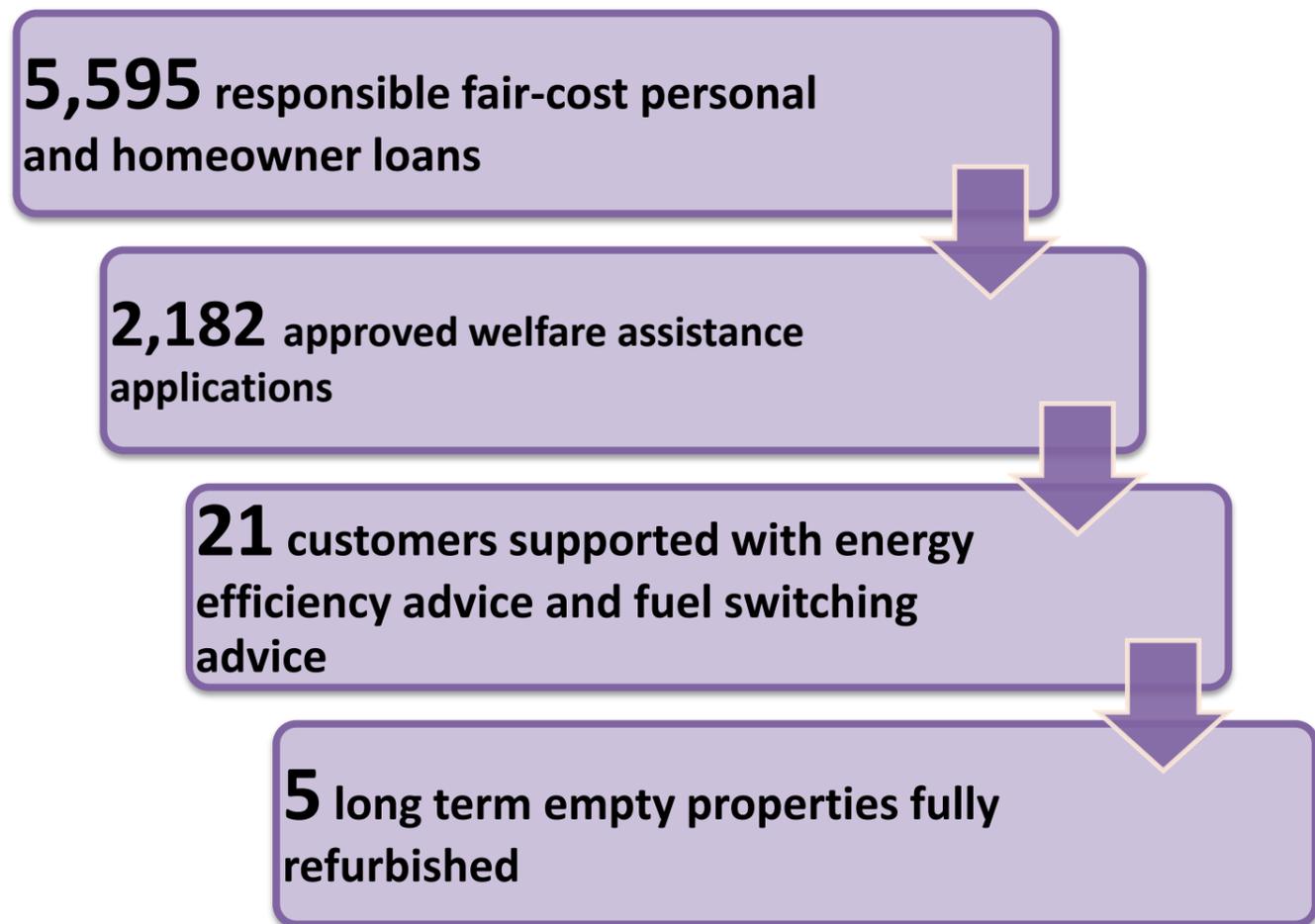
The Affordable Lending Portal project which came out of a Cabinet Office/CDFA review is now on schedule for a launch in September 2016. The company Affordable Lending Limited

has been formed and our partners Experian are designing the front end customer-facing piece. The project will take referrals from the Asda Money website and identify community lenders able to lend to the customer. The referral will progress through our loan portal as an on-line application. Five Lamps is now the community lender identified for Newcastle and Sunderland activity as well as Greater Manchester and London. This is an exciting new national vehicle. The engagement of Experian and Asda Money in the pilot creates major added value.

The failure of 'Our House' and the lower than expected level of custom from Sheffield Money have not dimmed our belief in the investment made in our systems capacity and the realisation of strong added value from that investment. While we have not seen the levels of growth envisaged we are committed to developing new markets with new partners. Perhaps the greatest challenge is the ability to grow our pot of capital for on-lending. Our plans tell us that we will need c£5million of new capital to meet the demand expected in our next phase of growth. In July 2016 we secured £87,000 of funding from Big Potential Advanced to build the business case and prospectus for substantial social investment. We will work with industry-experts Social Finance to complete this work by May 2017.

Having successfully re-tendered to deliver 'Helping Hand', the North East Regional Private Housing Financial Assistance Service on behalf of ten NE Local Authorities, through to April 2019, demand seems to have dropped considerably. The service has now made over 800 loans totalling over £7million. The funds under our management on this contract totalled over £9million at 31 March 2015, although two local authorities Durham and Middlesbrough opted to withdraw from the new contract reverting to in-house operation. There continues to be a strong level of satisfaction with service delivery and a number of authorities continue to put additional capital into the programme.

The final year of our last remaining Welfare Assistance contract in Northumberland ended at 31 March 2016. As in previous years the contract was delivered to a high degree of user and stakeholder satisfaction by ourselves and our two partners Dawn Advice and Voices. Indeed the NETs programme was awarded a top rating by the Council's audit service in June 2015.



Social and Economic Impact

Our improved consultation and impact capturing methods have enabled us to demonstrate what our Financial Inclusion and Housing services have delivered to our customers and how this had contributed to a change in their lives.

Kathryn, a personal loans customer said **“I think Five Lamps understand why people borrow at certain times and try to say yes so, when they can, they do. The relief I felt today when I received an acceptance - breathing easier now!”**

Terri-Marie, a personal loan customer said **“I like how the payment is taken on an agreed date by direct debit out of my account and I don't have people coming to my door”**

Nora said **“Don't sit alone and vulnerable, go to the Five Lamps and if they can help they will, I received help from them which made a big impact to me I was able to enjoy Christmas knowing I would be warm. Thank you again for all of your help”**

We have again used the Community Development Finance Associations (CDFA) Economic Impact Tool to calculate the economic and social value of our Financial Inclusion and Housing Services.

Outcome	Outcome Indicator	No of outcomes	Unit Value of Benefit	Total Value of Benefit
Financial: Like-for-like loan savings	Number of personal loans made	5,569	£91	£509,174
Housing: Improved housing stock - economic, social and environmental benefits	Number of homes brought up to a Decent Homes Standard	5	£6,685	£33,425

We note that the CDFA’s economic impact calculator for financial outcome is based only on the economic impact in terms of savings and is based on an evaluation of London Mutual Credit Union which determined an average consumer savings per loan of £91. We believe this is a conservative estimate of our impact in terms of providing an alternative fair- cost personal lending service to financially excluded individuals.

We have therefore calculated the impact in terms of savings using a local unsecured alternative lender as a comparator:

- Total value of personal loans made = £3,175,000
- Interest charged @ 89.9% APR over 12 months = £1,243,000
- Local unsecured alternative lender @ 360% APR over 12 months = £3,427,000

Total economic impact of £2,184,000

We believe the above is a more realistic as it is based on the value of loans rather than the number and uses a local comparator.

Case Study: Feeling more at Ease after Electricity debt is cleared



Mr and Mrs Craggs from Stockton-On-Tees were referred to Five Lamps through the Warm Homes Healthy People project as they required energy debt advice.

Unfortunately due to Mr Craggs ill health; he requires electrical medical equipment to be in use at all times. If the electricity is disconnected due to insufficient funds on the meter this affects his medical equipment which takes weeks for the

hospital to reconnect.

However, a few months after their credit meter was installed, Mr and Mrs Craggs began to receive bills that they could not afford to pay and the electricity bill soon built up.

Amy Baker, Five Lamps, Executive Support Assistant, discussed different payment options with Mr and Mrs Craggs so they could set up a payment plan to ensure they were making affordable and sufficient payments to their on-going consumption.

They also worked together to submit an application form to the Npower Energy Trust fund to clear their electricity debt.

The application to Npower Energy Trust fund was a success, and Mr and Mrs Craggs had been awarded a grant to clear their electricity arrears totalling £919.00.

Mr and Mrs Craggs said; **“I don't think there is any better service you can do than what you have done for us we would recommend Amy to anyone who is in trouble, the way she makes people feel at ease and not guilty at getting into debt.”**



YOUTH SERVICES



Activities and Outputs

Our services for young people are managed within our Corporate Services division and include work with NEET young people, via the YES project; evening and weekend activities for young people from ages seven to 18 years including VIBE and our special needs provision.

Aim: To provide NEET young people with skills and qualifications to prepare them for employment. To provide a range of evening and weekend activities for young people to raise their confidence and aspiration

Our programmes recognise the key stages of NEET young people's journey to training, qualifications and employment:

Engagement – Personal and Social Development – Positive Progressions – Aftercare and Support

2015/16 was a fantastic year for our Youth Services division. The Youth Employment Service project engages with young people who are NEET and also 19 – 25 year olds who have special needs or are statemented. Each young person is placed onto individualised learning activities, before progressing into either further education, employment or an apprenticeship.

Our youth club activities 'All Stars' and 'Seniors' attracted 109 new members. These clubs are a valued resource for local young people aged between 7 to 18 years.

Our VIBE Youth Club for young people aged 7 to 18 years with physical and learning disabilities continues to be a focal point for young people as well as providing a respite service for their parents and carers. An additional 102 new members were registered in 2015/16.

All of our evening and youth clubs provide a range of activities and workshops aimed at teaching young people new skills whilst having a great time.

Five Lamps was provided with funding for 3 years from the Miss W E Lawrence 1973 Settlement to provide training opportunities for young people to support their progression into employment.

47 NEET young people completed an individualised programme of activity

11 NEET young people progressed into full time education or training

211 new youth club members

Social and Economic Impact

Our impressive range of services to young people are valued both by the young people and their parents/carers.

Ashley, a young people on the YES programme said **"I know I can always go to Five Lamps for information, advice and guidance support"**

Jordan, another young person on the YES programme said **"I feel more confident about myself, don't mind and now look forward to interviews. Five Lamps never gives up with people and Anne always goes the extra mile to help"**

Kodie attends the Allstart youth club and said **"I like coming here. It's a fun place to be and meet new friends"**

Again we have used the New Economy (Greater Manchester) and Department for Communities and Local Governments Unit Cost Database (v.1.4) to calculate the economic and social value of our youth work activities.

Outcome	Outcome Indicator	No of outcomes	Unit Value of Benefit	Total Value of Benefit
Employment & Economy	Not in Employment Education or Training Average cost per 18-24 year old not in education, employment or training	9	£4,637	£41,733

The economic benefit of supporting NEET young people has been calculated at £41,733. Being NEET is associated with negative outcomes later on in life: by the age of 21, young people who have been NEET for six months or more are more likely than their peers to be unemployed, earn less, receive no training, have a criminal record and suffer from poor health and depression. There is also a strong correlation with being NEET and early parenthood.

This analysis though is limited to our youth work with NEET young people and as such does not include the positive impact that our youth club activities have on the young people who participate. We will continue to improve our collection of soft outcomes in order to be able to fully report in our next Social Impact Report the positive economic impact our full range of youth work has on our young people.

Case Study: Callum has a new career



After leaving school in 2011, with below average qualifications and regretting not taking school more seriously. Callum took the decision to attend Stockton Riverside College where he completed a Level 2 qualification in Uniformed Services.

Callum wanted to secure a career in the army and unsure of where to

turn for advice and guidance, he came to Five Lamps.

It was identified that Callum was eligible for one to one support from Anne Rookes who works on the Yes Project alongside Stockton Borough Council. (Youth Engagement Support), offering support to young people who are living in the Stockton Borough who are currently NEET (not in Education, Employment or Training).

After lengthy discussion and soul searching with Callum, he took the decision against a career in the army. Callum said he “needed to find employment” and waiting for steps to enable him to move forward towards the army was a lengthy process; he really wanted an income.

Callum applied for an apprenticeship opportunity with Dobson’s Glass Company in Stockton, the interview was a success and Callum began his employment in January 2015.

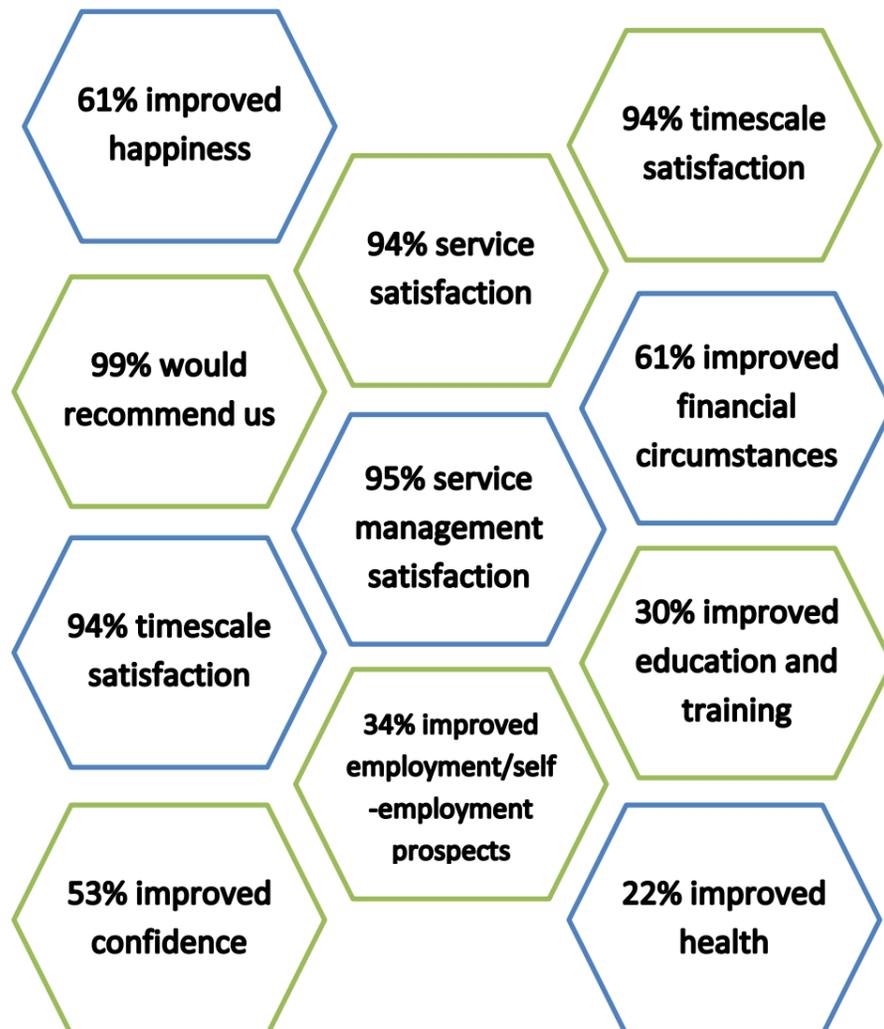
Callum said “**I am grateful for the one to one support I received from the YES Project and Five Lamps, things are really good for me right now, thanks to Five Lamps**”.

What our customers say

To ensure that as well as measuring customer satisfaction rates across all of our services we reviewed our customer survey to capture the impact that our work has on our customers. We ensured that the new surveys were generic across the organisation, so we could compare the measurement of soft outcomes and customer satisfaction around a theme across our divisions.

A total of 577 customers completed surveys on the service they have received and responses were collected using paper surveys and online using Survey Monkey. Customer satisfaction is monitored on a monthly basis through our robust set of Key Performance Indicators.

Throughout the year customer satisfaction has been consistently high:



47 NEET young people completed an individualised programme of activity

90% felt that Five Lamps support increased their ability to secure employment?

94% felt that mentoring support increased their ability to secure self-employment

91% said that receiving a business loan from Five Lamps meant that they didn't need to access other forms of high interest lending

95% said that receiving a personal loan from Five Lamps meant that they didn't need to access other forms of high interest lending

Future Plans

Five Lamps has ambitious plans for the future:

<p>Building on our strengths in the Financial Inclusion field as a leading responsible lender, creating new routes to market and enabling greater access to fair-cost finance</p>	<p>Securing large-scale investment/ social investment from specialist sources, notably Unity Trust Bank; Big Society Capital/North East Social Investment Fund and issuing an investment prospectus in mid-2017.</p>
<p>Growing our enterprise agency credentials to build a broad range of access to finance, supplemented by coaching, mentoring and specialist, intensive start-up support, and development of managed workspace</p>	<p>Measuring the social, economic and financial impact of our business and publishing annual Social Impact Reports</p>
<p>Evaluating the expansion of our Empty Homes work, following review of best practice, and focusing on a purchase & repair model</p>	<p>Securing growth through strategically appropriate mergers and acquisitions, particularly in the community finance sector</p>
<p>Securing substantial scale asset transfer to open up further opportunities for asset-backed investment</p>	<p>Continuing to invest in our people and our infrastructure — functionally suitable premises; contemporary IT; social media; building new models of public services</p>

Five Lamps has continued to position itself at the leading-edge of its sector and to plan strategically for long-term growth across a number of fronts. Events during the past year continue to remind us of the challenges faced by our sector particular in accessing investment at the point of growth, the continuation of austerity agenda and the uncertainty over European funding following the referendum. In addition we have seen at first hand the impact of changes to contracts, where new prime contractors or changes to eligibility criteria can cause considerable change to delivery models. There are also fewer opportunities for organisations like us to tender for contracts at local or sub-regional levels and, where these do present themselves, we find the need for match funding or a requirement to cash flow the new work for often up to six months, to be unsustainable.

The 'Our House' initiative and Sheffield Money are two others where our partners have found it difficult to create the levels and appropriateness/quality of referrals required. The former failed because c80% of the customers referred could not be loaned to within the definition of responsible lending and the latter has not yet been able to market itself effectively to its target audience in Sheffield. Both initiatives were viewed as key to our strategic growth with an expectation of c8000 loans between them by July 2016. The reality is little over 5% of that. Interestingly, while the volumes have been bitterly disappointing, the systems developed to receive and process applications have worked extremely well and will be the backbone of further partnerships.

All of the above serve to remind us of the need to build the respective balance sheets of the trading company and the Charity, continuing the move away from reliance on contracts to take control of our own future.

Despite the issues with 'Our House' and Sheffield Money, we remain extremely confident that our prominent position within the Responsible Finance marketplace offers a clear and substantial platform for growth on to a national footing. Our involvement in the national Affordable Lending Portal initiative, a partnership with Experian, Asda Money and four other responsible finance providers is particularly exciting. This initiative will take our lending into Greater Manchester and London when it goes live in September 2016.

The greatest challenge for us in the strategic window is to secure the capital of up to £10million which will take us to a position of long-term financial sustainability with a capacity to make upwards of 25000 loans per annum. We have been working with sector experts Social Finance for the last year, building an investment model which will be the basis for our investment needs moving forward. In July 2016 we secured funding of V37k from Big Potential Advanced to progress to building the investment prospectus, continuing the engagement of Social Finance. We expect to be in a position to go to market in mid-2017. The excellent relationship that we have with Unity Trust Bank will continue to be a cornerstone of our funding-base but we recognise the need to diversify as we grow.

Five Lamps is now positioned as a multi-regional organisation, with a clearly differentiated service offer, increasingly building a national reputation, and able to influence policy at local regional and national levels.