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Case study on loan finance: Swansea Bay Sea School

'Although the loan was large, we believe the benefits far outweigh the risks associated with the size of the loan.'

PROJECT DIRECTOR

Background

The Swansea Bay Sea School (SBSS) is a project of Maiden Voyage¹, a registered charity, which was set up in 2005 and aims to inspire disadvantaged and socially excluded young people to enjoy the associated benefits of water sports and sample the opportunities the marine sector presents.

The project's mission statement states that it will *'facilitate the delivery of marine-based education, training and activities to socially excluded and disadvantaged young people by establishing and funding programmes appropriate to their needs.'*

The project currently offers the following: canoeing, kayaking, Canadian canoeing, bell bottom boats, dinghies, raft building, power boats and off-shore sailing. It provides personal development training, Award Scheme Development and Accreditation Network (ASDAN) courses, Duke of Edinburgh courses, Open College Network qualifications, sailing qualifications and a range of courses in



marine-based skills to young people who are not in training, education or employment.

Through working with partner organisations and professional marine companies, SBSS provides opportunities and experiences to young people that are normally out of their reach due to personal, social or economic reasons. As a result, young people improve their employment prospects, skills, self-esteem and confidence in a safe, friendly environment.



¹ Maiden Voyage was established to provide an opportunity for young people, from diverse backgrounds and abilities, to learn new skills and experience the excitement of sailing in a modern ocean-going yacht. For more information visit www.maidenvoyage.org.uk.



The project is supported with finance from Sports Relief, the Community Foundation in Wales and anonymous donors and has also applied for funding from other sources including Children in Need, the Big Lottery Fund and the European Social Fund. It also generates income from organisations that book courses.

SBSS has five full-time and two part-time team members, all of which are currently volunteers. If all current funding bids are successful the aim is to employ nine people on a full-time basis.

The organisation is governed by six trustees, comprising of two accountants, one local business person, a leader in the field of rehabilitation, a management change consultant and a marine museum curator.

The Communities Investment Fund (CIF)

Being based in a Communities First² area means that the project was able to apply to the Communities Investment Fund (CIF), which provides flexible loans to

social enterprises and community and voluntary organisations, based in Objective 1 Communities First areas.

The CIF loan was part of a mixed funding package and was primarily used to purchase a state of the art 72-foot yacht. The organisation heard about the CIF through word of mouth, and no other local loan providers were researched.

The loan will allow the organisation to better achieve its aims and objectives as the yacht will act as a great 'hook' for organisations and enables the project to offer a 'complete package'.

Support

A business plan was prepared prior to applying for the loan but the CIF team helped the project refine it, undertook research into the risks and implications of the loan, and provided assistance with cash flow projections and financial management. The whole loan process took about three months.

² Communities First is a National Assembly initiative, aimed at regenerating Wales' most deprived communities, through a long-term committed programme. More information is available from: www.communitiesfirst.info or <http://new.wales.gov.uk/topics/housingandcommunity/regeneration/communitiesfirst>.

'Everyone was really supportive and allowed us to negotiate and secure an asset that is now worth in excess of half a million pounds, therefore doubling the benefit of the loan.'

PROJECT DIRECTOR

All the partners; Fairbridge, New Sandfields Aberavon, the Strides project and the Safer Swansea Partnership were very supportive. In addition, SBSS works closely with the Youth Inclusion and Action teams and a number of schools.

Local impact

The loan has had a huge impact on the organisation. Without the big yacht, it is considered that the whole project would be less exciting and less innovative.

As the project director stated:

'The new yacht is quite literally our flagship and draws attention and interest to the project as a whole!'

The yacht also offers another service and means to engage disadvantaged and long-term unemployed young people, thus creating positive and measurable outcomes in the form of employable skills. Being based in a Communities First area means that there is even more of a social need for what the project is delivering.



The future

The long-term aims of SBSS are to reduce crime and re-offending and make sailing available at a grass roots level to individuals and organisations. It aims to work more closely with the Safer Swansea Partnership and get more involved with the various youth services across Wales.

SBSS is currently encouraging organisations to test their method of working with young people as a concept, and already has service level agreements with four youth organisations.

SBSS is also working on attracting more corporate sponsorship and commercial revenue to help finance projects and is continually promoting what it can offer to organisations. For example, a large-scale media and promotion campaign was planned for the arrival of the yacht including a BBC programme, presented by Jamie Owen, following the team on the Tall Ship Race at Cowes and a press launch in Cardiff and Swansea.

Top tips for loan finance:

- The ability to write a business plan and budget is essential.
- Plan a long term strategy.
- Core staff have got to run the organisation as if it is a business, even if it is actually being run for altruistic gains.
- All those involved have to be 100 per cent behind the idea.
- The project has to be able to offer something unique and be innovative and has to be able to become sustainable through its own activities.
- Remember to promote your idea or concept constantly and network as much as you can.

'Team work makes the dream work!'



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This case study was completed in May 2008.

