



**FIVE
LAMPS**

— *Making People Matter* —



CONDUIT

Lending Fairly: **Changing Lives**

Impact Report

April 2017 – March 2018

Five Lamps & Five Lamps Trading Limited

Welcome



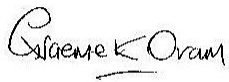
2017/18 marks the eighth anniversary since we started our reporting on the impact that we make. Our work continues to have a real relevance in the ongoing economic climate, irrespective of the further constriction of public spending at national and local levels.

2017/18 was a transitional year for the organisation as we geared up for the final phase of the transfer of our lending activity to the trading company. We found the timescale from issuing the investment prospectus until successful completion and draw down of the new capital to be frustrating. However, the outcome, a £5million injection of capital for on-lending rewarded our patience as we brought in nine new social investors and it will be transformational for our personal lending activity moving forward.

We saw changes to our service portfolio and some significant challenges within the year; however 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.

In 2017/18 we achieved or made significant progress toward the large majority of our strategic objectives with over 16,000 people accessed our services and support.

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

Case Study: An Alarming Heritage



David and Michael Skinner, from Hartlepool, engaged with Five Lamps in April 2017 on the New Enterprise Allowance programme through Job Centre Plus.

Their business idea was to start their own Fire and Security alarm company, a path they had both first set out on in 2005 when they apprenticed for their father's own alarm business.

Both have since gained years' of experience in the sector, working for some of the most well-known firms in the

region. But each held a dream of starting out on their own and doing it their own way.

Working with Five Lamps, David and Michael attended free business training workshops covering the essentials of business planning, customer service, pricing, legalities and bookkeeping to ensure they were up to date and had the greatest chances of success.

Working with their Five Lamps Business Coach, Simon Coe, and with a little help from their Father's in depth knowledge, they drew up their own market research and business plan.

Now David and Michael have realised their ambition and have begun trading as SSS Fire & Security Ltd with a 'burning' ambition to be the best!

Of the support they received, David said: "We're very grateful for the help received from the team at Five Lamps. It's given us more confidence and inspired us to go out there and make a success of it". Michael also stated: "It's been a long held dream to start-up on our own and do things our own way. And do them the right way. The help and support from Five Lamps has made the journey much easier"

When asked if they'd recommend Five Lamps, both resoundingly said YES!

The New Enterprise Allowance is a DWP contract for people on Job Seekers Allowance, Employment Support Allowance or lone parent income support.

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1. About Five Lamps

Since our organisation began over 33 years ago, Five Lamps has continually focused on social responsibility. We deliver services to socially, economically and financially excluded customers and reach a staggering 16,000 customers per year on a local, regional and national basis.

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
- 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
- elderly people at risk of social isolation

Pivotal to our strategic focus on social responsibility has been our success in demonstrating the impact we have made to our customers lives and the communities we serve by the annual production and publication of our award winning social impact reports over the last eight years.

The impact of our works spans supporting long-term unemployed people back into work; providing training, employment and qualifications to Not in Education Employment or Training (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; delivering a Home Care service to support the elderly in our local community to stay in their homes; providing affordable personal loans to individuals and homeowners who are unable to access mainstream support.

In recognition of the increased complexity of the organisation and the need to provide greater transparency in financial performance between the lending and charitable activities, a trading company, Five Lamps Trading Ltd which trades as 'Conduit' was established in 2012. It is a wholly-owned subsidiary which gift aids relevant surpluses to the Charity.

Governance

Five Lamps Charity has a Board of Trustees and Five Lamps Trading Limited has a Board of Directors, who provide leadership, strategic direction, challenge and entrepreneurship, driving the business forward, keeping it under prudent control and acting responsibly towards employees, stakeholders and society as a whole.

The Charity Board meets at least quarterly and comprise of 5 members and the Trading Boards meets monthly and is comprised of 7 members from a diverse range of professional backgrounds.

Charity	Trading
<ul style="list-style-type: none">• Patricia Chambers, Chair• Vivienne Holmes, Vice Chair• Ian Wright• Trevor Watson	<ul style="list-style-type: none">• Bill Erskine• Graeme Oram• Rod Jones• Richard Poundford

<ul style="list-style-type: none"> • Mike Poole (resigned January 2019) 	<ul style="list-style-type: none"> • Trevor Watson • Peter Morris (joined July 2018) • Lars Hagelmaan (joined July 2018)
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Mission, Vision & 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

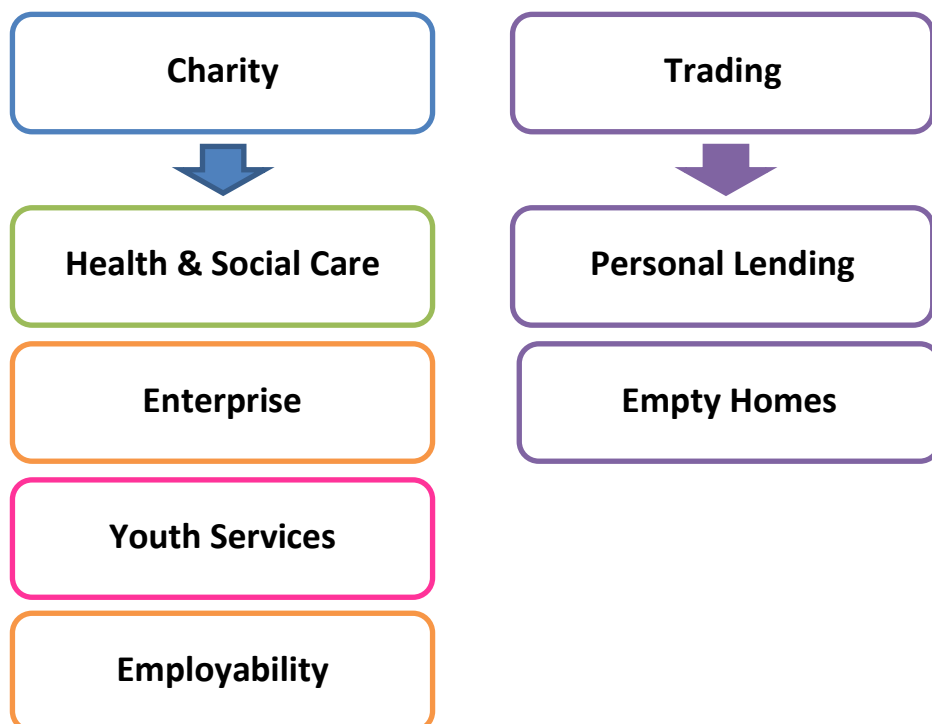
Social, Economic and Financial Exclusion

	<p>At least 1.1 million users of the high cost in the UK are borrowing to cope with essential living costs</p> <p><i>(Source: Stepchange Debt Charity, 2018)</i></p>
<p>Half a million older people go at least five or six days a week without seeing or speaking to anyone at all</p> <p><i>(Source: Age UK 2016, No-one should have no one).</i></p>	
	<p>Just under 660,000 companies were established in 2017</p> <p><i>(Source: Financial Times, 2017)</i></p>
<p>The Poverty Premium costs the average low income household £490 a year, but for more than one in ten of these households it costs at least £780.</p> <p><i>(Source: Being Poor Shouldn't Cost More, Fair by Design, 2018)</i></p>	

	<p>10.9% of all young people in the UK are Not in Education, Employment or Training (NEET) <i>(Source: Office for National Statistics, 2018)</i></p>
<p>The number of older people needing community or residential care will rise to 1.2 million by 2040 - almost double the 2015 rate <i>(Source: Department of Health and Social Care, 2018)</i></p>	
	<p>High-cost credit is used by over three million consumers in the UK, some of who are among the most vulnerable in society <i>(Source: Financial Conduct Authority, 2018)</i></p>

Structure

In trying to address social, economic and financial exclusion, we have 7 business divisions within our Charity and Trading Company.



Key Achievements

- The Trading Company finalised a £5million investment raise and drew down the first tranche of that capital for on-lending on 30 July 2018. This investment, the largest ever single deal for a UK community finance organisation will enable us to make 100,000 loans over the six years of the investment
- We are working to create a new Enterprise loan fund and have submitted an application to the British Business Bank to be accredited to the Enterprise Finance Guarantee scheme

- The Youth Employment Initiative contract (YEI) has been extended
- Five Lamps Trading Limited successfully secured full Financial Conduct Authority permissions in March 2018
- The Charity has completed the first year as joint accountable body alongside our friends at The Corner House Youth Project, in Youth United Stockton (YUS)
- We have launched 'Hull Money', the first of our planned 30 'Finance For Cities' initiatives across the country
- The first Care Quality Commission inspection visit to our Home Care service resulted in an overall rating of Good
- The ERDF Enterprise contract has been extended until 2021, ensuring that an enterprise offer remains very much a core element of the work of the Charity
- Conduit Scotland issued its 1000th loan in July 2018 and is well-placed for further growth
- The Charity started delivering a Breakfast Club at South Thornaby, which will run every day of the school holidays, recognising that holiday hunger is a significant issue in our communities. Support from companies like Asda and Warburtons has been invaluable as has the work of volunteers and our own staff.
- Our Home Care service secured the contract to provide the Hospital Discharge' service for patients returning home from North Tees hospital. This complements the great work of our Home From Hospital team
- Five Lamps are now members of Michael Sheen's 'End High Cost Credit' Alliance. He actually mentioned us on The One Show: The Last Leg and in a number of other media appearances
- It's been a few years since we refurbished 49 Empty Homes in County Durham and Darlington. The Community Housing Fund has now been launched and we are evaluating how we might develop a bid, either on our own or in partnership
- We've signed a partnership agreement with the CDFI 'Purple Shoots' to start lending in South Wales and are in conversation with potential partners in Liverpool and London too
- We are working with Stockton Council to further expand the social inclusion work within Home Care within the scope of the ongoing pilot
- The Charity is now registered with the Office of the Scottish Charity Regulator
- We are still actively looking for funding opportunities to deliver more at The Youthy. The Building Communities Fund has been launched by the Big Lottery Fund and it has a youth strand which we are considering
- We are now into the ninth year of delivering 'Helping Hand' for 10 local authorities and closing in on £9million of loans
- Our Virgin Money funded employability programme is exceeding its targets and is another excellent example of the need for intensive support for those furthest from the job market
- We are still building the business case for an alternative use for our Eldon Street headquarters, working with external planning consultants and service commissioners

Awards and Recognition

Investors in People Gold



Five Lamps hits gold after investing in its staff! In October 2016, we celebrated after successfully being recredited with the prestigious business improvement award - Investors in People's Gold – for the third time!

Following a rigorous assessment that included lengthy interviews with a large number of staff from right across the organisation, this standard is only given to organisations which can demonstrate a commitment to the learning and development of their employees and achieve best practice in people management.

Less than 2% of all Investors in People organisations in the UK achieve the Investors in People Gold Standard highlighting the achievement of Five Lamps who first secured the Investors in People Gold Accreditation back in 2010.

The gold standard award highlights the good practices that operate throughout the organisation and the excellent staff that we have working at Five Lamps, particularly reinforcing the value of our long-standing focus on service quality and continuous improvement

Case Study: Breakfast at Five Lamps

Throughout the six weeks holiday's Five Lamps have been hosting Breakfast Clubs within South Thornaby Community Centre for young people and their families who live within Thornaby and surrounding areas.



The Breakfast clubs provided somewhere for families to socialise, meet new people, join in games and activities and enjoy a free breakfast. By delivering the clubs across the School holidays Five Lamps have also been able to reduce holiday hunger for some families across Thornaby and surrounding areas.

Holiday hunger is a real problem for families who normally receive free school meals. Providing those extra meals during school holidays can be a real struggle for many families, so by Five Lamps providing them with a free breakfast, this has made a huge difference to that young person and their families.

Over 100 young people attended the Breakfast clubs, with the footfall reaching 854 people. The young people were able to take part in some fun activities including; a drawing competition, football, games, slime making and making fruit kebabs as well as fruit and yoghurt.

Working in partnership with Corner House Youth Project, Five Lamps also provided a mini bus to collect around 10 young people from Arlington Park Youth club, who also enjoyed attending the breakfast clubs and meeting new people.



Overall the clubs were a huge success with parents/guardians commenting that;

"The community has been brought together, I am now speaking to my next door neighbours who I haven't really had a conversation with before, just in passing and saying hello"

"The clubs give us somewhere to bring our children, everyone is welcome and it's got a really nice feeling and community spirit"

"Really good for children, my youngest doesn't eat much and ate a little more than she would at home."

All of the parents who attended the club also reported that; the young people felt happier from attending the club, had more energy for the day and it has also helped them reduce stress over finances.

Five Lamps were able to deliver the clubs after being successful in a bid to Stockton on Tees Borough Council Public Health to receive funding. They also received donations from; Warburton's, ASDA, KP foods and Greggs. The generous donations allowed Five Lamps to also provide a bag of lunch materials for the families to take home. As well as donations, staff from ASDA and Thornaby Hub volunteered their time to the club to deliver activities and games to the young people.

The clubs will be continued throughout the school holidays this year, with a week of fun activities planned for October half term and also Breakfast with Santa on Christmas Eve.

2. Enterprise Mentoring & Employability

Activities and Outputs

Our Enterprise and Employability services comprises of:

- Employability - supporting hard to reach individuals into employment through the 'Youth Employment Initiative' (YEI) and via 'Job Clubs' funded by Trans Pennine Express & The Virgin Money Foundation
- Enterprise - delivering 'business start-up' training, coaching and one-to-one support to progress customers into self-employment through the New Enterprise Allowance (NEA) mentoring contract, European Regional Development Fund, SSI Task Force and Youth Employment Initiative (YEI)

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

The stages of support our Economic Development team deliver to ensure sustained employment and self-employment are below:

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

We remain keen to support customers into employment and self-employment and 2017/18 saw us retain a number of contracts to enable us to continue with this work.

We continued to deliver New Enterprise Allowance mentoring and access to finance during the year. The mentoring service was retendered during 2016/17, being retained by Gateshead Trading Company (part of Gateshead Council). The operation of the contract remains problematic with inconsistent and falling referrals from Job Centres, alongside a sub-optimal payment profile. However, despite a challenging funding landscape, we continue to receive positive feedback from customers on the support we have provided them on their NEA journey to self-employment.

For a number of years now our Enterprise workshops have proved hugely popular with people considering self-employment. Our 'link up start-up' workshop allows individuals to explore the different aspects of working for yourself covering, ideas generation, marketing, finance and business planning. This workshop is integrated with our other enterprise projects. We also deliver a two-day more intensive workshop for customers who have made a decision to progress their self-employment ambitions.

We continued with our Youth Employment (YEI) project which enables us to provide help and advice to young people to move them into employment or self-employment. This service is available to young people aged 15-29 who are currently not in education, employment or training and who live within the Tees Valley. Support is offered to help them remove any barriers they may face to achieving their goals.

The SSI Taskforce fund has been widely acknowledged as a very successful model for supporting people who were made redundant as a result of the closure of the SSI steel making operations in Redcar. A significant factor in the success of the project has been the ability of start-up businesses to access grants up to £10,000. In order

to access those grants the business were required to produce comprehensive business plans and financial projections and Five Lamps' Enterprise Team worked extensively with a number of ex-SSI employees in order to help them to access the funds and start their business following a period of significant upheaval for them.

Five Lamps' Enterprise Team have also actively been involved in Stockton Riverside College's programme to fully embed enterprise in both the curriculum and the wider college agenda. We were invited to join the senior working group to help shape this initiative. In addition to regular strategy meetings, the Enterprise team have also participated in various student-led enterprise activities, including being a Judge in a 'Dragons' Den' competition and provide expert advice to students.

**57 young people into education/
training, employment, self-
employment**

76 new business start-ups

**93% new business start-ups
supported and still trading at six
months**

**40 people attending regular work
clubs**

**356 people attending enterprise
workshops**

Social and Economic Impact

Our organisation wide good news stories and our customer surveys help us to celebrate the impact we make on our customers journey and to identify ways of how we can be even better

"Really enjoyed the workshop. The staff were very professional, polite and offered a lot of useful information"

"The workshops have given me the confidence to proceed in starting my own business"

"Excellent advice and support with my business plan"

"My confidence has improved. I feel better for being able to soon be earning my own money"

"I would recommend Five Lamps to anyone who wants to start a business"

"Very informative. I'm no longer worried about doing tax returns"

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. The data will be reviewed and updated on a regular basis by New Economy as new research and analysis is published. The current version was produced in March 2015 to incorporate updates to a number of documents from which the estimates are sourced.

Outcome category	Cost/ saving detail	No of outcomes	Economic Value	Total Value of Benefit
Employment & Economy	Not in Employment Education or Training (NEET) Average cost per 18-24 year old NEET	57	£9,801	£558,657

We have also used the Economic Impact Tool, developed by Responsible Finance in 2014. The Economic Impact Tool is underpinned by a relevant and robust evidence base, which has undergone a peer review process.

Outcome	Outcome Indicator	No of outcomes	Unit Value of Benefit	Total Value of Benefit
Skills: Individual skills upgraded	Number of individuals who received business advice	356	£290	£103,240

The Economic Impact Tool demonstrates a substantial cost benefit of our services delivering business workshops and one to one pre and post start-up support to customers interested in self-employment.

The Governments Unit Cost Database demonstrates that by supporting 57 NEET young people into further education, training, employment or self-employment has brought a total value benefit of £558,657 which is a substantial benefit to the wider community.

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 is a huge amount of debate in attributing monetary values to outcomes and impacts. Our approach is to continue to research impact tools and to utilise best practice which is backed up by sector led and government endorsement. 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: Students cook up a treat for the elderly in Thornaby



On Friday 31 March 2017, Five Lamps Home Care working in partnership with Stockton Riverside College held a two course lunch at South Thornaby Community Centre.

As a Home Care provider, Five Lamps recognises that older people are particularly vulnerable to social isolation and loneliness

owing to loss of friends and family, mobility or income and that this can have a significant detrimental effect on their health and wellbeing. The lunch provided an opportunity for older people to meet new people and enjoy a home cooked lunch by students from Stockton Riverside College.



Invitations were sent to all of Five Lamps Home Care service users, as well as local residents at Rochester Court, with transport provided. Overall the day was a success and there was over 15 service users, local residents and their families and friends who attended.

Stockton Riverside College students delivered an excellent service to the attendees and provided a two course home cooked meal which included a main meal of mince and dumplings and a dessert of ginger

pudding and custard.

The students also provided a waiter service to ensure all of the service users were topped up on refreshments throughout the lunch.

Nicola Garrett, Five Lamps Director of Corporate Services said **"I am really proud of the students they are a credit to themselves and the college! It was great to see young and old enjoying each other's company. We pride ourselves on being a different kind of Home Care provider and as such, are well placed within the preventative agenda to offer a range of wrap around support to our service users"**

One of the attendees said **"It was great to get out and to see the staff and other people, I will definitely come again"**

3. Personal Lending, Enterprise Lending & Empty Homes

Activities and Outputs

Five Lamps' supports communities through Five Lamps Trading:

- Personal Lending - providing affordable and responsible fair-cost loans through our 'Conduit' brand 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
- Helping Hand – To support home owners with information and advice and a potential loan to make home improvements
- Empty Homes – Refurbishment of empty properties; tenancy management
- Start-Up Loan Service – Start-Up Loans are government-backed and charge a fixed interest rate of 6% per year to provide responsible loans to business start-up and 12 months of business support mentoring (ended March 2018)

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

During 2017/18 we were disappointed to not be able to offer the Enterprise loans that we had previously. Since the Regional Growth Fund capital which ran from 2013 to 2016, we have been looking to secure an additional tranche of capital. We had hoped to access European Regional Development Fund (ERDF) legacy funds and were indeed signposted to that funding route. When we submitted the business case to the Tees Valley Combined Authority we were advised that they had not identified any need for an additional pot of enterprise capital. They pointed out that there is access to the Northern Powerhouse Investment Fund (NPIF), but we remain strongly of the view that our proposed Tees Valley Enterprise Fund did address continued market failure and provide support to new and early life businesses which would not be eligible for NPIF.

We also saw the end of our Start Up Loans contract in March 2018. Lending activity had reduced with a combination of the minimum lending standards imposed by Start Up Loans Company (SULCO) and fewer referrals from our partners in the enterprise sector. We were however, particularly proud when one of our start-up loans customers 'Yorkshire Dama Cheese' was featured in the BBC programme 'Made in Great Britain'.

It is disappointing that we are currently unable to offer loans to support our start-ups. However, in anticipation of returning to the marketplace sooner rather than later we have made an application to the British Business Bank to be registered under the Enterprise Finance Guarantee (EFG) scheme. The scheme had been closed to new applications for a number of years and its reopening will enable many business lending Community Development Finance Institutions (CDFI) to receive first loss cover on their loans. Our colleagues elsewhere in the sector who have had access to EFG throughout, have reported its significant value over the years

Our team delivering personal loan activities recognises the key stages of our customer's journey to financial inclusion:

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

Five Lamps commenced the delivery of unsecured personal loans back in 2007 seeking to increase access to affordable credit. Since then we have taken a leading role in the UK Community Finance sector and have grown from a restricted geography in Teesside to enabling applications from all of the country.

Our personal lending service, trading as 'Conduit' made just under 7, 000 loans in 2017-18 totalling over £4.4million. This represents a 30% increase in loans made and is approximately 20% of the UK CDFI delivery.

We issued our 75000th unsecured personal loan in November 2017 and have passed over £3million of total lending since making our first loan in 2008.

The Investment Memorandum issued in April 2017 saw us raise £5million of new capital from nine of the UK's premier social investors. This capital will enable c60million of lending over its life and see us make over 100,000 loans. The initial draw down of £1.5million took place on 30 July 2018. This investment is the largest ever in a UK personal lending CDFI and reflects the exceptional progress made by the organisation as a leading alternative lender. The investment will also enable a step change in the marketing of our loans on a national basis.

The raising of that investment was made possible by a 'Big Potential grant from the Big Lottery Fund, excellent support from Social Finance and high-quality pro bono legal support from Simmons & Simmons. Our investors benefitted from pro bono legals from Allen & Overy.

Our lending activity in the early part of 2018/19 was restricted by the wait to draw down the new capital. We were recycling repayments received from April to July. During the latter part of 2017 we were particularly grateful to the continued support of Unity Trust Bank. When it became clear that we would not be reaching the drawdown of the new capital to the timescale earlier envisaged, we extended our facility with Unity by a further £550000, to give us the lending capital required to meet the demand for credit at Christmas. This enabled us to make £1.6million of loans in the ten weeks before Christmas 2017.

We have been extremely pleased with the progress made in delivering the CDFI contract in Fife, Falkirk and West Lothian, under the Conduit Scotland branding. We opened the four shops in Falkirk, Bathgate, Dunfermline and Kirkcaldy, during July and August 2017. The success of Conduit Scotland has not gone unnoticed north of the border and a number of other local authorities have expressed an interest.

As we have been exploring the new routes to market that we need to substantially scale up our lending with the new investment, it had become apparent that local branding has a role to play in that growth. We have an aspiration to build a national programme called 'Finance For Cities' which we hope might have 30 branded portals by the end of 2020. These portals would bring other leading providers of affordable credit, savings, bank accounts etc to the table. In July 2018 we launched the first of these, 'Hull Money', with the strapline 'A Culture of Fairness'. Conversations are ongoing with a number of other local authorities. The delivery model utilises the FCA broker permissions of the Charity and the suppliers include the Trading Company (Conduit), as well as leading household goods CDFI Fair For You, the successful and long-established Hull & East Yorkshire Credit Union and the challenger bank U Account. We hope to add further suppliers in due course. This model is very much in tune with the FCA High Cost Credit Review consultation.

The Affordable Lending Portal project which came out of a Cabinet Office/CDFA review and was launched as a pilot in September 2016, has stalled somewhat in the last twelve months. This is largely down to the need for significant systems-based investment which is currently beyond the resources of the five participating community lenders. Various funding applications have not yielded success. We continue to work productively with our partners at Experian and we are hopeful that there is a long-term future for the portal particularly if it can be integrated within their range of products and services. The takeover of ClearScore could enable the portal to have access to close to 10 million customers.

There has never been a more positive enabling context in the field of affordable credit as that we find at present. Five Lamps is actively engaged in a number of the key conversations currently taking place in the Financial Inclusion space at present and will strive to bring that benefit to all of the geographies that we cover. These conversations span at national level, The Treasury and others in government who are genuinely interested in our work, and the Bank of England who continue to express concern at levels of over-indebtedness. We have been active in the consultation and evidence processes around the FCA High Cost Credit Review. We were delighted that their Consultation Paper issued in May 2018 made strong references to the need for more alternative lenders, like ourselves, and highlighted stronger roles for local authorities and social landlords. We believe that our suggested delivery model is entirely consistent with the FCA's ambition and that their Consultation Paper is a powerful endorsement of the Finance For Cities' concept.

Our marketplace is being reshaped by the near 2million people who were formerly customers of Wonga; BrightHouse; Provident; Money Shop and others. For many of those customers, impacted by the unintended consequence of regulation and changed business models, we represent the only affordable option.

In February 2018 the government announced that £55million of Dormant Accounts money would be coming available to address financial exclusion. In early August 2018 the government announced that a new independent body would be established to distribute the funding, within their newly-published Civil Society Strategy. The government will direct funds for the establishment of a new Financial Inclusion organisation responsible for deploying the funds. It will primarily address the problem of access to affordable credit and alternatives. They recognise that there are organisations like ourselves who are social alternatives to high cost credit and which promote financial resilience in customers as well as helping to cover short-term expenses. This funding will help the affordable credit sector to grow and support alternatives, through both investments and grants that support existing and new organisations. It is hoped that the new independent body will bring in co-funding from a range of investors, including the private sector. It will also build partnerships with the other organisations working hard to develop this space, including the Financial Conduct Authority, the Financial Inclusion Commission, the End High Cost Credit Alliance, and the charity sector more widely. The organisation will develop strategic partnerships with housing associations, as potential partners who deal with many customers at risk of financial exclusion. The direction for this funding was reached following an extensive evidence gathering and engagement exercise which included focus groups with individuals suffering from financial exclusion, workshops with the sectors responding to these issues as well as mainstream financial institutions, and input from the Inclusive Economy Partnership. We look forward to continuing our active engagement in the development of this exciting agenda.

2017/18 also saw us continuing to deliver 'Helping Hand', the North East Regional Private Housing Financial Assistance Service on behalf of ten North East Local Authorities. The current contract runs to April 2019 with the potential for a one-year extension before the need to re-tender. Now in its tenth year the service has now made just under 900 loans totalling close to £8million. We will be discussing the future of the programme with the

participating local authorities and looking to develop some innovative models for its continuation as the loan funds recycle.

6,958 responsible fair-cost
personal loans

40 people receiving
personal loans to be used
for their business

Social and Economic Impact

"My loan was approved very quickly, and was tailored to suit when I get my income allowing me to clear a higher interest loan"

"It's great for people like me who can't get loans from banks"

"I have already recommended Conduit to my friends and family"

"Straightforward application. Transparency in loan terms and conditions. Keeping applicant informed"

"I was just about to go a loan shark when I saw your TV advert so I am really pleased I saw the advert"

"Fast response, customer service is A star"

- **98%** of customers would recommend Conduit
- **59%** of customers financial circumstances had improved with a Conduit loan
- **24%** of customers' health had improved as a result of their interaction with us
- **72%** of customers felt they no longer needed to rely on high interest credit and/or doorstep lending

To determine the social and economic impact of our personal lending service, we have compared one of our 'Conduit' personal loans to a Provident personal loan:

Conduit	£500 loan	Repaid over 52 weeks	Pay £13.41 per week	Repay £697.32	99.8% APR Representative	Average £239 saving per loan
Provident			Pay £18.00 per week	Repay £936.00	299.30% APR Representative	

We have then used the above as a baseline to calculate the savings made for our customers:

New Conduit customer	Average loan repaid over 40 weeks	Calculation of savings based on £239 / 52 weeks * 40 weeks	Average £184 saving per loan
Conduit customers who have taken out a subsequent loan	Average loan repaid over 52 weeks	Calculation of savings based on £239 / 52 weeks	Average £239 saving per loan

Therefore the social and economic impact of our personal lending service in 2017/18 is:

New Loans	2,512	Average £184 saving per loan	£462,208
Additional Loans	4,446	Average £239 saving per loan	£1,062,594

**Total saving of:
£1,524,802**

Case Study: Conduit Scotland at Christmas

John had budgeted well for Christmas, he'd set aside money for a few Christmas presents and a festive meal.

However, he was faced with an unexpected bill – he needed a car repair to enable him to go to work.

John desperately needed money to tide him over to his next weekly pay so he tried another high street lender for a small loan. He was turned down as he did not meet their lending criteria.

Visiting Conduit Scotland just before closing time, staff carried out an online loan application with John and advised on the documentation he'd perhaps need should the loan be approved.

He rushed away to do this, but returned a few minutes later to confirm the loan had been approved without the need for any further information. Staff helped him sign the loan acceptance.

Within a couple of days, the money arrived in John's bank account. He was amazed at how quickly and easily the loan had been processed, and how staff were able to set up a direct debit repayment to fit in with his weekly wage payment.

John thanked Conduit staff and said they had saved Christmas for him and his family!

4. Health & Social Care

Activities and Outputs

Our Health & Social services comprises of:

- Home Care – providing domiciliary home care across the south of Stockton-on-Tees, supporting elderly people to remain independent in their own homes. The service also helps with social engagement and wellbeing.
- Home from Hospital – supporting low-level discharge from hospital

Aim: To provide an effective, safe, caring and responsive domiciliary care service which meets the aspirations of service users, our staff and key stakeholders by enhancing personal dignity, wellbeing and independence

2017/18 saw us continuing delivering of our Domiciliary Home Care Service Pilot via contract to Stockton-on-Tees Borough Council. The service has been designed to utilise a social enterprise model which provides considerable added value. The service has grown throughout 2017/18 but is still at the stage where it has not reached sufficient scale to cover the fixed costs of delivery and we remain in conversation with the service commissioner.

At the conclusion of the Council's procurement process for its Care At Home Framework, the current pilot was extended. Both ourselves and the Council are keen to see further developments in social activities within the scope of the pilot, to add further value for our service users and the wider family.

The Good overall rating from the Care Quality Commission following our initial inspection in March 2018 was a positive endorsement of the work undertaken by our staff and partners in setting up the service and the commitment of our carers and the wider team. We have acted on the recommendations in the report.

The new Home Care service has seen us create over 30 new jobs. The large majority of these jobs have been filled by local people, with many being recruited through a new sector-based work academy which we have established with local partners, including Stockton Riverside College.

The Home from Hospital service was established in October 2017, supporting people on discharge from the local general hospital back into their own home. This is funded via the Health Initiatives Fund managed by Catalyst Stockton and the initial twelve month funding has been extended for a further six months due to the success of the service.

We have been in discussion around the potential redevelopment of our head office at Eldon Street into a respite, rehabilitation and assessment facility which has obvious synergies with our Home Care and Hospital Discharge services. We have worked up a proposal and have had informal dialogue with commissioners. There is a review in progress at commissioner-level of their future needs and at the conclusion of that work we will formally present our proposal. This potential investment will exceed £2million.

121 service users supported to live independently in their homes

52 people supported for 7 days post-discharge from hospital

Social and Economic Impact

"All the staff are great, really friendly and polite"

"The Home from Hospital service prevented me from being socially isolated"

"I am happy with Five Lamps Home Care and really like the Care Assistants"

"Without Home from Hospital I don't feel that I would have made such good progress when I got home. They arranged to get my medication delivered, arranged a care package. They have helped me with daily needs and cheered me up"

"Without home from hospital support I don't know what I would have done. I can't thank you enough"

"The service we are receiving is great and much better than the previous company had, having Five Lamps also makes life a lot easier for my daughter as the Care Assistants work with her which is releasing a lot of the pressure"

- 92% customer satisfaction with Home Care
- 40% of customers report their confidence has improved since receiving home care support
- 25% report their health has improved
- 33% report an improvement in their happiness
- 21% say their independence has improved since receiving home care support
- 63% of customers rate our Care Assistants as excellent in their ability to do their job

- 71% rate our Care Assistants as excellent in terms of their friendliness
- 98% of Home from Hospital customers found it easier to leave hospital knowing they would have support at home
- 91% of Home from Hospital customers felt their social interaction had improved since receiving our support
- 98% customer satisfaction with our Home from Hospital service

We are continuing to research the most appropriate tools to fully determine the economic impact of our home care service. We have looked at proxy measures including the weekly cost of residential care but do not feel that this would be an adequate measure as we know that not all of our service users would end up in residential care if we were unable to provide a home care service. We will continue to research and report the impact in future Social Impact Reports.

5. Youth Services

Activities and Outputs

Our Youth Services division comprises of the work of our team at the Youthy who deliver evening and weekend activities for young people from ages seven to nineteen. This also includes our VIBE nights for young people who have disabilities.

Aim: To provide a range of evening and weekend activities for young people to raise their confidence and aspiration

Our Youthy has now passed its 16th birthday and remains the focal point for open access youth work locally. We have various youth club activities being delivered at our Youthy catering for ages from 7 to 19 years. We hold our VIBE nights for 7 to 18 year olds with physical and learning disabilities. The young people attend with their parents and carers and as well as the young people enjoying the youth activities their parents/carers can socialise with each other making it a fun evening for all!

We have now passed, and celebrated, the first anniversary of YUS (Youth United Stockton), where we are joint accountable body for open access youth services across the Borough of Stockton, alongside The Corner House Youth Project. This partnership is working particularly well and the local authority as service commissioners are extremely satisfied with the progress made and the visibility of the new brand. A number of specific service development, including staff training, and quality assurance developments have already been introduced.

84 new members to our All Stars youth club

245 new members to our VIBE youth club

138 new members to our YUS youth club

Social and Economic Impact

"The Youthy is great as I can hang out with my friends"

"I like all of the activities like the climbing wall and cooking"

"I enjoyed making a beach hut and all the activities to do with the beach party"

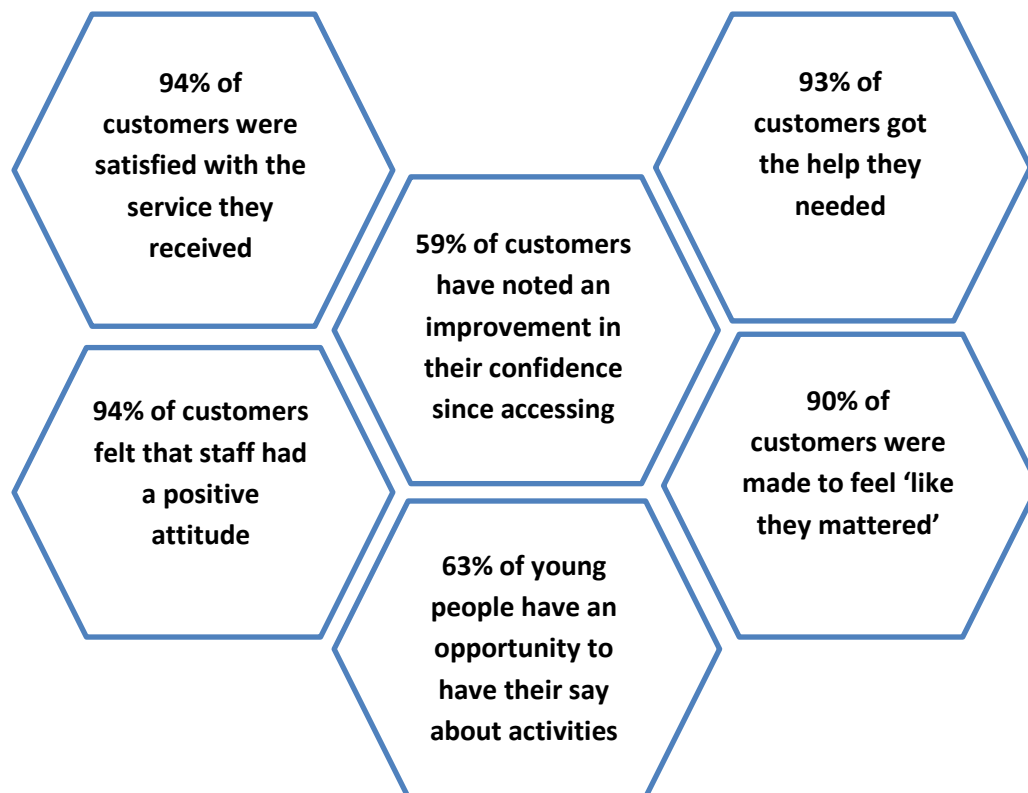
Our inspiring range of activities delivered at our purpose built 'Youthy' are valued both by the young people and their parents/carers.

We are unable to calculate the economic benefit of our youth work activities as there is no tested and respected impact measurement tool in the UK. We know we have a positive impact on the young people who participate in our sessions due to the feedback we receive. We will ensure that going forward if a fully tested and approved economic impact measurement tool for Youth Work is launched we will use this in our future social impact reporting.

6. What Our Customers Say

Our customer surveys cover all projects across Five Lamps and Five Lamps Trading. All surveys are generic to allow us to compare the measurement of soft outcomes and customer satisfaction around themes.

Customer satisfaction has remained particularly high with some exceptionally high scores for impact measures.



What do you think Five Lamps does well?	What do you think Five Lamps could improve?
<ul style="list-style-type: none"> • "Talking to people and giving support" • "Offers good assistance for anyone considering starting up a business" • "Very helpful in helping people into work" • "Helps people get off benefits and go self-employed" • "Friendly, knowledgeable staff. Well organised and structured enterprise workshops" • "It's great for people like me who can't get loans from banks" • "They have helped me progress with my future" • "Have fun and see friends at The Youthy" • "Home Care staff are very sufficient and listen to clear instructions" • "Fantastic helping people solve their financial worries" 	<ul style="list-style-type: none"> • "Public awareness and marketing" • "Help more young people" • "More trips for young people at The Youthy" • "Improve faster payments for loans" • "Advertising" • "Have an online account for customers to check their loan balance and make repayments" • "Business loans for people who can't get them elsewhere"

7. Future Plans

Five Lamps has continued to position itself at the leading-edge of its sector(s) and to plan strategically for long-term growth. The Senior Management Team and both Boards keep themselves abreast of developments at national, regional and local level across a broad range of thematic issues.

We are continually reminded that we 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

Securing growth and building our service portfolio by capitalising on our strengths in current provision, tendering for new work and considering strategically appropriate mergers and acquisitions

Securing large-scale investment? social investment from specialist sources, including banks, social investors, crowdfunding and institutions

Growing a new CQC-registered 'Care' division which includes a domiciliary service and exploring possibilities in the Extra Care/ Residential sector

Measuring the social, economic and financial impact of our business and publishing annual Social Impact Reports

Expanding our Empty Homes work by developing a portfolio of new and refurbished properties, raising investment of up to £6million

Continuing to invest in our people and our infrastructure — functionally suitable premises; contemporary IT; social media; building new models of public services

Securing substantial scale asset transfer to open up further opportunities for asset-backed investment